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## Policy for the Remuneration of Employees 2025

**Millennium**  
bcp

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## Basic Principles

This Remuneration Policy applies to the Employees of *Banco Comercial Português*, S.A. and subsidiary companies operating in Portugal – BCP-P Group (Policy for the Remuneration of Employees), was prepared in compliance with the Group Code on the Framework of Remuneration Policies (GR0042) and is supported on a set of principles which aim to ensure:

1. A governance model that promotes the alignment of the interests of all stakeholders, namely in what concerns to compliance with the strategy defined for the Group BCP-P, the sustainability of short, medium and long-term earnings, together with a prudent management of risk;
2. A competitive fixed remuneration enabling to attract and retain competent professionals and a variable remuneration intended to stimulate individual and collective performance, as well as to reward the results achieved, in line with the current and future BCP-P Group's risk appetite;
3. The attribution of benefits aligned with best market practices;
4. The compliance with the applicable regulations and guidelines in terms of procedures and remuneration policy;
5. Conduct and commercial practices in line with the interests and needs of the BCP-P Group's Customers;
6. Alignment of the criteria used to assess the Group BCP-P performance and the calculation of the variable remuneration values in the different Remuneration Policies of Group BCP-P;
7. Neutral remuneration practices, ensuring equal pay for equal work or work of equivalent value, regardless of gender.

This Remuneration Policy for Employees, in compliance with the internal rules transversally applied to the *Banco Comercial Português* Group (BCP Group) is targeted at Employees that exercise their professional activity in *Banco Comercial Português*, S.A. and in the subsidiary companies in Portugal (Group BCP-P), hereinafter referred to as Employees, including those whose professional activity has or may have a material impact on the Group's risk profile (Key-Functions Holders (KFH)), excluding members of the management and supervision bodies and other members of corporate bodies of Group BCP-P companies that have their own remuneration policies.

This Policy for the Remuneration of Employees encompasses all remuneration components, namely the annual fixed remuneration, the variable remuneration and the commercial incentives regime.

The Nominations and Remunerations Committee (CNR), following a proposal by the Executive Committee (EC), is responsible for defining and annually revising the guiding principles of the Policy for the Remuneration of Employees, and proposing the approval of such policy by the Board of Directors (BoD) under the terms of article 7 (1)(d) of the respective Regulations.

It is the responsibility of the Risk Assessment Committee (CAvR) to examine if the incentives established in the Bank's Policy for the Remuneration of Employees take into consideration, in addition to the results indicators, the risks incurred and the evolution of capital and liquidity positions.

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

For the revision and supervision of the implementation of the Policy for the Remuneration of Employees,



to be submitted annually to the BoD, the CNR, once it receives a proposal from the EC, shall consider other contributions originating from different areas of BCP-P Group, of which the following are highlighted:

- a) The Risk Officer must be involved to assess that limits are not exceeded in terms of risk, capital, and liquidity of the Bank, as well as whether the variable remuneration structure is in line with the BCP-P Group's risk profile and culture as defined;
- 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 incentive plans, and calculation of the amounts to be attributed, taking into account strategic and budgetary goals, employee profile, retention strategies and market conditions;
- c) The Compliance Officer, which must analyse to what extent the principles and practices of the Remuneration Policy for Employees may affect the ability of the Group BCP-P to comply with legislation, regulations, norms, internal requirements and the respect for the company's culture, as well as the absence of conflicts of interests. It must also report to the CNR any anomalous situation likely to jeopardise or compromise such compliance;
- d) The Audit Division, which must submit annually to the CNR a report on the implementation of the Policy in question.

In the analysis of the proposed revision and when supervising the Policy for the Remuneration of Employees, the CNR must take into account the description of the functions, the required performance targets, of the respective performance, the remuneration adjustments based on risk and the adequacy of these factors to the effective reward of the Employees.

The CNR must also follow documented, clear and transparent procedures; the documents regarding the revision of the proposal and making of decisions must be kept by means of minutes of meetings, reports and other relevant documents.

In carrying out these functions, the CNR may rely on the support of any other Division of the Bank, as well as on the provision of expert services and the support of independent and qualified external advisors.

While exercising its activity, the CNR must guarantee that the Remuneration Policy for Employees and the remuneration practices of Group BCP-P are aligned with the legal and regulatory framework in force of the corporate structure, and with the Bank's risk appetite.

The remuneration of the first line managers (Heads) of the Risk, Compliance and Audit functions should reflect the need to guarantee a greater independence versus the Bank's performance and therefore, the evaluation of their performance with a view to calculating the variable remuneration must privilege qualitative indicators and quantitative indicators related with the compliance with the conduct and prudential rules.

The definition of deferral deadlines related with the variable remuneration payment and the payment of a significant part of its value in Bank shares or Other Instruments is aimed at contributing towards ensuring that the individual performance incentives for Employees with Key Functions, or that should be equivalent to them within the context of the Group BCP-P salary structure, are aligned with the long-term and sustainability objectives of the Group BCP-P.

For Employees to whom variable remuneration has been attributed, mechanisms shall be provided for reducing (Malus) or reversing (Clawback) remuneration, wholly or partially, in compliance with the applicable legal and regulatory requirements.

## Article 1 (Definitions)

The expressions and acronyms listed below, when capitalised, shall have the following meaning:

- i. **AFR** – Annual fixed remuneration corresponds to the monthly remuneration multiplied by 14 times
- ii. **AVR** – Annual variable remuneration, applicable to Employees not allocated to commercial activity and KFH
- iii. **AVR Attribution Date** – Corresponds to the date of the CNR meeting in which the AVR is fixed
- iv. **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
- v. **AVR Evaluation Period** – Evaluation of the performance carried out throughout the civil year in question
- vi. **AVR Payment Date** – Corresponds to the foreseen date in the annual calendar defined by the CNR
- vii. **AVR Target** – Annual variable remuneration corresponding to 100% compliance with the quantitative and qualitative objectives mentioned in the Autonomous Document
- viii. **Autonomous Document** – Document approved by the CNR upon proposal by the EC and which contains: the list of KFH, the reference monthly remuneration for each function, the fixed supplement of function for holders of internal control functions (if any),, the corporate KPIs of the AVR, the KPIs of those responsible for control functions; the table for the estimation of the AVR and the way in which the LTVR is calculated
- ix. **BCP, Bank or Company** – Banco Comercial Português, S.A.
- x. **BCP Group** – Includes the Company and all commercial companies in a control relationship with the Company and Millenniumbcp Prestação de Serviços ACE
- xi. **BCP-P Group or BCP-PT** – Composed by Banco Comercial Português, SA, and other corporate entities that consolidate fully with the Bank, among others, Millennium BCP, Prestação de Serviços, ACE, BCP África, SGPS, Lda, Banco ActivoBank, SA e Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, SA
- xii. **BoD** – Board of Directors
- xiii. **CAvR** – Risk Assessment Committee
- xiv. **CNR** – Nominations and Remunerations Committee
- xv. **Commercial Incentives** – Variable remuneration applicable to Employees allocated to the commercial activity, with the exception of those that are KFH
- xvi. **EC** – Executive Committee
- xvii. **Employees** – All the Employees from Group BCP-P that pursue their activities in companies with registered office in Portugal
- xviii. **First Line Managers** – Managers that report directly to the BoD or to BCP's EC
- xix. **GR0042** – Group Code Remuneration Policy Framework
- xx. **Internal Control Functions** – Functions attributed to the Risk Office, Compliance Office and Audit Division
- xxi. **Job Grade** – Classification of the function based on its responsibility, skills set and value to the Bank, approved by the EC
- xxii. **KFH** – Key Function Holders Employees whose activity may have a material impact on the Group's risk profile, including, in accordance with the applicable norms, the First Line Managers, the Second Line Managers from Risk Office, Compliance Office, Audit Division and Treasury and Markets Division, if applicable, as well as other Employees who should be qualified as such under the terms of the Group Code on the Framework of Remuneration Policies
- xxiii. **KPI** – Key Performance Indicators of BCP-P Group activity

- xxiv. **LTVR** – Long-term variable remuneration, applicable to KFH
- xxv. **LTVR Attribution Date** – Corresponds to the date of the CNR meeting in which the LTVR is fixed
- xxvi. **LTVR 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
- xxvii. **LTVR Evaluation Period** – Period corresponding to the term of office of the BoD under the terms of the Autonomous Document
- xxviii. **LTVR Payment Date** – Corresponds to the foreseen date in the annual calendar defined by the CNR
- xxix. **LTVR Target** – Long-term variable remuneration corresponding to 100% compliance with the objectives mentioned in the Autonomous Document
- xxx. **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
- xxxi. **ROE** – Return on Equity
- xxxii. **Second Line Managers** – Managers that report directly to BCP's First Line Managers
- xxxiii. **Stoxx Europe 600 Banks Index (SX7P)** – Index of shares composed by large European Banks
- xxxiv. **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):  $[(\text{Average of the closing prices of the shares for the two months prior to the end of the evaluation period} - \text{Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period}) + \text{Dividends per share paid to the shareholders in that period}] / \text{Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period}$ , adjusting stock prices to reflect the effects of share capital increases, incorporation of reserves or similar transactions

## Chapter I – General Aspects

### Article 2

#### (Annual Fixed Remuneration, Variable Remuneration, and benefits)

1. Staff members receive a fixed remuneration and a variable remuneration provided that the requirements on which their distribution depend are met, as well as the benefits provided for in number 4 of this article.
2. The fixed remuneration, for the purposes of the present Policy for the Remuneration of Employees, is composed of a base remuneration and, when applicable, seniority allowances, exemption from working hours and supplement of remuneration. Apart from these components of the fixed remuneration, the staff members also receive lunch allowance, which is not considered remuneration.
3. The fixed remuneration of Employees is based on reference remuneration of each function in accordance with the provisions of an Autonomous Document, in accordance with the wage brackets system in effect.
4. The Employees benefit from healthcare services, subsidised home loans and retirement, as set forth in the Collective Labour Agreements or in the Social Security General Regime, as the case may be.
5. Variable remuneration will take the following forms:

- i. AVR (applicable to Employees not allocated to commercial activity and KFH): Amount determined annually under the terms set forth in the Autonomous Document based on the degree of achievement of the performance recorded for each applicable KPI
  - ii. LTVR (applicable to KFH): Amount determined for a multiannual period, corresponding to the term-of-office of the BoD, under the terms contained in the Autonomous Document and its global value in each year cannot exceed 20% of the KFH's reference AFR of the evaluation period
  - iii. Commercial Incentives (applicable to Employees allocated to the commercial activity, with exception of those that are KFH): Amount determined in accordance with the Commercial Incentives Model of the Employees allocated to Commercial Areas approved for each network, the global amount of which cannot exceed 15% of the AFR of the group of Employees covered by this type of variable remuneration. The Commercial Incentives Model is a responsibility of the EC, after listening to the Risk Officer and to the Compliance Officer and is internally defined on specific document, that must be conveyed to the CNR
  - iv. If the Employee changes functions during the year, the respective AVR or Commercial Incentive will be calculated in proportion to the time during which he/she has carried out the functions under which the variable remuneration is being attributed.
6. The maximum overall value of the AVR to be attributed to Employees is 3,0% of the BCP-P Group's net income for the year to which the AVR refers. The attribution of the AVR is in any case conditional on the fulfilment of, at least, 80% of the budgeted net income. Exceptionally, the EC may propose to the CNR, after consulting CAVR, an amount of AVR to be awarded if BCP Group's net income is below 80% of the budgeted value to certain areas or job grades that gave an outstanding contribution to the Bank's performance.
  7. No guaranteed variable remuneration can be attributed to any employee, except if proposed by the EC and approved by the CNR when hiring a new staff member, and only for the first year of the exercise of his/her functions.
  8. Considering the impact on the Bank's capital and liquidity requirements, within the scope of the annual budget process, a preliminary AVR and LTVR maximum overall amount is explicitly defined to be considered for the following year, which is approved by the Bank's BoD.
  9. The EC is responsible for proposing to the CNR, until the end of March, the maximum overall value of the AVR relating to the previous financial year, to be attributed to Employees. If exceptional situations occur, the EC may propose to the CNR, to apply an adjustment to the calculated AVR value, duly justified, with a minimum of -25% and maximum of +25%, namely to cover possible current or future risks, as well as to reflect exceptional performances of the BCP-P Group and incorporate relative performance compared to its peers in Portugal, weighing the macroeconomic environment and specific challenges of the institution, and it is the responsibility of the CNR to approve the said proposal.
  10. When the proposed adjustment, either positive or negative, is greater than 12.5%, and there is an agreement of the CNR to the proposed adjustment, it should obtain the opinion of the CAVR.
  11. In exceptional cases, namely if there is no solid basis of own funds or if its attribution unduly limits BCP Group's capacity to reinforce them, the EC, after hearing the CNR, may propose to the BoD that the AVR is not attributed, is reduced or suspended until further decision of the CNR that confirms that the elements that led to the decision to suspend the suspension are verified.
  12. Annually and until the end of May, the Audit Division will audit the amounts paid as

variable remuneration and Commercial Incentives, informing the CNR of its conclusions. In the year of payment of the LTRV, the process will be audited by the Audit Division.

## Chapter II – Key Function Holders

### Article 3

#### (Variable Remuneration of the Key-Functions Holders)

1. The KFH may receive a variable remuneration composed by an annual component attributed by reference to the financial year to which it concerns (AVR) and by a long-term component (LTRV) attributed by reference to the multiannual period corresponding to the term-of-office of the BoD.
2. For each KFH, the variable component of the remuneration is associated with both the individual performance and performance of the area of responsibility as well as the performance of the BCP-P Group, except for the latter concerning KFH holding control functions, and cannot exceed the amount of the fixed annual remuneration, except if otherwise is resolved by the General Meeting of Shareholders, pursuant to a proposal made by the CNR. In any case, the variable component cannot be more than twice the annual fixed component, this last provision does not apply to KFH holding control functions for which the variable component cannot exceed 150% of the annual fixed component.
3. The sum of the instalments of the annual and multiannual variable remuneration of each KFH, due in each year, cannot exceed, as a whole, the amount indicated in point 2. To calculate this limit, the share of the LTRV attributable in each financial year is taken into account, and for this purpose the share includes the amount that can be allocated in each of the years to which it refers, starting with the first year and progressively completing the entire amount if necessary until the last year to which it refers.
4. The BCP-P Group's performance is measured by the execution level of the BCP-P Group KPIs, defined in the Autonomous Document, with the individual performance being assessed by means of the accomplishment degree of the quantitative and qualitative indicators of the area or individual.
5. The definition of the quantitative indicators is supported on the strategic objectives of the BCP-P Group as a whole, of the business area and individuals, being also considered risk key-indicators, current or future, in order to ensure an alignment of the Employee's risk profile with the Bank's established risk level.
6. The KFH with responsibilities at the level of Internal Control Functions are evaluated based on indicators which are not directly related with the business and are duly identified in the Autonomous Document.
7. The part of the AVR that is not paid in cash and the LTRV (see articles 4 and 5) will preferably be paid in BCP shares, unless duly justified considering the Bank's long-term interests and based on a proposal made by the EC and decided by the CNR.
8. The number of shares or Other Instruments to be awarded to each KFH results from the quotient between the value of the variable remuneration and the AVR Attribution Price or the LTRV Attribution Price, as applicable. In any case, dividends on shares or income from Other Instruments that are attributed to a KFH but not paid because they belong to the deferred component are not due and will not be paid by the Company to the KFH.
9. For the deferred component of the AVR paid in cash, interest is due at the AVR Payment Date, calculated at the interest rate Euribor 12 months (of the last workday of February of the year of payment) plus 0.25%, from the AVR Attribution Date.



10. Unless expressly requested by the beneficiary Employee, the number of shares or Other Instruments to be delivered in order to fulfil the provisions of the previous paragraph shall be that corresponding to the amount payable in shares or Other Instruments gross of IRS.
11. Without prejudice to the provisions of the previous paragraph, the beneficiary may sell or encumber the shares or Other Instruments in an amount necessary to cover all taxes and contributions payable arising from the granting of the shares or Other Instruments. Alternatively, KFH may opt for the sell-to-cover regime, whereby the number of shares or Other Instruments delivered to them will be deducted from the number of shares or Other Instruments whose sale is necessary to pay the taxes and contributions corresponding to the total value of the shares or Other Instruments granted.
12. The Company's shares or other instruments granted under the AVR or the LTVR are subject to a retention policy for a period of one year from the AVR Payment Date and the LTVR Payment Date, respectively, whereby, during the 12 months following their delivery, the KFH may not sell them.
13. As provided for in Article 115-E (19) of the Legal Framework for Credit Institutions and Financial Companies, any relevant hedging mechanisms or similar may not be used by the KFH or by any entity of the Group in their favour with the purpose of mitigating the risk alignment effects inherent in the portion of the AVR or the LTVR paid in shares or Other Instruments.

#### **Article 4**

#### **(Calculation of the annual variable remuneration)**

1. The AVR of the KFH shall consider the following benchmark values (Target) and maximum thresholds:
  - i) KFH, exception made to First Line Managers with internal control functions:
    - a. AVR target – 20% or 22,5% of the AFR of reference of the function depending on the job grade presented in the Autonomous Document
    - b. Maximum AVR attributable – 35% or 39,25% of the reference AFR of the function depending on the job grade presented in the Autonomous Document
  - ii) First Line Managers (Heads) of internal control functions:
    - a. AVR target – 10% of the AFR of reference of the function
    - b. Maximum AVR attributable – 17.5% of the reference AFR of the function
2. The calculation of the AVR amount is based on the results of the performance evaluation carried out in AVR Evaluation Period, in accordance with the Regulation of the Performance Evaluation Model approved by the EC and published in the Bank's internal website, and it is ascertained considering the following components:
  - i) The quantitative component, with a global weight of 70%, of the KFH, exception made to the control functions, is a result of the assessment of quantitative indicators composed by BCP-P Group KPIs (23,3% part) and KPIs from the respective areas, as well as individual KPIs (46,7% part)
  - ii) The quantitative component, with a global weight of 70%, of the KFH with control functions is a result of the assessment of quantitative indicators composed by KPIs of the respective areas, as well as individual KPIs
  - iii) The qualitative component of all the KFH, with a 30% weight results from the evaluation made to the qualitative objectives
3. For the assessment of the BCP-P Group performance, the following KPIs are considered:

Category		Corporate KPIs	Weight
Capital	15%	Common Equity Tier 1 (CET1) capital ratio (fully implemented) (BCP, SA Solo)	10%
		MREL-TREA (%) - Portugal Resolution Group	5%
Profitability	40%	Return On Equity BCP-PT	40%
Risk	10%	NPE ratio BCP-PT	5%
		Net Stable Funding Ratio (NSFR) (%) BCP-PT	5%
Evolution	35%	Digital Transformation (% active mobile customers on total active clients) BCP-PT	10%
		Customer Satisfaction BCP-PT	10%
		Business Volumes BCP-PT	10%
		Sustainability Master Plan Execution Level BCP-PT	5%

4. The final performance assessment is determined by the weighted average of the assessment of the components referred to in the previous number, according to the Autonomous Document.
5. The Corporate KPIs of the BCP-P Group are described in the Autonomous Document and are approved by the CNR upon proposal by the EC, based on the Business Plan or on the budget for the respective assessment period. The remaining indicators, namely the Area/Individual KPIs and qualitative objectives should be defined by the EC in its own internal document and the key indicators of present and future risk are considered as an integral part of the definition process in order to ensure an alignment of the Employee's risk profile with the risk level established by the Bank.
6. The annual performance assessment is made by the Directors regarding the First Line Managers reporting to each one of them, calibrated by the entire EC, exception made to the First Line Managers exercising internal control functions, who must be evaluated by the CNR, after consulting the Directors and the Committees to which they have a hierarchical or functional report bond. In the case of the 1<sup>st</sup> Line Manager responsible for the risk function, the Audit Committee must also be consulted.
7. The allocation of the AVR, as shown in the Autonomous Document, depends on the overall performance recorded by each KFH, being calculated as follows:
  - i) If the registered performance is less than 70 points, the AVR will not be attributed.
  - ii) If the performance recorded is between 70 and 89 points, an amount between 50% and 167.5% of the target AVR shall be attributed.
  - iii) If the performance recorded reaches 90 points or more, an amount corresponding to 175% of the target AVR shall be attributed.
8. The AVR of the KFH will be paid 50% in cash and 50% in BCP shares or Other Instruments.
9. For the KFH, 40% of the AVR is deferred and paid, in five equal instalments in each one of the subsequent five years. The payment is made 50% in cash and 50% in shares or Other Instruments, either in the deferred portion and in the non-deferred portion. If the AVR equals or exceeds the AFR of each KFH, 60% of that amount must be paid in a deferred manner.
10. If the amount of AVR to be awarded is equal to or less than €50,000.00 and does not represent more than one third of the KFH's total annual remuneration, the payment of the AVR will be 100% in cash and there will be no deferral. The same applies to the AVR in the year of payment of the LTVR, if the sum of the two variable remuneration components meets the

mentioned requirements.

11. In the event of cessation of KFH's functions after the end of the evaluation period, but before the payment of the AVR, the full payment of the AVR corresponding to that evaluation period will take place. This provision does not apply in cases of dismissal for just cause or resignation.

## Article 5

### (Long-term variable remuneration)

1. The long-term variable remuneration (LTVR) is awarded to the KFH on the LTVR Attribution Date, if the long-term attribution requirements as well as the annual attribution requirements are met.
2. The long-term attribution requirements are verified at the end of the LTVR Evaluation Period and are based on an assessment of the Average ROE BCP PT in the LTVR Evaluation Period (LTVR ROE) compared with the Average ROE BCP PT Target in the Strategic Plan (SP ROE), as foreseen in the Autonomous Document.
3. The annual attribution requirements are verified each year, at the end of the AVR Evaluation Period, and should be cumulatively met by the KFH. If the KFH does not meet the annual attribution requirements in one year, it does not jeopardize the attribution of LTVR in the LTVR Evaluation Period. The annual attribution requirements comprise quantitative and qualitative indicators and are foreseen in the Autonomous Document.
4. The CNR defines, each year, the amount of LTVR, corresponding to a percentage value of the reference Annual Fixed Remuneration for each function of the KFH in the LTVR Evaluation Period, and such percentage is foreseen in the Autonomous Document.
5. The LTVR amount of each KFH will be calculated each year if the annual attribution requirements are fulfilled and that amount is accumulated over the LTVR Evaluation Period.
6. The LTVR for the KFH is exclusively paid with the attribution of shares of the Company or Other Instruments, on the LTVR Payment Date.
7. The CNR, after consulting the EC, may apply an adjustment factor to the global and/ or individual values of the LTVR of +/- 25%, considering the comparison of the TSR with the Market Peer Group, with the adjustments that BCP PT's concrete situation may justify, and other qualitative factors, such as the macroeconomic evolution, the Strategic Plan and the budgets level of execution, the capital and regulatory position and the local Bank's performance against the key local competitors during the LTVR Evaluation Period, under the terms of the Autonomous Document
8. Without prejudice to Article 3 (2) (3), the LTVR payment 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. In the event that the LTVR is, regarding each member, equal to or higher than the AFRs due for the LTVR Evaluation Period, the deferred amount shall be 60%.
9. If the sum of the LTVR with the AVR paid in the same year equals or is lower than €50.000,00 and if that sum does not represent more than one third of the KFH's total annual remuneration, payment of the LTVR will not be deferred.
10. In the event of cessation of KFH's functions after the end of the evaluation period, but before the payment of the LTVR, the full payment of the LTVR corresponding to that evaluation period will take place. If the cessation of functions takes place during the Evaluation Period, there will be payment, on the date of termination, of the value of the LTVR calculated *pro rata temporis* adjusted up to -50% by decision of the EC. This provision does not apply in cases of dismissal for just cause or request of resignation by the KFH.
11. Notwithstanding the provisions of this Article 6, the determination of the final amount of the

LTVR shall consider the amount of the AVR and the limitations provided for in Article 3 (2) and (3).

## Article 6

### (Malus and Clawback clauses)

1. The totality of the variable remuneration component, regardless of the establishment, or not, of vested rights, is subject to reduction or reversion mechanisms whenever the KFH, with intent or gross negligence, participated in or was responsible for a performance that resulted in significant financial or reputational losses for the BCP-P Group.
2. These mechanisms may be applied up to the date of the last payment of the variable remuneration in the case of the reduction mechanism and up to three years after the payment of the variable remuneration, in the case of the reversal mechanism.
3. The ability to totally or partially reduce (Malus) the payment of a deferred remuneration, the payment of which is not yet a vested right, as well as the refund of variable remuneration, paid or whose payment already constitutes a vested right, (Clawback), is limited to significant events, duly identified and wherein the individuals involved had an active participation, with intent or gross negligence.
4. The application of the reversion mechanism should be subsidiary in relation to the reduction mechanism, meaning, in case of occurrence of an extremely significant event, the application of the reduction mechanism (*Malus*) shall be a priority and only when the latter is deemed used up and insufficient should one consider using the reversion mechanism (Clawback)
5. The verification of the situations described in this article is the responsibility of the EC, which will propose to the CNR the application of the reduction or reversal mechanism and the CNR shall be responsible for the final decision.
6. Whenever a judicial action takes place in connection to the action or omission that justifies the EC's proposal referred to in the previous paragraph, the application of the reduction or reversion mechanism shall be suspended until a final decision takes place and the deferred payments shall also be suspended until such final decision takes place.

## Chapter III – Other Staff Members

### Article 7

#### (Variable Remuneration)

1. Other Employees who are not considered KFH may earn AVR in any form.
2. For each Employee, the variable component of remuneration is associated with the performance, individually and of the business unit, and will not exceed the amount of the annual fixed component, unless upon proposal by the EC and after hearing the CNR, the BoD decides that the variable component may reach a maximum of twice the value of the fixed component.
3. The definition of the quantitative indicators is made based on the objectives of the business area or supporting area and individual objectives, also considering the risk key-indicators, current and future, in order to ensure an alignment of the Employee's risk profile with the Bank's established risk level.

### Article 8

#### (Calculation of AVR for Employees not allocated to the commercial activity)

1. The AVR of second line managers not allocated to the commercial activity considers the following benchmark values (Target) and maximum thresholds:



- a. AVR target – 15% or 17,5% of the AFR of reference of the function depending on the job grade presented in the Autonomous Document
  - b. Maximum value of the attributable AVR – 26,25% and 30,5% of the reference AFR of the function, depending on the job grade presented in the Autonomous Document
2. The AVR of the remaining Employees not allocated to the commercial activity considers the following benchmark values (Target) and maximum thresholds:
  - a. AVR target – 7,5% of the AFR of reference of the function
  - b. Maximum value of the attributable AVR – 15% of the reference AFR of the function
3. The calculation of the AVR amount is based on the results of the performance evaluation carried out with reference to the entire calendar year in question (“AVR Evaluation Period”), in accordance with the Regulation of the Performance Evaluation Model approved by the EC, and it is ascertained considering the following components:
  - a. Quantitative component – obtained from the assessment of quantitative indicators, composed by Individual and Areas KPIs, with a 65% weight
  - b. Qualitative component – obtained from the assessment of qualitative objectives, representing a 35% weight
4. The final performance evaluation is determined by the weighted average of the evaluation of the components referred to in the previous number, and the AVR calculation is made according to the table of the document mentioned in article 2.
5. The quantitative KPIs concerning the Area/Individuals should be defined by the direct managers of the Employees and must be aligned with the strategic objectives of BCP-P Group as a whole, with the business area and those of each Employee in line with the function held, also considering present or future risk indicators, in order to ensure an alignment of the Employee's risk profile with the Bank's established risk level. The qualitative objectives are defined in the Regulation of the Performance Evaluation Model approved by the EC.
6. The allocation of the AVR, as shown in the document referred to in article 2, depends on the overall performance recorded and the same is calculated as follows:
  - a) For the Second Line Managers not allocated to the commercial activity:
    - i) If the registered performance is less than 70 points, the AVR will not be attributed
    - ii) If the performance recorded stands between 70 and 89 points, an amount between 75% and 130% of the target AVR shall be attributed
    - iii) If the performance recorded reaches 90 points or more, an amount corresponding to 133% of the target AVR shall be attributed
  - b) For the remaining Employees not allocated to the commercial activity:
    - i) If the registered performance is less than 70 points, the AVR will not be attributed
    - ii) If the performance recorded stands between 70 and 89 points, an amount between 50% and 190% of the target AVR shall be attributed
    - iii) If the performance recorded reaches 90 points or more, an amount corresponding to 200% of the target AVR shall be attributed.

## **Article 9**

### **(Commercial Incentives for Employees allocated to the commercial activity)**

1. The Variable Remuneration of Employees who are not considered KFHs, and are allocated to commercial activity, is calculated according to the Commercial Incentives Model.
2. Commercial Incentives are connected with the individual performance of each Employee and of the Team to which they belong, and the total amount attributed annually to each Employee cannot exceed four monthly remunerations of reference for the function they carry out, or the amount of its annual fixed component.

3. The evaluation of individual and Team performance is based on quantitative and qualitative criteria, in order to properly ascertain the contribution of each Employee to the results of his/her Business Area, the proper compliance with internal regulations and standards and the satisfaction of the BCP-P Group's customers, in order to promote conduct and commercial practices aligned with the interests and needs of the BCP-P Group's Customers.
4. The payment of the Commercial Incentives can be made quarterly or annually depending on the specificity of the commercial activity, all according to the Commercial Incentives Model.
5. The total annual amount of the Commercial Incentives cannot exceed 15% of the AFR of the group of Employees covered by this type of variable remuneration, whose value is defined for each year in the respective budgetary process, under the proposal of the EC and approval of the BoD.
6. If the maximum overall amount of AVR, calculated under the terms of paragraph 9 of article 2, implies an increase in the AVR to be attributed, compared to the previous year, greater than that defined in the budget for Commercial Incentives, the EC may decide to increase the value of the Commercial Incentives- for Employees, in order to align the evolution of the two variable remuneration models, informing the CNR of this decision. In case the increase amount is greater than the one defined in the budget for Commercial Incentives, the value must be previously approved by the CNR, under EC proposal.
7. The definition and updating of the rules of the Commercial Incentives Model for each Business Area is the responsibility of the EC, under the proposal of the Human de Resources Division with the favourable opinion of the Risk Office and the Compliance Office, with information to the CNR as defined in their own document, with the knowledge of the Employees to whom those rules concern.

## **Article 10**

### **(Supplemental retirement pension for disability and old age)**

1. Employees benefit from the social security regime and a retirement system, which is applicable to each case, under the terms defined in the Collective Labour Agreements, namely in function of the date of admission to the Bank.
2. Employees admitted before July 1, 2009, are entitled, under the terms provided in the Collective Labour Agreements, to a Retirement Supplement, consisting of a defined contribution system to be carried out in the years in which the Bank complies with the requirements defined by the Collective Labour Agreements. The Employees admitted after July 1, 2009, are covered by a supplementary pension plan with defined retirement contributions and vested rights, financed by contributions from the BCP-P Group and the Employees, indexed to their remuneration, under the terms provided in the Collective Labour Agreements.
3. The defined contributions referred to in the previous paragraph are made in the individual account of each Employee, which will be converted into retirement pension supplements at the time of retirement due to old age or disability, under the terms defined in the Collective Labour Agreements.

## **Article 11**

### **(Entry into force)**

1. This Policy enters into force on 1 January 2025.

**Owner:** Human Resources Division

**Version:** 6

**Date of approval:** February 26<sup>th</sup>, 2025

**Approving body:** Board of Directors

**Changes compared to the previous version:** The changes resulted from updating the Policy as part of its annual review, including, among others, the change in the calculation of the maximum global value of annual variable remuneration, the increase in the maximum limit of variable remuneration for Key Function Holders with control functions, the differentiation of remuneration criteria within employee segments and the possibility of paying interest on the deferred component of variable remuneration paid in cash.

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