ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS, S.A.

(24/05/2023)

PROPOSAL IN CONNECTION WITH **ITEM 4** OF THE AGENDA

To resolve on the update of the Remuneration Policy of Members of the Management and Supervisory Bodies and Revoking the Retirement Regulation of the Executive Directors

In accordance with the law and the articles of association of Banco Comercial Português, S.A. the Remuneration and Welfare Board (RWB) and the Committee for Nominations and Remunerations (CNR) are responsible for presenting for approval by the general meeting of shareholders a proposal on the Remuneration Policy of the members of the management and supervisory bodies.

The General Meeting of Shareholders held on May 4, 2022 approved the update of the Remuneration Policy of the Members of the Management and Supervisory Bodies, bearing in mind, namely, the alterations introduced in the Securities Code and the Notice no. 3/2020 of Banco dePortugal, published on July 15.

Considering the experience achieved in the meantime and the recent legislative changes, namely the changes introduced by Law no. 23-A/2022, of December 9 to the Legal Framework of Credit Institutions and Financial Companies (LFCIFC), there is a need to proceed to the improvement and updating of the aforementioned Remuneration Policy.

In addition, and since the directors' retirement supplements also constitute a remuneration component under the terms of the EBA Guidelines on sound remuneration policies (EBA/GL/2021/04) which, currently, are already regulated by the Remuneration Policy of the Members of the Management and Supervisory Bodies, it is considered beneficial to have only one document regulating the matter at the Bank.

Hence, and considering:

a) The legal provision stating that part of the variable remuneration of executive directors which is not paid in cash may be paid in shares or in additional tier 1 equity instruments or tier 2 equity instruments or other instruments able of being fully converted in Tier 1 principal equity instruments or the value of which may be reduced, to the extent that they adequately reflect the bank's creditworthiness and are appropriate for payment of the variable remuneration, being foreseen, however, in the herein proposed policy that such remuneration component be paid preferably in shares and only paid in said instruments when duly justified by the Bank's long-term interests and upon decision made by the Remuneration and Welfare Board, after discussion and favourable opinion issued by the Committee for Nominations and Remunerations;

b) The provision of the LFCIFC establishing that it is only required for payment in shares or other instruments when the annual value of the variable remuneration exceeds €50,000.00 (fifty thousand euros);

c) The EBA Guidelines establishing that the variable remuneration of the Chief Risk Officer must have a significantly lower ratio than the other directors between the variable and fixed components of the remuneration and that he/she must be mainly evaluated in accordance with the objectives of the control functions; this principle is already incorporated in the current policy, but should be enhanced;

d) The need to incorporate more objectives associated with the Bank's risk management component in the Directors' performance assessment;

e) The need to standardize and consolidate in a single document the regime of supplementary retirement pensions applicable to members of the Board of Directors, which generated the proposal to revoke the Retirement Regulations for Executive Directors and the introduction of amendments to the articles of the Policy in question which are related with the supplemental retirement pension due to old age or disability.

It is hereby proposed:

I

To alter the Remuneration Policy for the Members of the Management and Supervisory Bodies so that it, besides improving the text, may consider the following:

- Transversal review of the document to accommodate what is stated in paragraphs a) and b) above, especially articles 8. to 10.;
- Article 2., introduction of paragraphs x) and xi) and alteration of paragraphs xiii) and xiv), for a better clarification;
- Article 8 (9) and Article 9 (6): amendment to accommodate what is mentioned in c) above;
- Article 9 (1): amendment to accommodate what is mentioned in d) above;

- Article 14: introduction of the current number 9 to introduce a subject that was regulated in the Retirement Regulations for Executive Directors, as referred to in e) above;
- Article 16: introduction of a new article and renumbering of the following ones.

II.

Revoke the Retirement Regulation for Executive Directors, currently in force, without harming acquired rights or rights being formed under the provisions of the law.

Thus, and in compliance with the provisions of article 115 C (4) of the Legal Framework for Credit Institutions and Financial Companies and article 14 of the Bank's Articles of Association, the Remunerations and Welfare Board and the Committee for Nominations and Remunerations herein propose that the amendments to the Remuneration Policy of the Members of the Board of Directors and Supervisory Bodies submitted above be approved. We are enclosing herein, in the event of approval, the consolidated version of this Policy.

Lisbon, April 20, 2023

THE REMUNERATIONS AND WELFARE BOARD

THE COMMITTEE FOR NOMINATIONS AND REMUNERATIONS

REMUNERATION POLICY OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES
2023

Basic Principles

This Remuneration Policy applies to the members of the management and supervisory bodies (MMSB) of Banco Comercial Português, S.A. ("BCP" or "Bank") and was made in compliance with the provisions of the Group Regulation GR0042 on remuneration policies and is based on a number 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 risk management;
b) 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 reward the results achieved, in line with the current and future Bank`s risk profile and tolerance;
c) the attribution of benefits, namely in what concerns the retirement benefits, aligned with market practice;
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, it pertains to the Committee for Nominations and Remunerations (CNR) the definition and annual revision of the principles defining the remuneration policy of the MMSB and submit that policy, jointly with the Remuneration and Welfare Board (RWB), for approval by the General Meeting of Shareholders of the Bank.

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

Whenever the CNR does not include, at least, a member of the CRA, the latter must indicate a representative to participate in the meetings of the CNR having the Remuneration Policy in the Agenda.

In the preparation of the proposal on the Remuneration Policy and supervision of its implementation the CNR must obtain an opinion from the RWB and contributions from BCP's different management areas of which the following should be highlighted:

a) The Risk Office, an area 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 Remuneration Policy, namely regarding the structure and levels of remuneration and the calculation of the AVR values to be attributed, taking into account the strategic and budgetary objectives, 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 the Group BCP's 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 RWB 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 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 RWB.

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 must be kept by means of the minutes of the meetings, reports and other relevant documents.

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 resulting effects.

The CNR may be accessed a by external experts or independent and qualified external advisors which may help one or several of its members and supplement and support his/her duties performance.

It is considered essential that the fixed remuneration represents a sufficiently high portion of the total remuneration, so as 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 its 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 dependent on the performance and on the sustainable growth of the Bank's income and adequacy of its capital ratios, as well as on the market conditions and on the possible risks, current and future, which may impact the business. This way, the Bank is able to guarantee a model that is financially sustainable and does not harm 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 greater independence from the Bank's performance; therefore the Bank must favour qualitative indicators as well as quantitative indicators related to the compliance with the conduct and prudential rules in the calculation of the variable remuneration.

The definition of deferment periods for the payment of the variable remuneration and the payment of a significant part of its amount with shares of the Bank or other instruments aim to contribute to an individual performance aligned with the Bank's long-term objectives and the Bank's sustainability, adapted to its risk profile.

There are also mechanisms for reducing (malus) or reversal (clawback) all or part of the variable remuneration, in order 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, of the annual variable remuneration, long-term variable remuneration and other benefits attributable 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) **AudC**– Audit Committee

iii) **CRA** - Committee for Risk Assessment

iv) **CEO** – Chairperson of the Executive Committee

v) **CNR** – Committee for Nominations and Remunerations

vi) **CRO** – Chief Risk Officer

vii) **RWB** - Remuneration and Welfare Board

viii) **AVR Attribution Date** - Corresponds to the date of the RWB meeting in which the AVR is fixed.

ix) **AVR Payment Date** - Corresponds to the date of payment of the fixed remuneration, in the month following the approval of accounts by the Annual General Meeting.

x) **LTVR Attribution Date** - Corresponds to the date of the RWB meeting in which the LTVR is fixed.

xi) **LTVR Payment Date** - Corresponds to the date of payment of the fixed remuneration, in the month following the approval of accounts by the Annual General Meeting.

xii) **Autonomous Document** – Document stating, in the first part, the specific amounts of the remuneration of the different members of the corporate bodies approved by the RWB, and in the second part, the calculation formulas, indicators or indexes to be used for the purposes of the AVR and LTVR determination, being the latter part approved by CNR and by RWB.

xiii) **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.

xiv) **AVR Evaluation Period –** period of time from January 1 to December 31, 2022.

xv) **LTVR Evaluation Period -** period of time from January 1, 2022 to December 31, 2025.

xvi) **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 defined above.

xvii) **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 defined above.

xviii) **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.

xix) **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.

xx) **AFR** - annual fixed remuneration.

xxi) **AVR** - annual variable remuneration.

xxii) **Target AVR** – Annual variable remuneration corresponding to 100% compliance with the quantitative and qualitative objectives mentioned in the Autonomous Document.

xxiii) **LTVR** - long-term variable remuneration.

xxiv) **Target LTVR** - Long-term variable remuneration corresponding to 100% compliance with the objectives mentioned in the applicable annexes.

xxv) **Stoxx Europe 600 Banks Index (SX7P)** – Index of shares composed by large European Banks.

xxvi) **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 transactions. The dividends to consider are those that, in relation to the date of approval, have been more recently approved. The dividends to consider are those that, in relation to the approval date, have been more recently approved.

Chapter I
Members of the Management and Supervisory Bodies of the Company

Article 3

(Contracts duration and termination conditions)

1. The duration of the contracts of the members of the Management and Supervisory Bodies (MMSB) corresponds to the duration of the mandate for which they were elected by the General Meeting of Shareholders or, in case of co-optation, to the remaining period of the mandate in progress.
2. If any of the Members of the Management and Supervisory Bodies intends to cease his/her functions, terminating his/her contract, this will only take effect by the end of

the month following the communication of his/her intention. The Board of Directors may, with the favourable opinion of the Audit Committee, dismiss this pre-notice, without any indemnity payment.

3. The Board of Directors or the Audit Committee may decide to end the contract of any MMSB, without the need for prior notice, and the indemnity payment in the case of a contract ended without just cause corresponds, at least, to the remuneration due until the end of the mandate, but the MMSB may waive all or part of that indemnity. If the end of the contract is based on just cause, there will be no indemnity payment.

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

1. The establishment of the remunerations and benefits of the MMSB and of the Board of the General Meeting of Shareholders is made by the RWB and, although it is fixed for the term of office, in exceptional situations they may be reviewed by the RWB in the course of the same.
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)

1. The members of the Board of the General Meeting of the Company are entitled to an annual fixed remuneration established by the RWB, paid in four quarterly instalments, and to corporate bodies health insurances subscribed by the Bank and at each moment in effect.
2. The remuneration referred in the previous number fixed at each point in time is shown in the Autonomous Document.

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 a fixed annual remuneration, paid in 12 monthly instalments, and to the health insurance that is contracted by the Bank at any time for its Employees and Executive Directors.

2. The remuneration referred in the previous number fixed at each point in time is shown in the Autonomous Document.
3. The RWB may, at the request of the non-executive Board Member, decide not to award remuneration to non-executive member(s) of the Board of Directors of the Company who are related to shareholders with qualified holdings.

Chapter IV
Executive Members of the Board of Directors

Article 7
(Annual Fixed Remuneration)

1. The members of the Executive Committee are entitled to a fixed annual remuneration, paid in 14 monthly instalments, as defined in the Autonomous Document.
2. The Retirement Supplement due to old age or disability mentioned in article 13 does not have a discretionary nature, so it is considered a fixed remuneration.

Article 8
(Variable Remuneration)

1. The members of the Executive Committee may also earn a variable remuneration composed by a component attributed by reference to the financial year to which it concerns (AVR) and by a long-term component (LTVR) attributed by reference to the entire term-of-office.
2. The attribution and determination of the AVR and LTVR is the responsibility of the RWB upon proposal by the CNR and after obtaining the opinion of the CRA in matters within its competence for the purposes of the Base Principles above.
3. The process of calculating the AVR and LTVR, aiming at their subsequent approval, must be concluded by the end of March, and for this process the value of the Annual Variable Remuneration to be attributed to the Bank's Employees must also be taken into account.
4. The variable remuneration, both annual and long term, may be waived in exceptional cases, or conditionally postponed, namely if, after hearing the AudC and CRA, any of the following situations occurs: (i) there is no solid capital base; (ii) its attribution unduly limits the Company's ability to strengthen its equity; or (iii) such attribution is found not to be in compliance with applicable laws, regulations or guidelines.
5. The sum of the annual and pluri-annual variable remuneration of the Executive Committee members due in each year may not exceed, in total, the amount defined in the Bank's articles of association.

6. The attribution of the variable remuneration is subject to the positive evolution of the own funds amount under a prudential perspective (value of capital for calculation purposes of the CET1 of the Group), and may, by decision of the RWB after listening to the CNR and the CRA, not be considered extraordinary operations that, by their size and/or impact, affect the capital.
7. 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 RWB after consulting the Audit Committee and the Committee for Risk Assessment and having verified that the institution has a solid and strong capital base.
8. Only for purposes of estimating the attributable variable remuneration, the amounts corresponding to the Retirement Supplementary Regime are not considered AFR.
9. 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 Chief Risk Officer whose variable component of the remuneration may not, in each year, exceed the fixed component of the remuneration.
10. The AVR will be paid 50% in cash and 50% in BCP shares or other instruments classified as additional Level 1 own funds or Level 2 own funds or other instruments which may be converted into Level 1 core own funds or which value may be reduced in order to adequately reflect the credit rating of the Bank and be adequate to be used as payment of the variable component of the remuneration, either in the deferred or the non-deferred component. If the sum of the AVR with the LTVR, if there is LTVR payment in the same year, equals or is lower than €50,000.00 and is lower than two thirds of the total annual remuneration of the Director, payment of AVR will be 100% in cash.
11. The part of the AVR that is not paid in cash would be preferably paid in BCP shares, except if duly justified considering the long-term interests of the Bank and upon the RWB's decision, after discussion with and issuance of a favorable opinion by the CNR.
12. Unless expressly requested by the beneficiary Director, the number of shares or other instruments to be delivered to comply with the provisions of the preceding paragraph will correspond to the amount payable in shares or other instruments gross of income tax (IRS).
13. 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 paragraph 9 of this Article). For the assessment of the 200% limit it should be considered the share of LTVR attributable to each year, being that

this share considers the part attributable to each year beginning in the first year and progressively adding up the amount until the last year of the evaluation period of the LTVR, if necessary.

14. Whenever the variable remuneration, calculated pursuant to the preceding number, exceeds the AFR component, the amount that exceeds the AFR shall only be payable to the extent that it is lower than 200% of the corresponding AFR and may only be paid after approval by the General Meeting of Shareholders (pursuant to article 115-F of the Legal Framework for Credit Institutions and Financial Companies), by proposal of the RWB, having consulted the CNR, the CRA, the Risk Officer and the Compliance Officer.
15. The definition of the individual quantitative indicators is made by the CNR, after consulting the Committee for Risk Assessment, and is made based on the Bank's strategic goals, being also considered as an integral component of the process for the definition of the key-risk indicators to ensure an alignment of the risk profile of the Executive Committee members with the level of risk tolerated by the Bank.
16. 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.
17. As foreseen in no. 19 of article 115-E of the Legal Framework for Credit Institutions and Financial Companies, no relevant hedging mechanisms may be used with the purpose of attenuating the effects of alignment with the risk inherent to the types of remuneration, and no variable remuneration can be paid by means of special purpose vehicles or other methods with an equivalent effect.

Article 9
(Annual Variable Remuneration)

1. The AVR attribution depends on the verification of a weighted average equal to or higher than the percentage referred in the Autonomous Document of the execution level of the Corporative KPIs related to the Bank's overall performance which are listed below and detailed in the Autonomous Document:
    i. Total Impairments and provisions, excluding CHF impairments – Group
    ii. Common Equity Tier 1 (CET1) capital ratio fully implemented – Group
    iii. Core Operating Profit Recurring – Group
    iv. Non-performing exposure annual decrease – Group
    v. Non-performing exposure ratio - Group
    vi. Recurrent Cost-to-income – Group
    vii. Return on Equity – Group
    viii. Digital Transformation (% active mobile customers on total active clients) – Group
    ix. Customer Satisfaction - BCP PT

x. Sustainability Master Plan Execution Level – BCP PT

2. The overall value of the Annual Variable Remuneration to be attributed is subject to a maximum amount (bonus pool), calculated under the terms defined in the Autonomous Document, and its overall value may not exceed 1.00% of the net profit for the year to which the AVR refers to. Should the sum of the individual annual variable remunerations calculated be higher than the maximum value calculated (bonus pool), an adjustment factor will be applied to the calculated individual values, so that their sum does not exceed the maximum value calculated.
3. The individual AVR shall take account of the following values (without prejudice to Article 8 (13) and (14)):
   i) AVR Target - 42% of the respective total AFR (corresponding to 60% of the sum of the AVR Target and LTVR Target);
   ii) Maximum AVR attributable - 63% of the respective AFR.
4. The RWB, in cooperation with the CNR, after consulting the Committee for Risk Assessment and the Audit Committee may – with duly justification included in the minutes - adjust the individual RVA values resulting from the application of the percentages foreseen in the previous paragraph, as well as consider an adjustment factor for the global value of the annual variable remuneration provided for in number 2 (bonus pool), with a minimum of -25% and a maximum of +25%, namely to cover possible risks, current or future ones, cost of own funds and liquidity required in BCP Group, as well as to reflect exceptional factors affecting the performance of the Bank, or to contribute to the cohesion of the Body.
5. When the adjustment factor implies a positive or negative variation equal to or above 12.5%, that is 50% of that indicated in paragraph 4 above, must be the subject to a written explanation.
6. The calculation 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 level of achievement 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 bonus pool definition) are established, each year, by the CNR, after listening to the RWB and the CRA, based on the Business Plan or Budget for the respective period, previously approved by the Board of Directors, which will be part of the Autonomous Document.
8. The KPIs mentioned in the preceding paragraph should be in line with the goals of the activity plan and take into account the risk appetite defined by the Bank and the capital and liquidity plans, being defined KPIs for the global performance of the Bank and differentiated KPIs for each director, adjusted to his/her areas of responsibility as per

chapter “Corporative KPIs” of the Autonomous Document.

9. The values of the corporate KPIs, and their weights, defined for each year will be mentioned in the Autonomous Document.
10. The calculation of the amounts of the AVR shall be made by the Bank’s Human Resources Division and shall be audited by the Audit Division and, pursuant to a resolution adopted by the RWB, those estimations may be validated by an external independent entity.
11. The attribution of the AVR depends on the performance recorded for each individual quantitative KPI, being calculated as follows (without prejudice to Article 8 (13) and (14):
    i) If the performance recorded is under 80% of the established KPI, no AVR shall be attributed for that quantitative objective;
    ii) If the performance recorded is between 80% and 90% of the established KPI, the amount situated in the interval between 70% to 80% of the AVR target of that objective is due, as per the Autonomous Document;
    iii) If the performance recorded is between 90% and 110% of the established KPI, the amount situated in the interval between 80% to 120% of the AVR target of that objective is due, as per the Autonomous Document;
    iv) If the performance recorded is between 110% and 150% of the established KPI, the amount situated in the interval between 120% to 150% of the AVR target of that objective is due, as per the Autonomous Document;
    v) If the performance recorded attains 150% of the objective or more, the amount corresponding to 150% of the AVR target of that objective is due, as per the Autonomous Document;
12. 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. 6 i).
13. The qualitative assessment of the members of the Executive Committee is the CNRs responsibility, after hearing the non-executive Chairman and Vice-Chairmen of the Board of Directors and the Chairman of the Executive Committee, who will only give his/her opinion on the other members of the Executive Committee.
14. The annual weighted evaluation of the qualitative objectives will be measurable and assessed in accordance with a table/questionnaire approved by the CNR, after listening to the RWB, the Compliance Officer and the first line manager of the Human Resources Division.
15. The global performance of the qualitative objectives of each director is a result of the weighted average of the objectives set forth in the Autonomous Document (rounded to the unit), with the weight mentioned in no. 6 ii) of this article and according to the following parameters:
    i) If the global performance recorded is lower than level 2 (“Somewhat Lower than Expected”), no excess regarding the AVR will be estimated, as such;

ii) If the recorded global performance is between level 2 (“Somewhat Lower than Expected”) and level 3 (“Meets the Expectations”), shall be attributed the amount placed in the interval 60% and 100% of the Target AVR for that objective, as set forth in the relevant table included in the Autonomous Document;

iii)If the recorded global performance is between level 3 (“Meets the Expectations”) and level 4 (“Above Expectations”), shall be attributed the amount placed in the interval 100% and 130% of the Target AVR for that objective, as set forth in the relevant table included in the Autonomous Document;

16. The AVR is paid on the payment date of the fixed remuneration in the month following the date of approval of accounts by the Annual General Meeting of Shareholders (“AVR Payment Date”).
17. Without prejudice to the provisions of Article 8 (13) (14), 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 Payment Date of the AVR, with the payment to be made 50% in cash and 50% in shares of the Company or other instruments, either in the deferred or in the non-deferred component. 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 sum of the AVR with the LTVR, if there is LTVR in the same year, equals or is lower than €50,000.00 and is lower than two thirds of the total annual remuneration of the Director, payment of AVR will not be deferred.
18. The number of shares of the Company to be attributed to each Executive Committee member results from the quotient between the value of the AVR and the AVR Attribution Price. In any case, the dividends related to the shares or income from other instruments, as applicable, attributed to a Director but not paid due to being part to the deferred component, are not due and will not be paid by the Company to the Director.
19. The shares of the Company or other instruments, attributed as AVR, in accordance with paragraphs16 and 17 above, are subject to a retention policy for a period of one year starting on the AVR Payment Date; therefore, the Executive Committee member may not sell them during the 12 months following their delivery, except as provided in the following paragraph.
20. The Executive Committee member may sell or encumber the shares or other instruments, in an amount necessary to cover all taxes and contributions payable in connection with the allocation of the 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 attributed.
21. If the member of the Executive Committee is not elected for a new term-of-office, the unavailability regime foreseen in paragraph 17 above will continue to be in force.
22. In the event of the end of office of the member of the Executive Committee, for any reason other than removal with just cause, after the end of the evaluation period but

before the payment of the AVR, 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).

23. 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 RWB, 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 in case the Director has been in office for a period of less than 3 years.
24. If a new member of the Executive Committee takes up his or her duties midway through his or her term of office, he or she shall be entitled to the pro-rata temporis of the AVR and the LTVR.

Article 10

(Long-Term Variable Remuneration)

1. The long-term variable remuneration (LTVR) is exclusively paid with the attribution of shares of the Company or other instruments classified as additional Level 1 own funds or Level 2 own funds or other instruments which may be converted into Level 1 core own funds or which value may be reduced in order to adequately reflect the credit rating of the Bank and be adequate to be used as payment of the variable component of the remuneration, taking into consideration the following benchmark values ("Target") and maximum limits (without prejudice to the provisions of article 8 (13)(14)):
   i) LTVR Target - 28% of the respective AFR of the LTVR evaluation period (corresponding to 40% of the sum of the AVR Target and LTVR Target);
   ii) Maximum value of LTVR – 42% of the respective AFR of the LTVR evaluation period.
2. The LTRV would be preferably paid in BCP shares, except if duly justified considering the long-term interests of the Bank and upon the RWB's decision, after discussion with and issuance of a favorable opinion by the CNR.
3. The CNR, after consulting the RWB, the Committee for Risk Assessment and the Audit Committee, may apply an adjustment factor to the individual RVLP amounts resulting from applying the percentages provided for in the preceding paragraph, as well as apply an adjustment factor to the global amount of the LTVR, with a minimum of -25% and a maximum of +25%, namely to cover possible risks, current or future ones, cost of own funds and liquidity required in the BCP Group, as well as to reflect exceptional performances of the Bank.

4. When the adjustment factor implies a positive or negative variation equal to or above 12.5%, that is 50% of that indicated in paragraph 2 above, must be the subject to a written explanation.
5. The calculation of the number of shares or other instruments corresponding to the LTVR to be awarded is based on the results of the performance evaluation during the LTVR Evaluation Period and is assessed in accordance with the Autonomous Document.
6. The attribution of LTVR regarding the performance foreseen in the previous paragraph depends on the execution level of the objectives as of December 31, 2025, set forth in the Autonomous Document.
7. The performance evaluation components are of a quantitative nature and are established by the CNR, after listening to the RWB and set out in the Autonomous Document.
8. In case there is an operation altering 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 RWB.
9. The LTVR should be paid in the date of payment of the fixed remuneration in the month following the date of approval of accounts by the General Meeting of Shareholders ("LTVR Payment Date"), by attributing the Company's shares or other instruments in accordance with the terms and conditions foreseen in the Policy.
10. Without prejudice to Article 8 (13) (14), 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. In the event that the LTVR is, regarding each member, equal to or higher than two-thirds of the AFRs due for the LTVR Assessment 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 is lower than two thirds of the total annual remuneration of the Director, payment of AVR will not be deferred.
11. The number of shares or other instruments to attribute to each executive Director results from the quotient between the value of the LTVR and the LTVR Attribution Price. In any case, the dividends or income related to the shares or other instruments, as applicable, attributed to an executive Director but not paid due to being part to the deferred component, are not due or will not be paid by the Company to the Director.
12. The payment of the LTVR requires the full exercise of the 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 member of the Executive Committee, 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 RWB, after hearing the CNR, at the end of the period of the LTVR Evaluation Period.

13. If the member of the Executive Committee leaves office, for any reason other than removal with just cause, after the end of the evaluation period, but before payment of the LTVR, 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 this Policy.
14. The shares of the Company or other instruments attributed as LTVR are subject to a retention policy for a one-year period starting from the LTVR Payment Date (mentioned in paragraph 9) so that during the 12 months following their delivery the Director is unable to sell them, except in the cases mentioned in the following paragraph.
15. The beneficiary may sell or encumber the shares in an amount necessary to cover all taxes and contributions payable arising from the allotment of the shares. 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 attributed.
16. If the member of the Executive Committee is not elected for a new term-of-office, the unavailability regime foreseen in paragraph 14 above will continue to be in force.
17. Notwithstanding the provisions of this Article 11, the determination of the final amount of the LTVR shall consider the amount of the AVR and the limitations provided for in Article 8 (13) and (14).

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, if not due to resignation or dismissal with just cause, shall be entitled to a compensation to be calculated by the CNR in accordance with article 3º above and the exact amount is to be approved by the RWB after hearing the Committee for Risk Assessment.
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 paragraph 1 above may not exceed the overall 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 the member in the years in which he/she was in office in the mandate.

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 totally or partially reduce (malus) the payment of a deferred remuneration, the payment of which is not yet an acquired 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, 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 shares or other instruments price performance.
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, should recourse to the clawback mechanism be considered.
5. In any circumstance and concerning the application of malus or clawback mechanisms, the guidelines from EBA (European Banking Authority) that are in effect at the time will always have to 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 a consultation made with the RWB, the CRA, the Audit Committee and the Chairperson of the Board of Directors.

Article 13

(Benefits)

The Executive Committee members and the non-executive Director 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

(Supplemental retirement pension for disability and old age)

1. The Directors mentioned in the previous article shall benefit from the social security regime, or another, 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 paragraphs shall be established by the RWB, 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 RWB.
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 applicable social security regime.
8. At the time of the de facto 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 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)

It is not envisaged 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. 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 non-executive Directors exercising functions under an exclusive regime, is intended to directly compensate the activities they carry out directly at the Bank or in 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
Insurance

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
Entrance into force

1. This Policy shall be applicable from January 1, 2023.
2. With regard to the instruments used to pay the variable remuneration, the provisions of article 15.4, number 278 of the EBA/GL/2021/04 (EN) relating to Directive 36 of the European Union must be respected, on the date of its attribution, regardless of the year to be that concern.