

## **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 ActivoBank, S.A. (“ActivoBank” or “Bank”) and was made in compliance with the provisions of the Group Code GR0042 on remuneration policies and is based on a number of principles that aim to ensure:

- a) a governance model that promotes the alignment of the interests of all stakeholders, namely in what concerns compliance with the strategy defined for BCP-P Group and for the Bank, the sustainability of short-, medium- and long-term earnings, together with a prudent management of risk;
- 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 risk appetite of the Bank;
- c) the attribution of benefits aligned with market practice;
- d) the compliance with the applicable regulations and guidelines in terms of procedures and remuneration policy;
- e) behaviours and commercial practices in line with the interests and needs of the Bank’s Customers;
- f) the alignment of the criteria used to assess the Bank’s performance and the calculation of the variable remuneration with the different Remuneration Policies of BCP-P Group.

For that purpose, the Remunerations Committee of ActivoBank is responsible for defining and annually review the Basic Principles of the MMSB Remuneration Policy and the Remuneration Policy to be applied each year, and submit such policy for approval by the Bank’s General Meeting of Shareholders, with the prior opinion of the Committee for Nominations and Remuneration of BCP, as stated in the Group Code GR0042.

The Group Risk Office, which ensures the risk function of ActivoBank, is responsible for examining if the incentives established in the Bank’s Remuneration Policy of MMSB takes into consideration the risk, capital, liquidity, and expectations concerning income at any given time.

For the preparation of the proposed Remuneration Policy and supervision of its implementation, the Remunerations Committee must obtain contributions from the different Areas that ensure the following management functions of ActivoBank, of which the following stand out:

- a) Risk, which should be involved to ensure that limits are not exceeded in terms of risk, total own funds and liquidity of the Bank, contributing to the definition of measures to implement variable remuneration according to risk, namely ex ante and ex post measures, and to assess if the variable remuneration structure is in line with the risk profile and culture of the Bank;
- b) Human Resources, which should contribute to the preparation and evaluation of the Remuneration Policy, namely regarding the structure and levels of remuneration and calculation of the AVR values to be awarded, considering the strategic and budgetary objectives, retention strategies and market conditions;
- c) Compliance, which must analyse to what extent the principles and practices of the Remuneration Policy may affect the capacity of ActivoBank to comply with the legislation, regulations, rulings, internal requirements, and the respect for the company's and the BCP Group's culture, as well as the absence of conflicts of interest, reporting to the Remunerations Committee any anomalous situation which may jeopardize or compromise that compliance;
- d) Internal Audit, which must develop annual mechanisms for the independent validation /revision of the design of the Remuneration Policy, its implementation, calculation and respective effects.

In the independent analysis of the implementation of the Remuneration Policy, the Remunerations Committee, with the support of BCP's Audit Division, the area that ensures ActivoBank's internal audit function, will verify the implementation and compliance with the adopted remuneration policies and procedures and will communicate the evaluation report to the General Meeting of Shareholders, the Board of Directors, and to the Audit Board of ActivoBank.

While making the proposal for the Remuneration Policy, the Remunerations Committee must also follow clear and transparent procedures, which are documented; the documents regarding the preparation of the proposal and the decision-making process must be kept, namely minutes of meetings, reports, and other relevant documents.

The Remunerations Committee may resort to the support from any Division of ActivoBank or of BCP and it may hire independent and qualified experts and external consultants to assist one or more of its members in the performance of their functions, allowing to complement and support the execution of his/her activities.

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.

While in the exercise of its activities, the Remunerations Committee should ensure that the MMSB Remuneration Policy is in line with the legal and regulatory framework in force, general structure of the corporate governance and the Bank's risk appetite.

In accordance with these principles, the attribution of a variable remuneration is linked with the performance and the sustainable growth of the income of BCP-P Group, of which ActivoBank is part, and with the adequacy of its capital ratios, as well as with the market conditions and the possible risks, current or future, which may impact the business. This way, a financially sustainable model is guaranteed, which is not harmful to the institution, depositors, employees, shareholders, and other stakeholders.

The definition of deferment periods related with the variable remuneration payment and the payment of a significant part of its amount with 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 is aimed to contribute to an individual performance aligned with the long-term objectives and sustainability of BCP-P Group and of ActivoBank, adjusted to their risk profile.

Reduction (malus) and reversion (clawback) mechanisms are foreseen for the whole or part of the variable remuneration in order to be able to comply with the legal and regulatory requirements and also observe the recommendations and guidelines issued by the competent entities.

## Chapter I

### General Provisions

#### Article 1

##### (Object)

This Remuneration Policy establishes the rules for the awarding of fixed annual remuneration, annual variable remuneration and other benefits attributable to members of the management and supervisory bodies and members of the Board of the Bank's General Meeting of Shareholders.

#### Article 2

##### (Definitions)

1. The following expressions and acronyms, when capitalized, shall have the following meaning:
  - i) **ActivoBank, Bank or Company** – Banco ActivoBank, S.A.
  - ii) **BCP** - Banco Comercial Português, S.A.
  - iii) **RC**- Remunerations Committee
  - iv) **CNR** – Committee for Nominations and Remunerations of BCP
  - v) **AVR Attribution Date** – Corresponds to the date of the Remunerations Committee meeting at which the global amount of the AVR is fixed.
  - vi) **AVR Payment Date** – Corresponds to the date of payment of the fixed remuneration, in the month following the approval of the financial statements by the Annual General Meeting of Shareholders.
  - vii) **LTVR Attribution Date** - Corresponds to the date of the CNR meeting in which the LTVR is fixed.
  - viii) **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.
  - ix) **Supplementary Autonomous Document** – Document containing the calculation formulas, indicators or indexes to be used in the determination of the variable remuneration, approved by the Remunerations Committee.
  - x) **BCP Group** - includes the Company and all commercial companies in a control or group relationship with the Company and Millenniumbcp Prestação de Serviços ACE;
  - xi) **BCP-P Group** - composed by Banco Comercial Português, SA, Millennium BCP, and other entities that consolidate fully with the Bank, among others, Prestação de Serviços, ACE, BCP África, SGPS, Ld<sup>a</sup>, Banco ActivoBank, SA e Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, SA;
  - xii) **GR0042** – Group Code Remuneration Policy Framework;

- xiii) **MMSB** - Members of management and supervisory bodies.
- xiv) **AVR Evaluation Period** - evaluation of the performance carried out throughout the civil year in question.
- xv) **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.
- xvi) **LTVR Evaluation Period** - period corresponding to the mandate of the board of directors under the terms of the separate document
- 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) **AFR** - annual fixed remuneration, corresponds to the monthly remuneration multiplied by 14 times;
- xix) **AVR** - annual variable remuneration.
- xx) **Target AVR** – annual variable remuneration corresponding to 100% execution of the quantitative and qualitative objectives defined for each Executive Director.
- xxi) **LTVR** - long-term variable remuneration.
- xxii) **Stoxx Europe 600 Banks Index (SX7P)** – Index of shares composed by large European Banks.
- xxiii) **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): 
$$\frac{[(\text{Average of the closing prices of the shares for the two months prior to the end of the evaluation period} - \text{Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period}) + \text{Dividends per share paid to the shareholders in that period}]}{\text{Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period, adjusting stock prices to reflect the effects of share capital increases, incorporation of reserves or similar transactions.}}$$

## Chapter II

### Members of the Company Management and Supervisory bodies

#### Article 3

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

1. The remuneration and benefits of the Members of the Corporate and Supervisory Bodies is

the responsibility of the Remuneration Committee in articulation with the Remuneration and Nomination Committee of BCP.

2. The executive directors are also entitled to the benefits foreseen in article 13.

### **Chapter III**

#### **Members of the Board of the General Meeting**

##### **Article 4**

###### **(Annual Fixed Remuneration)**

The members of the Board of the General Meeting of the Company, when exercised by persons outside the BCP Group, are entitled to a fixed remuneration defined by the Remunerations Committee.

### **Chapter IV**

#### **Members of the Audit Board**

##### **Article 5**

###### **(Annual Fixed Remuneration)**

The members of the Audit Board of the Company are entitled to an annual fixed remuneration defined by the Remunerations Committee, paid in 12 monthly instalments.

### **Chapter V**

#### **Non-Executive Members of the Board of Directors**

##### **Article 6**

###### **(Annual Fixed Remuneration)**

The non-executive members of the Board of Directors will not be entitled to remuneration for the exercise of their functions at the Board of Directors of ActivoBank, since, simultaneously, they exercise other functions in Group BCP for which they are remunerated.

### **Chapter VI**

#### **Executive Members of the Board of Directors**

##### **Article 7**

###### **(Annual Fixed Remuneration)**

The executive directors are entitled to an annual fixed remuneration paid in 14 monthly instalments.

**Article 8****(Variable Remuneration)**

1. The executive directors may receive an annual 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 evaluation LTVR period.
2. For each executive director, the variable component of the remuneration is associated with both the individual performance and the performance of BCP-P Group, of which ActivoBank is part, and cannot exceed the amount of the annual fixed remuneration, except if otherwise is resolved by the General Meeting of Shareholders, following a proposal made by the Remunerations Committee. In any case, the variable component cannot exceed the double of the annual fixed component.
3. The sum of the instalments of the annual and multiannual variable remuneration of each executive director, due in each year, cannot exceed, as a whole, the amount indicated in point 2. For the assessment of this 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.
4. The performance BCP-P Group is measured by the execution level of the KPIs of BCP-P Group, with the individual performance being assessed by the execution level of the quantitative and qualitative indicators of the areas of responsibility in ActivoBank or at individual level.
5. The definition of quantitative indicators is based on the strategic objectives of BCP-P Group as a whole, on the areas of responsibility in ActivoBank and on individual objectives, also considering key indicators of current or future risk, in order to ensure an alignment of the risk profile of the executive directors with the established level of risk.
6. The attribution and determination of the AVR is a competence of the Remunerations Committee, after obtaining the opinion from the Group Risk Office an Compliance Office, and the position of the CNR of BCP, in accordance with the **GR0042** – Group Code Remuneration Policy Framework.
7. The AVR will only be awarded in years in which the execution level (weighted average) of the KPIs of BCP-P Group listed below is equal to or greater the percentage indicated in the Supplementary Autonomous Document:
  - i. Total Impairments and provisions
  - ii. Common Equity Tier 1 (CET1) capital ratio fully implemented – BCP-P
  - iii. Core Operating Profit Recurring
  - iv. Non-performing exposure annual decrease
  - v. Non-performing exposure ratio (RAS definition)
  - vi. Recurrent Cost-to-income

- vii. Return on Equity
  - viii. Digital Transformation (% active mobile customers on total active customers)
  - ix. Customer Satisfaction – BCP-P
  - x. Sustainability Master Plan Execution Level – BCP-P
8. Every year and until the end of May, the Audit Division of BCP, being the Area that provides internal audit services to ActivoBank, will audit the amounts paid as AVR and LTRV, informing the Remunerations Committee and the BCP CRN of its conclusions.
  9. The Remunerations Committee is responsible for deciding, the amount of the AVR pool relating to the previous calendar year to be awarded to the executive directors, which will be calculated based on the execution level of the KPIs of BCP-P Group as decided by the CNR of BCP and the performance in the individual KPIs, considering the bonus pool calculated for the Key Function Holders of the BCP-P Group.
  10. In exceptional cases, namely if there is no solid base of own funds or its attribution unduly limits ActivoBank's ability to reinforce them, the Remunerations Committee, after hearing the Group Risk Office and ActivoBank's Audit Board, may decide that the AVR is not attributed, is reduced or suspended until further decision that confirms that the elements that led to the decision to suspend the suspension are verified.
  11. No guaranteed variable remuneration shall be granted, except when hiring a new executive director and, in that case, only in the first year of activity and it will only be granted by the Remunerations Committee if, after consulting the Audit Board and the Group Risk Officer, it is verified that the company has a solid and strong capital base.
  12. 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 executive directors or by any entity of the Group in their favour with the purpose of attenuating the effects of alignment due to the risk inherent to the portion of the AVR paid in BCP shares or other instruments.

## **Article 9**

### **(Calculation of the Annual Variable Remuneration)**

1. The AVR of the executive directors shall consider the following benchmark values ("Target") and maximum thresholds:
  - AVR target – 20% of the AFR of reference of the function at the level of Key Function Holders of Group BCP;
  - Maximum value of the attributable AVR - 35% of the AFR of reference of the function at the level of Key Function Holders of Group BCP.
2. 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 published in the Internal Portal of Group BCP-P, and according with the Autonomous Document, and it is ascertained considering the following components:

- i) The quantitative component, with an overall weight of 75%, results from the evaluation of quantitative indicators composed of KPIs of the Group BCP-P (with a weight of 25%), as well as KPIs of the respective areas of responsibility in ActivoBank and individual KPIs (with a weight of 50%);
  - ii) The qualitative component, with a 25% weight, results from the evaluation of qualitative objectives.
3. The final performance assessment is determined by the weighted average of the assessment of the components referred in the previous number, according to the provisions of the Autonomous Document.
4. The quantitative KPIs of Group BCP-P are stated in the Autonomous Document, being approved by the Remunerations Committee, considering the decision made on this regard by the Committee for Nominations and Remunerations of BCP. The remaining indicators, namely quantitative KPIs of the areas of responsibility/Individual and qualitative objectives should be defined by the Remunerations Committee, in the Autonomous Document, in an own internal document and the key indicators of present and future risk are considered as an integral part of that definition process, in order to ensure an alignment of the executive director's risk profile with the level of risk established for ActivoBank.
5. The annual performance assessment is made by the Remunerations Committee.
6. The attribution of the AVR, as described in the Autonomous Document, depends on the overall performance recorded by each executive director, being calculated as follows:
  - i) If the recorded performance is lower than 70 points, the AVR will not be attributed;
  - ii) If the recorded performance is between 70 and 89 points, an amount between 50% and 167.5% of the target AVR shall be attributed;
  - iii) If the recorded performance reaches 90 points or above, an amount corresponding to 175% of the target AVR shall be attributed.
7. 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. The number of BCP shares or other instruments to be awarded to each executive director is determined by the AVR Attribution Price.
8. If the amount of AVR to be attributed is equal to or less than €50,000.00 and does not represent more than one third of Executive Director's total annual remuneration, the payment of the AVR will be 100% in cash and no deferral applies. The same applies to AVR amount in the year of payment of the LTRV, if the sum of the two variable remuneration components meets the

aforementioned requirements.

9. 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 BCP-P Group and on a proposal of the CNR and in line with the decision for the Key Function Holders of BCP.
10. Except if expressly requested by the beneficiary executive director, the number of BCP shares or, exceptionally, others instruments to deliver in compliance with the provisions of the previous paragraph will be the one corresponding to the amount to pay in BCP shares or others instruments, net of income tax.
11. The non-deferred component of the AVR shall be paid on the AVR Payment Date. A portion of 40% of the AVR is deferred and paid in five equal instalments in each one of the five subsequent years. The payment is made 50% in cash and 50% in BCP shares or others instruments in the deferred component and in the non-deferred component. In case the AVR is equal to or greater than two thirds of the AFR of each executive Director, 60% of the amount must be paid deferred. The BCP shares or others instruments through which the deferred component of the AVR mentioned above is paid, may be sold one year after the effective payment to each executive director, and may be sold before that date but only for the payment of taxes and contributions resulting from the attribution of the same. If the executive director is not elected for a new term-of-office, the unavailability regime herein foreseen shall continue to be in effect.
12. In case an executive director leaves office for any reason other than removal with just cause, after the end of the evaluation period but before the AVR Payment Date, the AVR corresponding to that evaluation period will be paid in full corresponding to that evaluation period, in compliance with the deferral periods and composition (cash or shares or equivalent instrument).
13. The payment of the AVR corresponding to the evaluation period during which the termination of functions of the executive director occurs shall not be due, except in situations of termination by mutual agreement, retirement, death, invalidity or any other cause for the termination of the term of office due to a cause not attributable to the executive director or other fact out of the executive director's control, namely the change of control of the Company, in which case there will be a proposal for a *pro rata temporis* awarding of AVR, following a resolution adopted by the Remunerations Committee. The maximum amount of the variable remuneration payable should consider the average of the AVR of the previous 3 years, or a smaller number of years if the executive director had been in executive functions for a period of less than 3 years.
14. In case a new executive director initiates his/her functions in the middle of the term, he/she will be entitled to a "*pro-rata temporis* of the AVR.

**Article 10**

1. The LTVR is attributed to Executive Director, in the LTVR Attribution Date, if both the long-term attribution requirements and the annual attribution requirements are met.
2. The long-term attribution requirement is verified at the end of the LTVR Evaluation Period and is based on an assessment of the Average ROE BCP P in the LTVR Evaluation Period ( LTRV ROE) compared with the Average ROE BCP P 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 Executive Director. If a Executive Director does not meet the annual attribution requirements in one year, it does not jeopardize the attribution of LTVR in relation to other years during the LTVR Evaluation Period. The annual attribution requirements comprise quantitative and qualitative indicators and are foreseen in the Autonomous Document.
4. The CNR of BCP defines, each year, to the *Key Function Holders* of BCP Group and Executive Directors of its subsidiaries the amount of LTVR, corresponding to a percentage value of the reference AFR in the LTVR Evaluation Period, being such percentage foreseen in the Autonomous Document.
5. The LTVR amount of each Executive Director will be calculated each year if the annual attribution requirements are fulfilled being that amount accumulated over the LTVR Evaluation Period.
6. The long-term variable remuneration (LTVR) for the Executive Directors is exclusively paid with the attribution of 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.
7. The LTRV should be paid in the LTVR Payment Date and would be preferably paid in BCP shares, except if duly justified considering the long-term interest of the Bank and the BCP-P Group, by decision of the Remuneration Committee in line with that decided by CNR of BCP .
8. The Remuneration Committee, having heard the CNR of BCP and in line with what is decided for the *Key Function Holders* of BCP-P Group, 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-P'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 LTRV Evaluation Period, under the terms of the Autonomous Document.
9. Without prejudice to Article 8 (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 two-thirds of the AFRs due for the LTVR Assessment Period, the Deferred amount shall be 60%.

10. 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 Executive Director payment of LTRV will not be deferred.
11. The number of BCP 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 related to the shares or income from 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 Executive Director.
12. In the event of cessation of Executive Director functions after the end of the LTVR Evaluation Period, but before the payment of the LTRV, the full payment of the LTRV corresponding to that LTVR Evaluation Period will take place. If the cessation of functions takes place during the LTVR 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 Remunerations Committee. This provision does not apply in cases of dismissal for just cause or request of resignation by the Executive Director.
13. The BCP shares 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 7) so that during the 12 months following their delivery the Executive Director is unable to sell them, except in the cases mentioned in the following paragraph.
14. 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 allotment of the shares or other instruments. As an alternative, the Executive Director will be able to choose the “sell-to-cover” regime, through which the number of shares or other instruments that will be delivered to him/her will already be deducted from the number of shares or other instruments which must be sold in order to pay taxes and contributions corresponding to the total value of the shares or other instruments attributed.
15. Notwithstanding the provisions of this Article 10, the determination of the final amount of the LTVR shall consider the amount of the AVR and the limitations provided for in Article 8 (2) and (3).

## **Article 11**

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

1. The compensation to award to directors who terminate functions before the end of the term-of office for reasons other than renunciation or dismissal with just cause, or appointment for first line managing position in Group BCP, will be calculated and decided by the Remunerations Committee, after getting the opinion from the Group Risk Office.
2. The compensation to award, in compliance with the provisions of the previous paragraph, cannot be qualified as fixed remuneration and its payment must be subject to the signing of a non-competition commitment for a period of time corresponding to the end of the term-of-office underway on the date of the termination of functions.

3. The amounts to be awarded in compliance with the provisions of number 1 of this Article cannot exceed the global fixed remuneration that would be due until the end of the term-of-office plus, in the case of executive directors, of an amount corresponding to the average of the AVR awarded to him/her during the years he/she was in office in the term-of-office in force when he/she ceased to exercise functions.

## **Article 12**

### **(Malus and clawback clauses)**

1. The entire variable remuneration, regardless of the awarding, or not, of vested rights, is subject to reduction or reversion mechanisms whenever it is proven that the executive director, with malicious intent or serious negligence, participated in or was responsible for a performance that resulted into significant losses for ActivoBank or for BCP-P Group or ceased to comply with the fit and proper criteria until the date of the last payment of the variable remuneration in case of the reduction mechanism, and up to 3 years after payment of the deferred remuneration in 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 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, with malicious intent or serious negligence, an active participation.
3. The reduction or reversion of the variable remuneration should always be related to the performance or the risk and should respond to the effective results of risks or changes in the persistent risks faced by BCP-P Group, ActivoBank or by the areas of responsibility of the executive director in question and should not be based on the amount of dividends paid or on the performance of the quote of BCP shares.
4. The enforcement of the clawback mechanism must be supplementary to the reduction (malus) mechanism, i.e. in case of occurrence of a significant event, the enforcement of the reduction mechanism (malus) shall be a priority and only when the latter is deemed used up, is insufficient, or results from the assessment that the director significantly contributed for the negative financial performance of the Bank or for the application of regulatory sanctions and also in case of fraud or offences with malicious intent or serious negligence which caused significant losses, should one consider using the reversion mechanism (clawback).
5. In any event, the enforcement of malus or clawback mechanisms must always follow and comply with the EBA guidelines (European Banking Authority) that are in effect at the time.
6. The verification of the situations described in this Article, and the decision on their enforcement, is a responsibility of the Remunerations Committee, and the Group Risk Office, the Audit Board and the Chairperson of the Board of Directors must be consulted.

**Article 13**

**(Benefits)**

The executive directors benefit from health insurance and mobile phone, in line with what is to the practice for the remaining employees of the Bank.

**Article 14**

**(Pension discretionary benefits)**

The attribution of pension discretionary benefits based on the Bank's performance or on the individual performance or on any other factors with a discretionary nature is not envisaged.

**Article 15**

**Insurance**

1. The directors must subscribe to a director bond in compliance with article 396 of the Companies Code, unless exempted from doing so by a resolution adopted by the General Meeting of Shareholders.
2. Additionally to what is referred in the previous paragraph, the Bank subscribes a Directors & Officers insurance policy, in accordance with market practices.

**Article 16**

**Approval and effectiveness**

This Policy was approved by the General Meeting of Shareholders on 25 July 2023 and enters into force on the 1th January 2023.