

REMUNERATION POLICY FOR THE EMPLOYEES OF BISON BANK, S.A.

Under the terms and for the purposes of the provisions of Article 115-C et seq. of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law 298/92 of 31 December (“RGICSF”, *Regime Geral das Instituições de Crédito e Sociedades Financeiras*), Article 3 of Law 28/2009 of 19 June, also in line with the guidelines of the European Banking Authority (EBA) regarding healthy remuneration policies (EBA / GL / 2015/22), disclosed through the Circular Letter of Banco de Portugal no. ° CC / 2016/00000036, the new Bank of Portugal Notice no. 03/2020 establishes complementary rules to those contained in the RGICSF, namely in terms of remuneration and revokes Bank of Portugal Notice no. 10/2011.

Following the legal framework mentioned above, we hereby disclose the Remuneration Policy for the Employees of Bison Bank, S.A. (the “Bank”) (the “Policy”).

1. Scope

The Policy applies to all the Bank's employees (“Employees”), with two groups being distinguished for this purpose:

- a) Bank employees defined in subparagraphs b) to e) of Article 115-C(2) of the RGICSF, namely Employees who (i) are part of the senior management; (ii) perform duties in risk-taking; (iii) carry out their professional activity in the context of the control functions established in Banco de Portugal Notice no. 03/2020 of 15 July, in this case the heads of the Internal Audit, Compliance and Risk Departments; or (iv) earn a total remuneration that places them on the same remuneration bracket as the members of the management and supervisory bodies, the members of the senior management or persons responsible for risk-taking, provided that these professional activities have material impact on the Bank's risk profile;
- b) All the rest of the Bank's employees not covered by the previous paragraph.

This Policy does not apply to the members of the Bank's management and supervisory bodies, who are subject to the “*Remuneration Policy for the Members of the Management and Supervisory Bodies*” of the Bank.

2. Framework and Principles

This Policy was prepared internally by the Bank and is part of a series of Human Resources policies. It is based on the following general guiding principles:

- I. Clarity and transparency;
- II. The fixed component of the remuneration is the most significant part of the remuneration;
- III. Consistency and alignment with the Bank's risk management and control, in order to prevent excessive exposure to risks and, likewise, to potential situations of conflicts of interest;
- IV. Coherence with the objectives, values and interests of the Bank and its Employees, as well as with the interests of its clients and investors;
- V. Competitiveness, considering market practices and equity, where the remuneration practice must be based on uniform, consistent, fair and balanced criteria, aimed at contributing to internal and external equity;
- VI. The variable component of the remuneration is aimed at rewarding Employees for achieving the goals set by the Bank, and is underpinned by the performance appraisal system;
- VII. Alignment with the best practices and recent trends in the financial sector, at a national and international level, with the ultimate objective being to discourage the exposure to excessive risks and foster the continuity and sustainability of positive performance and results;
- VIII. For Employees performing control functions, in addition to any non-monetary benefits they may receive, the variable component of the remuneration takes into account individual performance appraisal and, more precisely, the specific goals related to the duties carried out, not being directly dependent on the performance of the business areas.

3. Remuneration

The remuneration of the Bank's Employees consists of a fixed component and a variable component, where the attribution of the latter is not assured.

I. Fixed Component

The fixed component of the remuneration is the most significant part of the Employees' total remuneration and cannot be less than 75% of their total remuneration. This component aims to remunerate the Employees according to the activity they pursue and their specific skills, in particular relevant professional experience.

The fixed component of the remuneration is composed of the basic salary and some cash benefits attributed to the Employees, such as seniority payments, salary supplements and/or other allowances payable under the legal or contractual terms.

The fixed component of the remuneration is determined taking into account the professional experience in the relevant area and the responsibility of each Employee within the organisation, regulations in force and market references, while safeguarding the different particularities and dimensions.

The fixed component of the remuneration is paid 14 times a year.

II. Variable Component

The main objective of the variable component is to provide incentives to achieve the Bank's goals and reward the exceptional performance of its Employees.

The determination of the variable component of the remuneration is based on a reference value in number of salaries, to which a multiple calculated by reference to the final score is applied. The final score is the result of the combination of the individual scores of the following exercises:

- Exercise of appraisal of the Employee's individual performance, which must consider individual quantitative and qualitative goals and correspondent weighting ("Individual Performance Appraisal" – see details in 5).

- o Exercise of appraisal of the Bank’s performance based on the organisational goals established at the beginning of each year and disclosed globally to all Employees, aligned with the medium and long-time interests established in the Bank's Strategic Plan (“Collective Appraisal”).

The payment of the variable component of the remuneration is subject to the conditions established below from (ii) to (v), including restrictions associated the Bank's results and budget.

The terms and specific conditions of the variable component of the remuneration for each exercise will always be subject to the approval of the management body.

- (i) Determination of the variable component of the remuneration

The variable component of the remuneration is determined based on the following formula:

Variable component of remuneration = reference value * multiple, whereas:

- o *Reference value* – Corresponds at least to half the salary and at the most to three salaries (i.e. between 3.57% and 21.4% of the fixed component of the annual remuneration). The reference value for each exercise is proposed annually by the Human Resources Department (HRD) and approved by the management body, based on the Bank's functional model.
- o *Multiple* – Calculated by reference to the final score (corresponds, on a scale of 1 to 5, to the sum of the individual scores derived from the Individual Performance Appraisal and the Collective Appraisal, weighted by 50% and 50%), using the equivalence table below.

Equivalence Table

Final Score	Multiple
1 - 2	0
3 - 4	1
5	2

An exceptional adjustment to the final score may be considered, supported by confirmed evidence and aligned with the talent exercise (risk of leaving, succession plan, dedication to other projects of the Bank that required exceptional dedication).

(ii) Form and terms of payment

The variable component of remuneration is paid in cash, with the Bank having autonomy to decide whether to allocate part of this value (maximum 50%) to other benefits for the Employees integrated in the tax system authorised by the regulatory entities (e.g. education of the household).

60% of the variable component of the remuneration is paid in the current calendar year, 40% is deferred for 2 years and paid in the following financial years (“Deferred Amount”), in two equal portions.

The payment of the value corresponding to the variable component of the remuneration is subject to the following conditions:

- (1) Condition of maintenance/permanence at the Bank.
- (2) Non-application of malus and clawback mechanisms.
- (3) Other conditions deemed appropriate.

The variable component of the remuneration is paid preferably after approval of the annual accounts at the General Meeting, being established by reference to the practice of the major players in the markets in which they are present. The variable component of the annual remuneration of the Employees as a whole must not exceed 5% of the Bank's net income, before amortisation of the Value of Business Acquired (VOBA) or Goodwill, in the financial year to which it refers.

If the Bank posts net losses for the year (or non-meaningful net profits), but such net losses have a positive deviation when compared to that established in the budget, as per approved by the management body (“Budget”), the variable component of the annual remuneration attributable to the Employees as a whole must not exceed 50% of the difference derived thereof (“Achieved Difference”), subject to the Bank achieving a net operating income for the year better than that established in the Budget.

The variable component of the remuneration does not constitute an acquired right and is determined annually by the management body. Among others, the management body shall take into account the macroeconomic and microeconomic conditions and the corresponding impact on the sustainable performance of the Bank when assessing and resolving on the specific percentage applicable to the variable component of the annual remuneration of the Employees as a whole for that year, up to the maximum of 5% of the net profits or 50% of the Achieved Difference.

If the Bank is held liable by shareholders or third parties for management acts, the variable remuneration of the persons concerned may, by decision of the shareholders, be suspended until such claims are ascertained and, in the case they are considered well founded, the respective remuneration shall not be paid until the damage is settled.

(iii) Other conditions of the variable component of the remuneration

Malus and clawback

The payment of the variable component of the remuneration depends on the non-existence, during the period before the payment, of circumstances that could give rise to the application of malus and clawback mechanisms.

The application of malus and clawback mechanisms is justified by inefficient financial performance of the Bank or a particular department or of exposures created by the Employees.

The management body is responsible for deciding on the application of malus and/or clawback mechanisms.

(iv) Eligibility

- All Employees who complete 12 months of employment on the payment date and were employed by September of the previous year are considered eligible.
- Only Employees with a permanent contract and who have had an individual appraisal equal to or higher than 3, on a scale of 1 to 5, in the context of the Individual Performance Appraisal exercise are eligible.

(v) Control functions

Employees who perform these functions are treated separately, with the variable component of the remuneration being determined based on the individual appraisal of the Employee, taking exclusively into account the goals related to the duties carried out by the Employee, so as to not compromise the objectivity of the functions. It should also be noted that the remuneration of employees who perform risk management and control functions is directly supervised by the Nomination and Remuneration Committee.

The variable component of the remuneration takes into account the individual performance appraisal and, more precisely the specific goals related to the duties carried out, not being directly dependent on the performance of the business areas.

The Bank reserves the possibility, in relation to the control functions, to not subject the payment to deferral when the value of the total variable remuneration is not higher than 15,000 euros, provided that this possibility is not prevented by any law or regulation.

4. Benefits

The Employees are entitled to the following benefit package:

- Health insurance extendable to the Employee and their household;
- Pension plan with contribution of 2.5% of the Employee's basic salary by the Employer;
- Meal allowance in the daily amount of €7.75;
- Vehicle for Members of Management Body and Department Heads.

5. Individual Performance Appraisal

The individual performance appraisal is carried out on a multiyear basis and managed through a digital platform.

The individual performance appraisal covers two parts: a qualitative part (skills) and a

quantitative part (individual goals).

The management body is responsible to assure that the individual performance appraisal process, including these and other financial and non-financial criteria, for determining the variable component of remuneration, is transparent and communicated to employees prior to the beginning of the performance appraisal period, in the provisions of article 42.º, of Banco de Portugal Notice no. 03/2020.

6. Compliance with the Remuneration Policies

The Remuneration Policy for the Employees of the Bison Bank, S.A. is entirely in line with the principles of organization and internal governance enshrined in Article 115-C et seq. of the RGICSF, Banco de Portugal Notice no. 03/2020, from 15th July, as well as with the parameters defined in the “regulatory technical standards on criteria to identify categories of staff whose professional activities have a material impact on an institution’s risk profile under Article 94(2) of Directive 2013/36/EU”, as proposed by the European Banking Authority (EBA). On the other hand, the Policy already incorporates the EBA Guidelines on sound remuneration policies – EBA/GL/2015/22).

This Policy is based on simplicity, transparency and suitability to the Bank's goals.

Therefore, the determination of the total remuneration of the Employees, composed of fixed remuneration and variable remuneration, as well as the articulation of these two components, as explained in this Statement, enable concluding on the Bank's endorsement, in general, of the rules set in Article 115-C et seq. of the RGICSF and Banco de Portugal Notice no. 03/2020, from 15th July, which constitute its core basis.

7. Conflicts of Interest

The Remuneration Policy for the Employees of Bison Bank, S.A. is in line with the internal Policy on Conflicts of Interest.

8. Approval

The Remuneration Policy for the Employees of Bison Bank, S.A. is approved by the Board of Directors.

9. Preparation, Review and Monitoring of the Policy

The Remuneration Policy for the Employees of Bison Bank, S.A. is prepared by the HRD.

The management body reviews the general principles of this Policy periodically, with the support of the HRD and is responsible for controlling its implementation.

Considering the provisions of article 44 of Banco de Portugal Notice no. 03/2020 and no. 6 of article 115-C of the RGICSF, this Remuneration Policy must be subject to an internal, centralized assessment and independent, with a minimum annual periodicity, to be carried out by the Nomination and Remuneration Committee, being able to request the intervention and support of the Human Resources Department and Internal Audit Department for this purpose. The respective results must be included in a specific report that includes the necessary measures to correct any deficiencies detected.

That report is submitted to the management body that must ensure the implementation of these measures by the responsible bodies or other structure units.

10. Communication and Disclosure

Under the provisions of article 40.º of Banco de Portugal Notice no.03/2020, the remuneration policy is transparent and accessible to all employees, including management and supervisory bodies. In the provisions of article 46.º, paragraph 2, the remuneration policy regarding employees mentioned in paragraphs 2, b) to e) from article 115-C of RGICSF, approved by management body, following paragraph 5 of the same article, it is disclosed on Bison Bank website (<http://www.bisonbank.com>).

After approval, the Compliance Department discloses this Policy internally, ensuring that it circulates through the Bank's organic structure.

The Bank discloses, during annual financial reports, quantitative information regarding the remuneration paid by the Bank, discriminating among the various categories of employees according with paragraph 2 of article 115 C of RGICSF, that must include, at least the information foreseen in paragraphs g) to j) of the article 450.º from EU Framework no. 575/2013, from European Council and Parliament of 26th June, as provisions of article 47.º of Banco de Portugal Notice no. 03/2020.



11. Effective Date

This Policy applies immediately after approval by the management body.