

REMUNERATION POLICY FOR MEMBERS OF THE GOVERNING BODIES / MANAGEMENT AND SUPERVISORY BOARD

(May 2024)

The Remuneration Policy contains the principles and rules applicable to the remuneration of the members of the Governing Bodies of Banco Finantia, S.A. ("Banco Finantia" or "Bank") and is established under Article 115-C of the Legal Framework of Credit Institutions and Financial Companies and observes applicable legislation and regulations.

This Remuneration Policy is aligned with Banco Finantia's values of excellence, transparency, and integrity, promotes performance and ethical conduct, and takes the following aspects into consideration:

- i scope and complexity of the institution's activities;
- ii objectives, business strategy and long-term interests of the shareholders and other stakeholders;
- iii nature, size, and organisational structure;
- iv culture and values;
- v strategy and the risk appetite, in order to promote sound and prudent management, taking in consideration also environmental, social and governance risk factors;
- vi avoidance of conflicts of interest and excessive risk-taking.

1 SCOPE

The Remuneration Policy is applicable to the members of Banco Finantia's management body and supervisory body.

Banco Finantia shall promote the adoption of consistent remuneration practices in all companies belonging to the Group with the necessary adaptations arising, namely, from: (i) the application of the principle of proportionality; (ii) the need for compatibility and compliance with the local legislation where the respective subsidiary carries out its activity; (iii) or due to the adoption of specific policies as duly justified.

Therefore, and subject to the above, the principles and rules set out in this Remuneration Policy shall be observed by all subsidiaries of Banco Finantia, namely Finantia UK Limited, with regard to the determination and allocation of remuneration to the members of the management and supervisory bodies, as applicable.

2 DEFINITION AND EVALUATION OF THE REMUNERATION POLICY

This Remuneration Policy is appropriate and proportionate to Banco Finantia's size, as well as to the nature, characteristics, internal organisation and complexity of the activities developed, it promotes and is consistent with a sound and prudent risk management.

It is the responsibility of the Shareholders General Meeting to define the Remuneration Policy for the members of the management and supervisory bodies of Banco Finantia, and the duty of determining the amount of remuneration of the members of the management and supervisory bodies has been delegated to the Remuneration Committee of Banco Finantia.

The Remuneration Committee is responsible for promoting, in conjunction with the units responsible for internal control and human resources of Banco Finantia, an annual analysis and assessment of the remuneration policies and remuneration practices and their respective implementation, verifying compliance and conformity with applicable law and regulations, assessing the impacts of the remuneration practices adopted, determining whether their application results in negative effects on risk management, capital and liquidity of the institution, and issuing recommendations or, if it considers necessary, proposing the adoption of adjustment measures. The results of such assessment must be submitted to the Shareholders' General Meeting.

3 REMUNERATION STRUCTURE

The remuneration structure of the members of Banco Finantia's corporate bodies results from the combination of a fixed and a variable component, of a pecuniary nature, determined in accordance with the criteria mentioned below. The determination of the remuneration shall be gender neutral.

3.1 Members of the Board of Directors

3.1.1 Non-executive Members

The remuneration of non-executive members of the Board of Directors comprises only a fixed component of remuneration, which should take into consideration the relevance of the function performed, professional experience, the history and size of Banco Finantia.

3.1.2 Executive Members

The determination of the remuneration of the executive members of the Board of Directors shall take into consideration (i) the strategy of Banco Finantia, so as to be consistent with the size of the risks assumed or to be assumed, ensuring growth and sustainable profitability; (ii) the economic and financial environment; (iii) the performance of Banco Finantia and its sustainability; (iv) the proportionality in light of the remuneration of other employees; and (v) the relevant professional experience and organisational responsibilities assumed.

The fixed and variable remuneration of the executive members of the Board of Directors is determined by the Remuneration Committee at the beginning of each term of office, and shall primarily consist of a fixed component of remuneration, and the possible attribution of a variable component, under the terms set out below. The amount of the fixed component of remuneration may be reviewed annually by the Remuneration Committee, if considered relevant.

The fixed and variable components of the remuneration of the executive members of the Board of Directors must always be appropriately balanced, with the fixed component of the remuneration representing a sufficiently high proportion of the total remuneration.

The executive members of the Board of Directors may also be remunerated by other Group companies, in which case the principles established in this Policy shall be observed and applied.

The amount and the terms for attributing a variable component of remuneration to each executive member of the Board of Directors will be fixed by the Remuneration Committee by the end of the second quarter of the following financial year.

The determination of the fixed remuneration component shall take into account the history and size of Banco Finantia and the demands of the responsibilities associated with the functions assigned.

The attribution of a variable remuneration component should take into account the overall results obtained by Banco Finantia in the financial year to which it relates, the individual performance of the executive member of the Board of Directors and the achievement of objectives relating to the business or support areas under his/her responsibility.

The following rules shall also be observed when attributing a variable component of remuneration:

- i be consistent with sound and effective risk management practices, including compliance with ESG factors and objectives set by Banco Finantia;
- ii not limit the Banco Finantia's ability to build and maintain a strong capital base and be sustainable in the light of its financial situation;
- iii be composed solely of pecuniary remuneration;
- iv may not exceed, under any circumstances, the value of the fixed component of the remuneration;

In the event the variable component of remuneration attributed exceeds €50,000 (fifty thousand euros), the amount equivalent to 40% (forty per cent) of that remuneration may be subject to a deferral period, as may be defined by the Remuneration Committee, in accordance with the applicable situation, taking into account the underlying economic cycle and business risks, aiming for a balance between the short and medium term.

The right to payment of the variable component of the remuneration subject to deferral is acquired on an annual pro-rata basis over the deferral period, and is subject to the existence of a sustainable financial situation of Banco Finantia and a positive assessment of the performance of the member in question

Additionally, and in order to align the risk and the performance of Banco Finantia within a multiyear structure, the total variable component of remuneration attributed is subject to ex-post adjustment mechanisms to the risk, malus ("reduction") and clawback ("reversion") clauses, following the occurrence of an extremely significant event, under the terms defined in nrs. 12 and 13 of article 115-E of the Legal Framework of Credit Institutions and Financial Companies, allowing for adjustment according to the results or the risk management carried out in relation to specific incidents.

The Remuneration Committee shall consider the gravity of the situation in question and assess whether the malus or clawback mechanism are applicable, submitting for that purpose a reasoned proposal for approval of the Shareholders' General Meeting, indicating whether the executive member of the Board of Directors:

- a participated or was responsible for an action that resulted in significant losses to the Bank;
- b no longer meets the fit and proper criteria for the performance of its function;
- c seriously breached the Code of Conduct and other internal regulations of Banco Finantia.

3.1.2.1 Rules in case of exit situations

Rules for exit at Banco Finantia's initiative

If the term of office of an executive member of the Board of Directors terminates by Banco Finantia's initiative without just cause under Portuguese law, the respective member shall be entitled to receive all amounts of the variable component of remuneration awarded on the respective dates when such amounts constitute vested rights under the rules set out in this Remuneration Policy and subject to the applicable malus or clawback adjustments.

If the term of office of an executive member of the Board of Directors terminates at Banco Finantia's initiative with just cause, under Portuguese law, the respective member shall not be entitled to any deferred portion of the variable component of remuneration, without prejudice to the application of risk adjustment mechanisms (malus and clawback).

Rules for exit at the initiative of the executive member of the Board of Directors

If an executive member of the Board of Directors resigns before the end of the term for which he/she was appointed, the Remuneration Committee, in liaison with the Executive Committee, shall determine whether the individual member remains entitled to any deferred portion of variable remuneration to which entitlement has not yet vested, subject to applicable malus or clawback adjustments on the date specified for payment.

3.2 Audit Committee and Statutory Auditor

The remuneration of the members of the Audit Committee shall consist solely of a fixed component of remuneration, under such terms as may be established by the Remuneration Committee, and under no circumstances shall be dependent on the achievement of pre-set objectives or Banco Finantia or the Group's performance of, in order to ensure the independence of the members of the supervisory body.

The remuneration of the Statutory Auditors, negotiated within the context of the Group, shall be constitute a fixed amount within the scope of contracting audit services and shall be subject to the approval of the Executive Committee.

4 APPROVAL

This Remuneration Policy shall be subject to the approval of the Shareholders' General Meeting following a proposal of Banco Finantia's Remuneration Committee.

5 DISCLOSURE

Banco Finantia shall annually disclose information regarding to the remuneration of the members of the management and supervisory bodies in a separate document entitled "Report on Corporate Governance Structure and Practices", attached to the Board of Directors' Report and forming an integral part of its Annual Report and Accounts.

This Remuneration Policy is disclosed internally on Banco Finantia's intranet and on its corporate website (www.finantia.pt).

[Free translation into English for information purposes only]