

Remuneration Policy

Garanti BBVA

Talent and Culture

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Remuneration Policy

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1. Introduction

- 1.1. Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, "**BBVA**"), is the parent company of an international financial group, composed of legally autonomous companies, primarily engaged in banking activity (hereinafter, "**BBVA Group**").
- 1.2. Garanti BBVA ("**Garanti BBVA**") is a company principally engaged in the business of banking and is the head of a group of legally autonomous subsidiary companies (hereinafter, "**Garanti BBVA Group**").
- 1.3. Garanti BBVA is, in turn, part of the BBVA Group. BBVA Group has a general remuneration policy and Garanti BBVA has transposed it to benefit from the strategies and policies of BBVA, and it has been fully aligned with the local legislation and requirements.
- 1.4. The Board of Directors of Garanti BBVA, in this document, approves a new Garanti BBVA Remuneration Policy (hereinafter, the "Garanti BBVA Remuneration Policy"), which, as a main novelty, introduces a specific long-term variable remuneration component that will form part of the annual variable remuneration of those categories of staff whose professional activities have a material impact on the risk profile of Garanti BBVA (hereinafter, the "**Identified Staff**"). This new variable remuneration model has been developed taking into consideration the best market practices and with the main aim of fostering closer alignment between remuneration of the Identified Staff and long-term value creation and sustainable performance and with sound and effective risk management, with a policy in place to simultaneously attract, motivate and retain the best talent.
- 1.5. This Policy includes specific rules applicable to the Identified Staff, specific provisions for staff carrying out control functions and requirements and principles for staff carrying out functions related to the sale of products and the provision of services to customers.

2. Purpose and scope of application

- 2.1. The purpose of this Policy is to govern the remuneration applicable to employees of Garanti BBVA.
- 2.2. This Policy will be a framework of reference and must be taken into account when establishing and developing general policies, regulations, procedures or remuneration models within Garanti BBVA, which must be consistent with and adapted to this Policy, although they must also comply with the applicable local or sector-based regulations in each case.
- 2.3. Notwithstanding the foregoing, this Policy includes sections that may have a specific scope of application and which, in view of the requirements established in the applicable sector-based regulations, may only apply to certain categories of employees.
- 2.4. Garanti BBVA encourages its subsidiaries (hereinafter referred to as "Entities") to develop a customized remuneration policy which is aligned with general principles set out in this Policy and to take into account the specific characteristics of each entity and local practice.

3. General principles

- 3.1. The Garanti BBVA Remuneration Policy is geared towards the recurring generation of value for the Garanti BBVA, the alignment of the interests of its employees and shareholders with prudent risk management and the pursuit of strategy defined.
- 3.2. This Policy is one of the elements devised by the Board of Directors, as part of the Garanti BBVA Corporate Governance System, to promote proper management and oversight of Garanti BBVA, and is based on the following principles:
 - long-term value creation;
 - achieving results through prudent and responsible risk-taking;
 - attracting and retaining the best talent;
 - rewarding level of responsibility and career path;
 - ensuring internal equity, external competitiveness and equal pay for men and women;
 - encouraging responsible conduct and fair treatment of customers, while also avoiding conflicts of interest; and
 - ensuring the transparency of the remuneration model.
- 3.3. The principles of integrity, prudent risk management, transparency, the achievement of a profitable business that is sustainable in the long term and compliance with applicable legislation at all times that are to govern the adoption of, and any updates made to, the Garanti BBVA Internal Regulations, of which this Policy forms a part, have been respected in adopting this Policy.
- 3.4. Garanti BBVA has defined the Garanti BBVA Remuneration Policy on the basis of these general principles, taking into consideration the need to comply with the legal requirements applicable to credit institutions and to the different sectors in which the Garanti BBVA operates, as well as alignment with best market practices. It also includes arrangements devised to reduce exposure to excessive risks and align remuneration with the Garanti BBVA's strategy, objectives, values and long-term interests.
- 3.5. The principles set out above enshrine that the Policy:
 - contributes to the business strategy of Garanti BBVA and to the achievement of its objectives, values, interests, long-term value creation and sustainability;
 - is compatible with and promotes prudent and effective risk management and does not provide incentives for risk-taking that exceeds the level tolerated by Garanti BBVA;
 - is clear, comprehensible and transparent, with a simple wording that allows understanding of the various components that make up the existing remuneration system and the conditions for their accrual, award, vesting and payment. To that end, it clearly distinguishes between the criteria for determining fixed remuneration and variable remuneration and is transparent in setting objectives and parameters for its calculation;

- provides for a competitive remuneration system with the aim of attracting and retaining the best talent and providing adequate compensation for the duties performed;
- is gender-neutral, as it envisions equal compensation for the same duties, or duties of equal value, and does not establish any difference or discrimination on the basis of gender;
- includes measures to avoid conflicts of interest, promoting the independence of judgement of persons involved in decision-making and in the oversight and control of management and the establishment of remuneration systems, and incorporating predetermined calculation rules to avoid any element of discretion in their application; and
- seeks to ensure that remuneration is not based solely or primarily on quantitative criteria, but also takes into account appropriate qualitative criteria, which reflect compliance with applicable regulations.

4. Provisions of the Policy

4.1. Remuneration items

4.1.1. The remuneration system generally applicable to all Garanti BBVA staff comprises the following items:

A. Fixed remuneration

- 4.1.2. Fixed remuneration takes into account the level of responsibility, the duties performed, and the professional career of each employee, under the principles of internal equity and the market value of the function, and constitutes a significant portion of the total pay. The award and amount of fixed remuneration are based on predetermined, non-discretionary and objective criteria.
- 4.1.3. Fixed remuneration comprises: the basic annual remuneration (or base salary), remuneration in kind, contributions to pension plans¹ and any other benefits or allowances generally applicable to a particular group of employees and which are not based on variable parameters.
- 4.1.4. The basic annual remuneration or base salary of each employee will be determined within the framework of local legislation and according to salary bands established for each function, which are designed taking into consideration both external competitiveness and internal equity within the Garanti BBVA organizational structure, in addition to the principle of equal remuneration for the same functions or functions having the same value.
- 4.1.5. Employees may also receive other fixed benefits or allowances as part of their remuneration package, as established within local regulatory framework, by specific internal regulations of Garanti BBVA, by ordinary market practices and/or according to the criteria of Garanti BBVA, when such further benefits or allowances are deemed appropriate to attract and retain talent and/or motivate employees. Payment of these elements may be made in cash or in kind.

¹ In the portion that is not considered “discretionary pension benefits” pursuant to this Policy and applicable regulations.

B. Variable remuneration

4.1.6. Variable remuneration will consist of payments or allowances in cash or in kind, in addition to fixed remuneration, that are based on variable parameters, and will include both annual variable remuneration under the corporate model (on the terms set forth below) and, as the case may be, other variable incentive schemes and any other variable component that Garanti BBVA may, at any time, decide to award to their staff or to certain categories of staff.

4.1.7. Garanti BBVA has a corporate model of variable remuneration that is applicable to all Garanti BBVA employees, according to their functions, and consists of awarding an incentive that reflects the level of performance measured through the achievement of targets aligned with the risk incurred. This constitutes the annual variable remuneration of each beneficiary and will be calculated on the basis of:

- (i) Metrics or indicators for the BBVA Group, Garanti BBVA and individual (both financial and non-financial) subject to an annual measurement period, which take into account the strategic priorities as well as current and future risks (the “**Annual indicators**”);

Each function within the organization is assigned a weighting or slotting that determines the extent to which the annual variable remuneration is linked to the overall strategy of the Garanti BBVA.

- (ii) The corresponding scales of achievement that may be established, according to the weighting assigned to each Annual Indicator and based on the targets set for each of them; and
- (iii) A target annual variable remuneration, representing the amount of the annual variable remuneration in the event that 100% of the previously established targets are reached (“**Target Annual Variable Remuneration**” o “**Target AVR**”).

The amount to be received as annual variable remuneration by applying the corresponding scales of achievement may range from 0% to 150% of the Target Annual Variable Remuneration.

4.1.8. The resulting amount will constitute the annual variable remuneration (“**Annual Variable Remuneration**” o “**AVR**”) of each beneficiary.

4.1.9. The financial Annual Indicators will be linked to the management metrics while the non-financial Annual Indicators will be related to the strategic targets.

4.1.10. To ensure alignment and engagement with results and long-term sustainability, the Annual Variable Remuneration for each financial year will not accrue, or will be reduced upon accrual, if certain profit and capital ratio levels are not achieved.

4.1.11. The minimum profit and capital ratio thresholds that must be achieved in order for the Annual Variable Remuneration to accrue, will be annually approved.

4.1.12. The Annual Variable Remuneration must be aligned with the applicable regulatory framework, as well as with the principles governing this Policy. Under no circumstances will it involve limiting the capacity to maintain a solid capital base in accordance with regulatory requirements, and it will take into account current and future risks as well as the cost of the

capital and liquidity needed, embedding a performance which is sustainable and adapted to risk.

- 4.1.13. Guaranteed variable remuneration shall only be awarded on an exceptional basis, in accordance with the terms established in the applicable regulations, only, in its case, for newly hired staff and restricted to the first year of employment.

4.2. Special provisions applicable to staff exercising control functions

- 4.2.1. Staff carrying out supervision and control functions shall be independent from the units they supervise, have the necessary authority and be remunerated according to the achievement of targets associated with their duties, regardless of the results of the areas they control, thereby avoiding potential conflicts of interest.
- 4.2.2. To strengthen the independence and objectivity of these functions, and to reflect the nature of their responsibilities, the variable element of their remuneration may not exceed 20% of their total remuneration.
- 4.2.3. Likewise, in the slotting established for the calculation of the Annual Variable Remuneration of employees carrying out control functions, the Garanti BBVA and Individual components will have a greater weight than that established for the BBVA Group component.

4.3. Special provisions applicable to staff exercising functions related to the sale of products and the provision of services to customers

- 4.3.1. When designing and establishing the remuneration of the Garanti BBVA's staff involved in the provision of services to customers, care must be taken to protect customers' interests and the quality of the services provided, complying with the principles set out in the General Policy of Conduct with the Customer and Product Governance, such that:
- responsible business conduct and fair treatment of customers is fostered;
 - incentives are not established in a way that may induce staff to put their own interests or those of Garanti BBVA first, to the possible detriment of the interests of their customers;
 - remuneration is not primordially or exclusively linked to the sale of a product, or a category or specific type of product, such as products that are more lucrative for the institution or employee, when there are others more in line with customer needs; and that this objective is not set as that with the greatest weight in the remuneration package; and
 - an appropriate balance is maintained between the fixed and variable components of the remuneration.
- 4.3.2. In addition, Garanti BBVA must comply with the specific remuneration requirements established therein at any given time for the staff referred to in this section, as well as with any other regulations applicable to said group of staff.

4.4. Special provisions applicable to the Identified Staff²

- 4.4.1. In accordance with the regulatory requirements established, specific rules applicable to the Identified Staff of Garanti BBVA have been defined, in keeping with the regulations and recommendations applicable to the remuneration schemes for these employees, which are set out in this section.
- 4.4.2. In addition to the provisions of sections 4.2 and 4.3 above, staff who exercise the functions mentioned therein and who are also identified as members of the Identified Staff shall also be subject to the specific provisions set out in this section.

4.4.1. Identification process

- 4.4.1.1. The Identified Staff of Garanti BBVA shall be at all times composed of staff members who have a significant impact on the Garanti BBVA's risk profile.
- 4.4.1.2. The selection of members making up the Garanti BBVA Identified Staff is part of an annual process and is determined on the basis of the qualitative and quantitative criteria set out in the regulations applicable to the Garanti BBVA³ at any given time. This process may also include internal criteria established by Garanti BBVA that supplement those established in such regulations (the "Identification Process").
- 4.4.1.3. The qualitative criteria established in the Identification Process are defined in relation to the responsibility of the position, and based on the capacity or responsibility of the staff for taking or managing risks.
- 4.4.1.4. Meanwhile, the quantitative criteria establish that the staff have a material impact on the risk profile on the basis of the total remuneration awarded, unless it is determined that in fact the activity of these staff members does not have a material impact on the risk profile. In applying these criteria, the total remuneration awarded in the previous year, or that established at any time under applicable law, will be taken into account.
- 4.4.1.5. The Identification Process will be carried out at the start of the financial year and shall be updated during the year. It will take into consideration all staff of Garanti BBVA, allowing for inclusion in the Identified Staff of employees that comply with, or will probably comply with, the qualitative criteria established in applicable regulations for at least three months in a financial year.

4.4.2. General rules applicable to the Annual Variable Remuneration of the Identified Staff

- 4.4.2.1. The fixed and variable components of the total remuneration for the Identified Staff must be adequately balanced, representing fixed remuneration a sufficiently high portion of total remuneration and ensuring the policy is fully flexible with regard to payment of the variable components, allowing for such components to be reduced, even to zero, where appropriate.

² This section, together with the other sections of the Policy applicable to the Identified Staff, constitutes the Remuneration Policy for the Identified Staff of Garanti BBVA.

³ These criterias are set in accordance with the regulations in the Guideline On Best Compensation Practices Of Banks published by the BRSA on March 31, 2016.

- 4.4.2.2. The relative theoretical proportion between the main fixed and variable components of the remuneration of the Identified Staff shall be established in accordance with the type of functions carried out by each beneficiary (business, support or control) and, consequently, their impact on the risk profile.
- 4.4.2.3. For these purposes, Garanti BBVA defined target ratios or paymix between the main components of the fixed and variable remuneration⁴, which take into account both the function carried out by each member of the Identified Staff and his or her impact on the risk profile.
- 4.4.2.4. The annual variable remuneration of each member of the Identified Staff shall be aligned with the Garanti BBVA's performance and the achievement of its strategy, taking into account the risk incurred, and shall be composed of a short-term component and a long-term component.
- 4.4.2.5. In line with the corporate variable remuneration model applicable to the rest of the Garanti BBVA's employees, the short-term incentive is awarded annually and reflects performance, as measured through the achievement of targets set to assess the results obtained in each year for a series of indicators aligned with the most relevant management metrics and with the strategic priorities (the "**Short-Term Incentive**" or "**STI**").
- 4.4.2.6. The long-term incentive reflects performance over a multi-year horizon and the calculation of its final amount is subject to the achievement of various long-term objectives, which are set to be met after three years from the initial award, which enable the assessment of the results and the degree of achievement of the strategy in the long-term (the "**Long-Term Incentive**" or "**LTI**").
- 4.4.2.7. The STI and the LTI will be calculated on the basis of their respective target bonuses, to be determined for each member of the Identified Staff (the "**Target Short-Term Incentive**" or "**Target STI**" and the "**Target Long-Term Incentive**" or "**Target LTI**", respectively).
- 4.4.2.8. If 100% of the pre-defined targets are achieved, the amount of the STI and the LTI will effectively match the Target STI and Target LTI, respectively.
- 4.4.2.9. The target annual variable remuneration of each member of the Identified Staff is comprised by the sum of the Target Short-Term Incentive and the Target Long-Term Incentive (for the purposes of this section, the "**Target Annual Variable Remuneration**" or "**Target AVR**").
- 4.4.2.10. As a general rule, the weight of the Target LTI shall not be less than 20% of the Target Annual Variable Remuneration of each member of the Identified Staff.
- 4.4.2.11. The sum of the amounts awarded under the STI and the LTI will constitute the Annual Variable Remuneration or Annual Bonus for the year for each member of the Identified Staff (hereinafter, the "**Annual Variable Remuneration**" or "**AVR**" of the Identified Staff).
- 4.4.2.12. The Annual Variable Remuneration of the Identified Staff shall be governed by the rules on accrual, award, vesting and payment set forth below:

⁴ The Target Annual Variable Remuneration, as defined below, will be used to calculate the target ratio of the variable element of remuneration.

a) Conditions for the accrual and award of Annual Variable Remuneration

4.4.2.13. As for the rest of the Garanti BBVA's employees, the Annual Variable Remuneration of the Identified Staff (comprising in its case by the STI and the LTI) will not accrue, or will be reduced upon accrual, if certain profit and capital ratio levels are not achieved. The AVR will also be subject to the other conditions for its accrual as established for the rest of the employees in section 4.1.B of this Policy.

4.4.2.14. These conditions shall constitute ex ante adjustments to the Annual Variable Remuneration of the Identified Staff for the purposes set out in applicable regulations.

i. Rules on the award of the Short-Term Incentive:

4.4.2.15. The Short-Term Incentive of each member of the Identified Staff will be determined by applying the calculation rules described in section 4.1.B of this Policy for the Annual Variable Remuneration of the rest of the employees of Garanti BBVA, taking as a reference, for members of the Identified Staff, the Target STI and based on:

- the Annual Indicators (financial and non-financial) measured annually and the targets set for each of them; and
- the corresponding scales of achievement, according to the weighting assigned to each Annual Indicator.

4.4.2.16. In order to determine to what extent the performance criteria have been met in the financial year to which the Short-Term Incentive relates, once the year has ended the result of each Annual Indicator will be compared with its target and the amount of the Short-Term Incentive will be calculated accordingly, based on the level of achievement and by applying the corresponding scales and weighting assigned to each indicator.

4.4.2.17. The amount of this incentive may range between 0% and 150% of the Target STI.

ii. Rules on the award and final calculation of the Long-Term Incentive:

4.4.2.18. The Long-Term Incentive for members of the Identified Staff will only be awarded if the profit and capital ratio levels referred to in paragraph 4.1.10 are achieved. Following the end of the financial year, and after confirming the achievement of these profit and capital levels, the initial award of the Long-Term Incentive will be made for its maximum theoretical amount.

4.4.2.19. In order to determine its **final amount**, the Target LTI established for each member of the Identified Staff will be taken as a reference, based on:

- a set of financial and non-financial metrics or indicators, with targets set to be met at the end of three-year, which take into account the strategy defined and value creation in the long-term (the "**Long-Term Indicators**"); and
- the corresponding scales of achievement, according to the weighting assigned to each Long-Term Indicator.

4.4.2.20. The final amount of the Long-Term Incentive for members of the Identified Staff may range between 0% and 150% of the Target LTI.

b) Rules for the vesting and payment of Annual Variable Remuneration

4.4.2.21. The Annual Variable Remuneration of each member of the Identified Staff shall be subject to the following vesting and payment rules:

i. Deferral and payment schedule:

4.4.2.22. Once the Annual Variable Remuneration has been awarded, in the following financial year to the one that it relates to, in accordance with section a) above, a percentage of the Annual Variable Remuneration of the Identified Staff - not exceeding 40% for those members of the Identified Staff who receive particularly high amounts of variable remuneration⁵, and not exceeding 60% for the rest of the Identified Staff (the “**Upfront Portion**” of the Annual Variable Remuneration)-, shall vest and be paid, provided the relevant conditions for payment are met. Payment will typically be made in the first quarter of that financial year. The Initial Portion will be comprised solely of a percentage of the Short-Term Incentive.

4.4.2.23. In order to ensure that the actual payment of the Annual Variable Remuneration takes place over a period that takes into account the Garanti BBVA’s business cycle and related risks, the remaining amount —and at least 60% of the Annual Variable Remuneration for those members of the Identified Staff who receive particularly high amounts of variable remuneration and 40% for the rest of the Identified Staff— will be deferred over a period of four years (the “**Deferred Portion**” of the Annual Variable Remuneration or the “**Deferred Annual Variable Remuneration**”). The Deferred Portion will be paid, provided the relevant conditions are met, once each of the years of deferral has elapsed. In no event will this Deferred Portion be paid faster than in a proportionate way.

4.4.2.24. Within this deferral period, the part of the AVR corresponding to the Long-Term Incentive will start to be paid only once the measurement period for the targets of the Long-Term Indicators (to the results of which the calculation of the final amount of the the Long-Term Incentive is subject, as described in section a) above) has elapsed. This incentive will form part of the Deferred Annual Variable Remuneration for each member of the Identified Staff.

4.4.2.25. Exceptions to the deferral rules may be applied in the cases stipulated in applicable regulations.

ii. Payments in shares or instruments linked to shares:

4.4.2.26. Both the Upfront Portion and the Deferred Portion of the Annual Variable Remuneration of each member of the Identified Staff will be paid 50% in cash and 50% in non-cash instruments.

4.4.2.27. In accordance with the foregoing, a portion of the Deferred Variable Remuneration in shares may be delivered in the form of options.

iii. Retention period for the shares or instruments:

4.4.2.28. Non-cash instruments received as Annual Variable Remuneration shall be withheld for one year running from date of delivery.

⁵ The amount above which remuneration shall be considered to be particularly high shall be established in the procedure regulating the Identification Process.

4.4.2.29. The foregoing shall not apply to those non-cash instruments that are sold, where appropriate, in order to meet the payment of taxes accruing on their delivery.

iv. Ex-post adjustments to the Deferred Portion of the Annual Variable Remuneration:

4.4.2.30. To ensure that the Annual Variable Remuneration is commensurate with risks, the Deferred Portion may undergo certain ex post risk adjustments, meaning that it will not vest, or may be reduced, if certain capital and liquidity thresholds are not met.

4.4.2.31. These adjustments may lead to a reduction, possibly to zero, of the Deferred Annual Variable Remuneration of the Identified Staff (both in cash and in shares or instruments) awarded pursuant to this Policy and that vests and becomes payable in each financial year, thus ensuring that the Annual Variable Remuneration will be paid only if it is sustainable in view of the payment capacity, based on its capital and liquidity position at any given time.

4.4.2.32. In addition, the Annual Variable Remuneration of each member of the Identified Staff will be subject to **malus and clawback clauses**, and thus:

1. Up to 100% of the Annual Variable Remuneration of each member of the Identified Staff corresponding to each financial year, both in cash and in shares or instruments, will be subject to arrangements for the reduction of variable remuneration (malus) and arrangements for the recovery of variable remuneration already paid (clawback), both of which are linked to a downturn in financial performance when such downturn in financial performance arises from any of the following circumstances:
 - a) Misconduct, fraud or serious breach of the Code of Conduct and other applicable internal regulations by an Identified Staff member.
 - b) Regulatory sanctions or judicial convictions due to events that may be attributable to a specific unit or to the staff responsible for such events.
 - c) Significant failure of risk management to which the willful misconduct or gross negligence of an Identified Staff member was a contributing factor.
 - d) Restatement of the annual financial statements, except where such restatement is due to a change in the applicable accounting legislation.

For these purposes, the performance assessment carried out for the Identified Staff member shall be compared with the ex post performance of one or more of the criteria that helped to achieve the targets.

The malus and the clawback arrangements will apply to both the cash portion and the portion in shares or instruments of the Annual Variable Remuneration for the financial year in which the event triggering the clause occurred. They will remain in effect during the applicable deferral and retention period of the shares or instruments corresponding to said Annual Variable Remuneration.

2. Nevertheless, in the event that the above circumstances give rise to a dismissal or termination of contract of the Identified Staff member due to a serious and culpable dereliction of duties, malus arrangements may apply to the entire deferred Annual Variable Remuneration from

previous financial years pending payment on the date of the dismissal or termination of contract, in light of the extent of the damage caused.

3. Moreover, malus and clawback arrangements shall also apply in the event that the circumstances set out in paragraph 1 lead to material reputational damage, regardless of the financial impact caused. These arrangements will apply to the Annual Variable Remuneration, including amounts deferred from previous financial years, which is payable, or has been paid in the financial year in which the damage is revealed.

4.4.2.33. In any case, the Annual Variable Remuneration will only vest or be paid if it is sustainable according to the situation of the Garanti BBVA Group as a whole, and justified based on results.

c. Other conditions applicable to the Annual Variable Remuneration

4.4.2.34. The cash amounts of the Deferred Portion of the Annual Variable Remuneration that ultimately vest will be updated by applying the consumer price index (CPI) measured as the year-on-year change in prices, or any other criteria established for that purpose.

4.4.2.35. Identified Staff members may not use personal hedging strategies or insurance in connection with the Annual Variable Remuneration and responsibility that may undermine the effects of alignment with prudent risk management. In particular, such strategies may not be used to cover the liability or effects that may arise from the effectiveness of the clawback arrangement set out in this Policy, or from the provisions of any other variable remuneration recoupment policy to be approved.

4.4.2.36. In the event that a member of the Identified Staff ceases to hold office prior to the award of the Annual Variable Remuneration, and providing that the relevant conditions are met, that person will be entitled to receive the proportional part of that remuneration (comprising both the Short-Term Incentive and the Long-Term Incentive), to be calculated pro rata, in accordance with the time spent in office in the financial year to which the Annual Variable Remuneration relates, which will be subject, in any case, to the same accrual, award, vesting and payment system that would apply had the member of the Identified Staff remained in that role, as set forth in this Policy. The above shall not apply in cases where termination of the contractual relationship is due to voluntary termination or lawful dismissal, for which the right to the Annual Variable Remuneration shall not accrue.

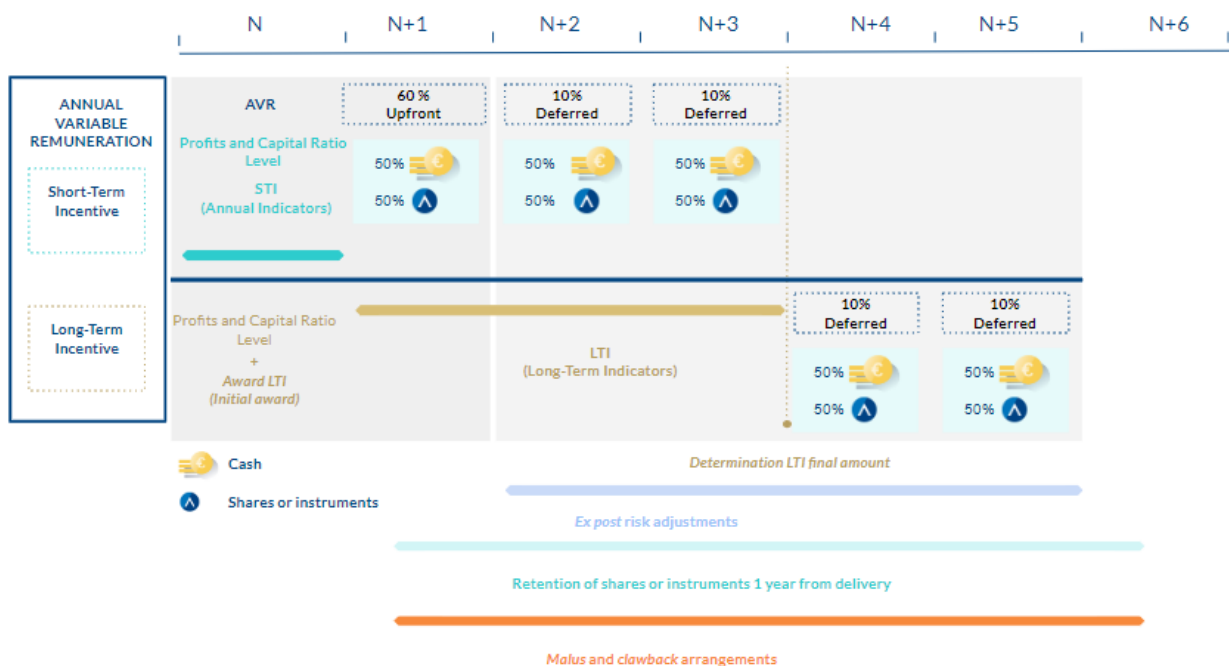
4.4.2.37. In any event, the provisions of this Policy shall be construed without prejudice to any payments due to members of the Identified Staff pertaining to the deferred amounts of Annual Variable Remuneration for previous years to that in which the contractual relationship of the member of the Identified Staff ended. These amounts, both in cash and shares or instruments, will remain subject to the applicable vesting and payment rules (including deferral periods and potential ex post adjustments), in accordance with the remuneration policies in effect in the financial year to which they relate, such that the termination of the contractual relationship shall not constitute a condition for the early vesting of such remuneration.

4.4.2.38. In case of any event, circumstance or corporate transaction that may significantly affect the collection, in particular, of the Deferred Portion of the Annual Variable Remuneration or other

components of deferred variable remuneration, rules of accrual, award, vesting and payment of the remuneration provided for in this Policy may be altered.

- 4.4.2.39. Specifically, in the event of a takeover or change in control as the result of a public takeover bid, the outstanding deferred portion of any variable remuneration component in shares or instruments will be settled early and beneficiaries will receive, instead of shares or instruments referenced to the shares, their equivalent value in cash, based on the price offered in the public takeover bid.
- 4.4.2.40. Provided below is a figure that illustrates the rules set out in this Policy for the accrual, award, vesting and payment of the Annual Variable Remuneration⁶ contained in this Policy:

Identified Staff



Note: for those Identified Staff members with particularly high variable remuneration, the vesting and payment scheme is the same except that 40% is paid upfront and 60% is deferred.

4.4.3. Other variable remuneration of the Identified Staff

- 4.4.3.1. If the members of the Identified Staff are entitled to receive any variable remuneration other than the Annual Variable Remuneration but which qualifies as variable remuneration under the terms of this Policy or in accordance with applicable regulations, such variable remuneration shall be subject to the rules regarding accrual, award, vesting and payment in accordance with the type and nature of the remuneration component itself and, in any case, shall comply with the applicable regulations in force at any given time.
- 4.4.3.2. In particular, any retention bonuses to which Identified Staff members may be entitled in accordance with their contracts shall be considered to be variable remuneration and subject to the conditions established with respect thereto in applicable regulations. Accordingly, they must comply with the requirements for Annual Variable Remuneration set out in this Policy in respect of payment in shares or instruments, deferral and retention

⁶ Payment percentages assuming equal achievement of both incentives.

rules, ex post risk adjustments, and malus and clawback arrangements, and, as well as the Annual Variable Remuneration, shall be considered to be variable remuneration for the purposes of calculating the ratio between fixed and variable remuneration.

- 4.4.3.3. In any case, retention bonuses shall be properly justified and will be awarded upon conclusion of the retention period.

4.4.4. Payments related to early termination of a contract

- 4.4.4.1. Payments to Identified Staff members due to early termination of a contract shall be based on the results obtained over time. In no event may bad results or inappropriate conduct be rewarded, and payments may not be awarded in cases where there have been clear and serious infringements that justify the immediate termination of the contract or the dismissal of the Identified Staff member.
- 4.4.4.2. An appropriate decision-making framework is established to determine and approve payments to Identified Staff members related to the early termination of a contract. Prevailing labor legislation and the regulations applicable to credit institutions must be observed in all cases. The decisions in this area must be justified, giving the grounds for granting the payment, the criteria applied for determining its amount and the appropriateness of the amount awarded.

4.4.5. Limit on variable remuneration

- 4.4.5.1. The variable component of the remuneration of the Identified Staff for a financial year (understood as the sum of all variable remuneration) shall be limited to a maximum amount of 100% of the fixed component (understood as the sum of all fixed remuneration) of the total remuneration. In some cases this percentage can be up to a maximum of 200%, in accordance with applicable regulations.
- 4.4.5.2. The Annual Variable Remuneration awarded to each member of the Identified Staff, in accordance with section 4.4.2 above, shall form part of the variable element of their total remuneration for the purposes of the annual limit established in the applicable regulations.

5. Governance model and oversight of the Policy

- 5.1. This Policy has been drafted and coordinated by the Talent & Culture area of Garanti BBVA, and has been approved by the Board of Directors of Garanti BBVA on April 4, 2024.
- 5.2. The Board of Directors mandated to form a Remuneration Committee comprising a minimum two board members having no executive duty in the Board of Directors responsible for remuneration policy. This Committee aims to institute an independent and efficient waging and remuneration system and monitoring and auditing Garanti BBVA's remuneration practices on behalf of the Board of Directors. The Talent and Culture Department functions as a reporter in the Remuneration Committee.
- 5.3. The Head of Talent & Culture of Garanti BBVA will be responsible for this Policy at the executive level and will therefore submit it for approval and publication, seek to raise awareness of it among all persons that fall within its scope and encourage its subsidiaries to develop a customized remuneration policy which is aligned with this Policy..

- 5.4. The Talent & Culture area of Garanti BBVA shall review the Policy annually with input from other areas of the Garanti BBVA and BBVA Group as necessary, to ensure its alignment with the applicable regulatory frameworks, and shall submit any changes to this Policy considered necessary to the corresponding corporate bodies of Garanti BBVA for their approval.
- 5.5. The person responsible for the Policy must keep close track at all times of how it is being applied across the Garanti BBVA and will take the necessary measures if it is not being properly applied, reporting any such incident to Garanti BBVA's corporate bodies.
- 5.6. Such person will also facilitate, when appropriate, the provision of sufficient means, systems and organization to ensure compliance with the Policy.
- 5.7. The Garanti BBVA's various control functions shall cooperate actively and regularly in monitoring the implementation of this Policy, further to the powers vested in them.
- 5.8. The Board of Directors of Garanti BBVA, as the Company's highest supervisory body, shall supervise the Policy's effective implementation, doing so directly or through the Remuneration Committee of Garanti BBVA or the corresponding corporate body, on the basis of periodic or ad hoc reports received from the Head of Talent & Culture and/or the Internal Audit area, as appropriate.
- 5.9. In this sense, Remuneration Committee of Garanti BBVA shall, in accordance with the provisions of its Regulations, ensure compliance with the Policy and review it annually proposing to the Board of Directors of Garanti BBVA any modifications or exceptions that it deems necessary to ensure, among other things, that the Policy is adequate for the purposes of attracting and retaining the best talent, and that it contributes to the creation of long-term value and adequate control and management of risks, and addresses the principle of equal pay.
- 5.10. Under no circumstances shall any exceptions that may be made to this Policy be based on gender considerations or other aspects that may be considered discriminatory. They must likewise be soundly justified and comply with the provisions of prevailing law and regulations.

6. Entry into force and term of effectiveness

- 6.1. The Policy shall take effect on 1 January 2024, thereby replacing and superseding the Garanti BBVA's remuneration policy approved by the Board of Directors of Garanti BBVA on 1 December 2022, which, however, will continue to govern remuneration awarded under that policy.
- 6.2. The Compensation Policy was first approved by the Board of Directors of the Garanti BBVA on December 28, 2011 with decision number 2278; afterwards, it was reviewed in accordance with the decision dated 1 December 2022 and numbered 2478.
- 6.3. This Policy will remain in force until the Board of Directors of Garanti BBVA resolves to amend it or approves a new policy to replace it.

Glossary

Definitions

The key terms set out in this Policy shall have the following meaning:

- **Annual Indicators:** indicators subject to an annual measurement period, on the basis of which the Short-Term Incentive part of the Annual Variable Remuneration is calculated.
- **Annual Variable Remuneration or AVR:** performance-based variable incentive awarded annually to employees, measured through the achievement of targets set to assess the results obtained in each year or measurement period for a series of indicators aligned with the management metrics considered to be the most relevant and with the strategic priorities of Garanti BBVA. In the case of Garanti BBVA's Identified Staff this incentive consists of a Short-Term Incentive (with an annual target measurement period), and a Long-Term Incentive (subject to a multi-year target measurement period).
- **Award:** award of fixed or variable remuneration, whether in cash or in shares or instruments, for a given accrual period, regardless of the actual point in time at which that remuneration is paid or delivered and the final amount of the awarded remuneration that ultimately vests, based on the results or outcome of any conditions to which such remuneration is subject.
- **BBVA:** Banco Bilbao Vizcaya Argentaria, S.A. (the parent company of BBVA Group).
- **BBVA Group:** an international financial group comprising Banco Bilbao Vizcaya Argentaria, S.A., as the parent company, and other legally autonomous companies, primarily engaged in banking activities.
- **Board of Directors of Garanti BBVA:** the management body of Garanti BBVA.
- **Corporate bodies of Garanti BBVA:** for the purposes of this Policy, the Board of Directors of Garanti BBVA and its committees.
- **Deferred Portion of the Annual Variable Remuneration, or Deferred Annual Variable Remuneration:** as a minimum, 60% of the Annual Variable Remuneration of each member of the Identified Staff with particularly high variable remuneration, and 40% for the rest of the Identified Staff, which will be deferred over a period of four (4) years.
- **Entities or Garanti BBVA Group Entities:** companies forming part of Garanti BBVA Group and at which Garanti BBVA has control over their management.
- **Garanti BBVA:** Türkiye Garanti Bankası A.Ş. (the parent company of Garanti BBVA Group).
- **Garanti BBVA Group:** financial group comprising Garanti BBVA, as the parent company, and other legally autonomous companies, primarily engaged in banking activities.
- **Garanti BBVA Remuneration Policy or the Policy:** the present policy.
- **Identification process:** process whereby the persons who make up the Garanti BBVA Identified Staff are selected, in accordance with the qualitative and quantitative criteria set out in applicable regulations.

- **Identified Staff o Identified Staff of the Garanti BBVA:** categories of staff whose activities have a material impact on the risk profile of Garanti BBVA.
- **Long-Term Incentive or LTI:** incentive that reflects performance over a multi-year time horizon, the final amount of which is conditional on the fulfillment of a series of long-term targets.
- **Long-Term Indicators:** indicators subject to a three-year measurement period and used to calculate the final amount of the Long-Term Incentive forming part of the Annual Variable Remuneration.
- **Remuneration Committee of Garanti BBVA:** the Remuneration Committee attached to the Board of Directors of Garanti BBVA.
- **Short-Term Incentive or STI:** incentive granted annually and reflecting performance, measured through the attainment of various targets to assess the results obtained in each financial year for a series of indicators, measured annually.
- **Target Annual Variable Remuneration or Target AVR:** amount of the Annual Variable Remuneration if 100% of the predefined targets are met.
- **Target Short-Term Incentive or Target STI:** amount of the Short-Term Incentive if 100% of the pre-defined targets for the Annual Indicators are met.
- **Target Long-Term Incentive or Target LTI:** amount of the Long-Term Incentive if 100% of the pre-defined targets for the Long-Term Indicators are met.
- **Upfront Portion of the Annual Variable Remuneration:** as a maximum, 40% of the Annual Variable Remuneration of each member of the Identified Staff with particularly high variable remuneration and 60% for the rest of the Identified Staff, which will be vested and paid, as a general rule and provided the relevant conditions are met, in the first quarter of the financial year following that to which the Annual Variable Remuneration relates.
- **Vesting:** effect whereby an employee becomes the legal owner of the variable remuneration previously awarded, regardless of the instrument used for payment or whether the payment is subject to additional lock-up periods or recoupment arrangements for remuneration already paid.

Change Log

Date	Description of the change	Author
07/12/2017	It was amended by the decision of the Board of Directors numbered 2382.	Human Resources
01/12/2022	It was amended by the decision of the Board of Directors numbered 2478.	Talent and Culture