



## BPI Remuneration Statement

BPI's remuneration policy for the Board and Management is aligned with risk incentives and supports sustainable, long-term value creation. Apart from ensuring that Board and Management pay appropriately reflects market and industry conditions and drives business strategy and financial performance, the policy likewise applies performance-based remuneration that rewards employees for their commitment to Bank's strategy.

**Remuneration Principles.** In proposing the remuneration policy, the Personnel and Compensation Committee (PerCom) ensures that the mix of fixed and variable pay, in cash and other elements:

- Meets the Bank's needs and strategic objectives based on targets that are stretched, verifiable, and relevant;
- Accurately reflects recorded performance measures and promotes a pay-for-performance culture;
- Governs vesting of long-term incentives that are monitored and tied to risk-assessments to align remuneration with the Bank's long-term strategy and shareholder interests and encourage the long-term commitment of employees;
- Reflects market rates and the challenge of attracting, retaining and competitively rewarding key staff with the ability, experience, skills, values, and behaviors to deliver Bank goals.

These principles of paying competitively and paying for performance applies equally to the Board, President & CEO, officers, employees and staff. BPI's employee remuneration is aligned with the principle of non-discrimination in respect of equal remuneration for men and women who produce work of equal value and where remuneration is based not on an employee's gender but on an objective evaluation of the work performed.

**Board of Directors.** Under the Bank's Amended By-Laws, as approved by the shareholders, the Board, as a whole, determines the level of remuneration and/or benefits for directors sufficient to attract and retain directors and compensate them for their time commitments and responsibilities of their role. The PerCom recommends to the Board the fees and other compensation for Directors, ensuring fair remuneration for work required in a company of BPI's size and scope, and alignment with the long-term interests of the Bank.

- As provided by the Amended By-Laws and pursuant to a Board resolution, each Director is entitled to receive fees and other compensation for services as Director.
- In no case shall the total yearly compensation of the Board exceed 1% of the Bank's net income before income tax during the preceding year.

- Directors receive per diem allowances of PHP 70K for attendance at board meetings and PHP 30K for attendance at committee meetings. No distinction is made between per diem allowances for committee chairmen and members. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments.
- In 2023, the Board of Directors, as a whole, received a total of Php 84.7 million as fees and other compensation for the services they rendered. The total compensation for each director for 2023 is disclosed in Annex A-3(b) of the 2023 Definitive Information Statement. (Recommendation 8.4 SEC CG Code for PLCs).

**President & CEO and Senior Management.** Remuneration for officers is set in the same way as for all employees being contractually fixed, based on the role, the skills and experience of the individual, and reviewed annually with reference to relevant market benchmarks. Remuneration for Senior Management, as reflected in the ratio between fixed and variable components of their total compensation, changes according to performance, rank, and function.