

R E P O R T



2022

REMUNERATION REPORT

Remuneration Policy of Grupo Cooperativo Cajamar

QUALITATIVE INFORMATION

a) Information on remuneration supervisory bodies.

Ultimate responsibility for the Group's Remuneration Policy lies with the Board of Directors of the Bank, which will adopt and periodically review the general principles of the Policy, being responsible for overseeing its implementation.

In accordance with the Rules of Procedure governing the Board of Directors, the Board shall approve the General Remuneration System of the Group as set out in the Remuneration Policy and any amendments thereto.

The Board of Directors has established a permanent Remuneration Committee, an internal informative and advisory body, without executive functions, with powers of information, advice and proposal within its remit, responsible, among other aspects, for the preparation of decisions on remuneration that impact the risk and risk management of the Entity, as well as reporting on the general remuneration policy of Board members and senior management.

The Remuneration Committee is the body that assists, informs and makes proposals to the Board of Directors of the Bank in the matters assigned to it for this purpose by the Company By-Laws and by the Rules of Procedure governing the Board, ensuring compliance with the remuneration policy established.

Likewise, Article 6 of the Rules of Procedure governing the Remuneration Committee itself - according to the text in force on 31 December 2022 - regulates the Committee's minimum powers, identified as follows:

1. Propose to the Board of Directors, for submission to the General Shareholders Meeting, any remuneration proposals and policies it deems necessary, in the areas of its competence, and in particular the remuneration policy of Board members, drawing up the mandatory reasoned report on said policy.

This policy will be in line with the general framework of the company's corporate governance, corporate culture, size, nature and scope of its activities, risk appetite, related governance processes, as well as social and environmental objectives. Its content will be gender-neutral and will support equal treatment of staff of different genders.

2. Propose to the Board of Directors the individual remuneration of the various categories of Board members and at least non-executive directors, as well as the individual remuneration of executive directors and other basic conditions of their contracts, including any compensation that may be fixed in the event of separation, and ensuring that these conditions are observed.

3. Propose to the Board of Directors the remuneration policy of Grupo Cooperativo Cajamar, which includes remuneration pertaining to senior managers and employees who are not members of senior management but receive significant remuneration and whose activities may have a relevant impact on risk-taking by the Group; as well as the basic conditions of their contracts, including their remuneration and any compensation that may be set in the event of dismissal.
4. Periodically review the remuneration policy applied to directors and senior managers, as well as ensure that their individual remuneration is proportionate to that paid to other directors and senior managers of the company, proposing, where appropriate, any changes deemed necessary, in order to have an up-to-date policy in line with the best national and international recommendations on remuneration; and ensure that an internal review of remuneration policies is carried out at least once a year.
5. Verify compliance with the remuneration policies established by the Company. Report on incentive plans and pension supplements for all Group staff.
6. Submit to the Board of Directors proposals regarding remuneration, including remuneration that has an impact on the risk and risk management of the entity concerned, to be adopted by the Board of Directors, taking into account the long-term interests of shareholders; investors and other stakeholders in the company, as well as public interest, all without prejudice to the tasks entrusted to the Risk Committee in this area.
7. Within the general framework of the Remuneration Policy in force at any given time, and in the event that a variable remuneration system is established, analyse, where appropriate, the need to make ex ante or ex post adjustments to variable remuneration accrued by members of the Board of Directors and Senior Management, including the application of clauses regarding compensation reduction and the recovery of compensation already paid; as well as other equivalent mechanisms or similar purposes that might be established in the future; submitting to the Board of Directors the corresponding proposals to that effect.
8. Review, where appropriate, the various possible scenarios, to analyse how remuneration policies and practices react to possible internal and external events, allowing for retrospective testing of the criteria used to determine award and ex ante risk adjustment, based on actual risk results.
9. Ensure transparency and verify the remuneration information of directors and senior managers contained in the various corporate documents, including, where appropriate, the annual remuneration report of directors, and the corresponding sections of the Company's annual corporate governance report; as well as in other reports required by the applicable legislation on remuneration and especially in the Sustainability Report that will be part of the Company's Annual Accounts, and to this end, submit to the Board any information that is appropriate.
10. Ensure that any conflicts of interest do not prejudice the independence of the advice provided to the Committee.

11. The Committee shall cooperate with other Committees whose activities may have an impact on the definition and proper functioning of remuneration policies and practices, in particular with the Risk Committee, to ensure that the remuneration policy is consistent and promotes adequate and effective risk management. Likewise, the Committee shall provide the appropriate information in this regard to the Board of Directors and, where appropriate, to the General Shareholders' Meeting.

As established in art. 7 under the Rules of Procedure for the BCC Remuneration Committee, the Committee shall consist of a minimum of 3 and a maximum of 6 directors appointed by the Board of Directors, proposed by the Appointments Committee, from among those directors who do not perform executive functions. At least two of its members must be independent directors and in any event the President of the Committee must always be an independent director; and bearing in mind that individually and jointly the Committee members possess the appropriate knowledge, capacity and experience to fully understand and control the functions they are called upon to perform as members of the Committee.

The Committee shall be chaired by one of the independent directors who form part of the Committee, who shall have an appropriate profile and experience to carry out the tasks corresponding to the presidency and organisation of the Remuneration Committee.

As of the date of this report, the Remuneration Committee is composed of four members of the Board of Directors, all of whom have the status of non-executive directors, three of whom are independent, including the President.

Position	First and Last name(s)
President	Ana Núñez Álvarez
Ordinary Member	Antonio de Parellada Durán (*)
Ordinary Member	Antonio José Carranceja López de Ochoa
Ordinary Member	Luis Francisco Fernández-Revuelta Pérez

() Member of the Remunerations Committee since 28 April 2022. In this regard, it is also noted that until that date, Juan Carlos Rico Mateo was a member of the Committee, who stepped down as a member of the Board on 28 April 2022.*

In accordance with the provisions of art. 10 under the aforementioned Rules of Procedure for the BCC Remuneration Committee, all members of the Committee, including its president, shall be appointed for a maximum period of 4 years and may be re-elected one or more times for periods of equal maximum duration.

The number of meetings held by the Remuneration Committee is regulated in accordance with the provisions of art. 13 of the Rules of Procedure for the BCC Remuneration Committee, which stipulates that the Committee shall meet, normally and always according to the specific matters and needs of each financial year, at least three times a year, and also whenever it is convened by its President or requested by two of its members. It shall be convened by its President, whenever the Board or its President requests the issuance of a report or the adoption of proposals by the Committee and whenever it is convenient for the proper development of its functions.

In order to perform its duties, the Remuneration Committee met five times during the 2022 financial year to deal with all matters falling within its remit.

The issues discussed included:

- Proposed adaptation of the General Remuneration Policy.
- Proposal to adapt and update the procedure for determining the Identified Collective.
- Proposal on the Remuneration Policy for Board Members.
- Annual evaluation of remuneration policies, financial year 2021.
- Proposal to ratify the limit of 200% for the variable component of the remuneration of the Identified Collective, with respect to the fixed portion.
- Proposal for the 2021 incentives for Central Services and Group Subsidiaries.
- Proposal to update the variable remuneration system for 2022 for the Identified Collective and update the incentives for Central Services and Group Subsidiaries.
- Modification of the indicator of managed off-balance sheet resources, for the first quarter for the system of branch network targets for 2022.
- Proposal to update the targets system for 2022.
- Proposal for the appointment of an Independent Expert for the 2022 Annual Evaluation of Remuneration Policies.
- Proposal to review and design the variable remuneration system for the Identified Collective.
- Proposal to adjust the distribution of salary supplements in accordance with the Remuneration Policy for Board Members of Grupo Cooperativo Cajamar.
- Proposals relating to the Senior Management Salary Review.
- Proposals for the General Variable Remuneration System, for the 2023 financial year .
- Proposal to update the Identified Collective.
- Decision on the non-absorption of the agreed increase, or to be agreed, where appropriate, with unions for the financial year 2023.

Other sectors of the group that perform functions in relation to remuneration policy and practices are:

- **CHIEF EXECUTIVE OFFICER:** By delegation of the Board of Directors, the CEO is responsible for reviewing the remuneration systems for non-senior management.
- **STEERING COMMITTEE:** This body is responsible for the development and decision-making of the policies and strategic actions of each Division, aimed at achieving the targets set by senior management. Its main functions in this area are as follows:
 - Advise the Board of Directors and General Management on senior management tasks.
 - Supervise and monitor compliance with decisions emanating from higher bodies.
 - Analyse information of the highest strategic interest for the Group.
 - Monitor and Control the Strategic Plan.
 - Management Coordination.
- **RESOURCES COMMITTEE:** This body is responsible for coordinating and monitoring the Group's resources. Its main functions include:
 - Coordinating provision of the resources necessary for the proper functioning of the Group.
 - Establishing criteria for rationalising expenditure and organisational policy.
 - Approving the size of the Group regarding the request for new positions, expansion of staff, etc.
 - Approving staff salary increases.
 - Approving the operational spending budget.
- **HUMAN RESOURCES DIVISION:** This body is responsible for advising and proposing remuneration systems and procedures in line with best practices and organisational strategy, operationally applying the systems and procedures once approved.
- **CONTROL COMMITTEE AND DIVISION:** These bodies have in this area the functions set out in the following paragraph 10.
- **RISKS COMMITTEE:** This Committee advises the Board of Directors on the current and future global risk appetite and strategy in this area and assists it in monitoring the implementation of this strategy.

In this regard, the Risk Committee will also assist in the establishment of sound remuneration policies and practices. For this purpose, this Committee shall examine, without prejudice to the functions of the Remuneration Committee, whether economic impact of the proposed remuneration and system take into account risk, capital, liquidity and probability, and the opportunity for profits.

For the proper performance of its duties, the Bank shall ensure that the Risk Committee is able to access without difficulty information on the risk situation of the Bank and, if necessary, to access the risk management unit and specialist external advice.

In addition, the Remuneration Policy shall be subject, at least once a year, to a central and independent internal evaluation, in order to verify whether the remuneration guidelines and procedures adopted by the Board of Directors in its supervisory function are complied with.

The evaluation of the policy implemented in 2022 has been entrusted to an independent expert.

Scope and principles of the Remuneration Policy of Grupo Cooperativo Cajamar

The ultimate and fundamental objective of establishing this Policy is to document the remuneration rules and practices applicable to the Group, in a manner consistent with the promotion of adequate and effective risk management, and under exhaustive conditions and proportionate to its size, nature, scale and complexity of the risks inherent in the Group's business model and activities.

The Group develops its activities exclusively in Spain, so the Policy is applicable only and throughout the national territory.

Within an objective scope of application, the Policy extends to all remuneration in cash or in kind received by the Board members, executives and employees of the Group for any reason, including salaries, allowances, short- and long-term variable remuneration, post-employment benefits and discretionary pension benefits, as well as other long-term benefits and severance benefits (or guaranteed indemnity).

In addition, the consolidated prudential perimeter of Grupo Cooperativo Cajamar encompasses other non-financial entities, in which it holds majority stakes, and to which it extends the general principles of the Policy.

Therefore, the Policy will apply to all employees of Grupo Cooperativo Cajamar, without prejudice to the remuneration policies formalised by the different subsidiaries subject to specific remuneration requirements as indicated above.

In general, all members of the Board of Directors, including executive directors, senior management and employees of the Group, shall be subject to the Policy, distinguishing in the establishment of remuneration systems between the Board Members, members of the "Identified Collective" and the rest of the staff of both the Group's financial institutions and the companies in which the Group has holdings, as well as financial agents.

The Group considers the Policy as an essential element to fulfil its mission, since fair compensation aligned with the strategy is a key component of employee motivation, which allows them in the performance of their duties to offer quality solutions and services to members and shareholders and contribute to the economic development of our environment.

The main elements of the remuneration system are fixed and variable remuneration. Fixed remuneration remunerates the performance of responsibilities in accordance with principles of equity, both internal and external, and will constitute a significant part of the total compensation.

In addition, variable remuneration will apply to all employees and will reflect sustainable and risk-adapted performance, as well as higher performance than required. It should therefore ensure prudent risk management and be linked to a system of pre-established targets. Both components will be duly balanced.

The Group's Remuneration Policy and practices are based on the following general principles:

- Attract and retain the best professionals.
- Enhance the professional career and continuous improvement of employees, allowing for their own development and the creation of value for the organisation.
- The promotion of adequate and effective risk management, without creating incentives to take risks beyond the level tolerated by the Group, in a manner consistent with the risk appetite framework which includes, among other things, capitalisation, liquidity credit, environmental, social and governance risks ("ESG").
- The compatibility of the policy with the Group's business strategy, targets, values and long-term interests.
- Consistency between variable remuneration and a solid capital base.
- Avoid conflicts of interest.
- Promote internal equity through objective criteria to assess the level of remuneration fairly according to the different groups, positions and responsibilities in the organisation, ensuring non-discrimination on the basis of gender through equal pay for jobs of equal value.
- Ensure correct external equity, considering the Group's position in the sector and the correlation between the remuneration level and the different business, solvency, efficiency and results indicators, in order to establish a competitive correlation against reference entities.
- Transparent reporting of Remuneration Policy and practices.
- Staff exercising control functions within the credit institution shall be independent of the business units they supervise, shall have the authority necessary to carry out their tasks and shall be remunerated based on the achievement of targets related to their functions; regardless of the results of the business areas they control.
- The Board of Directors, in its supervisory role, shall adopt and periodically review the general principles of the Remuneration Policy and shall be responsible for the supervision of its implementation, ensuring its effective and correct implementation.
- The remuneration of senior managers responsible for risk management and with compliance functions shall be directly supervised by the Remuneration Committee.
- The criteria for setting fixed and variable remuneration shall be clearly distinguished.
- The configuration of the remuneration package will be composed of a set of instruments that both in its content (monetary and non-monetary), time horizon (short, medium and long term), security (fixed and variable) and objectives, allow remuneration to be adjusted to the needs of both the Entity and its professionals.
- The proportion of variable remuneration shall not be excessive in relation to fixed remuneration in order to avoid excessive risk-taking.
- Fixed remuneration should primarily reflect relevant professional experience and responsibility in the organisation as stipulated in the job description as part of the working conditions.

- Variable remuneration shall reflect sustainable and risk-appropriate performance as well as higher performance than required to comply with the job description as part of the working conditions.
- Ensure that all aspects of the remuneration policy are gender-neutral, including the conditions for granting and paying remuneration.

b) Information concerning the design and structure of the remuneration system for identified personnel.

Identified Personnel - criteria and features of remuneration

For the identification of personnel whose professional activities have a significant impact on the Group's risk profile, the following groups of employees are established, observing the regulations that these criteria must follow (qualitative and quantitative) included in the LOSS legislation and in Delegated Regulation 2021/923:

- The position they hold (management).
- Risk takers or drivers (credit, market...).
- Responsible for independent control functions (Internal Audit, Control, Compliance, Risk Management, Human Resources...).
- Other employees according to pay scale.

In view of the above categorisation, the same person may be part of the Identified Collective by belonging to one or more of the categories mentioned above, in such a way that, should they leave or be removed from one of the categories, they will not be removed from the Identified Collective if they continue to belong to another of the categories that it encompasses.

The remuneration system for members of the Identified Collective is aligned with the Group's general remuneration policy, complying with the regulations and taking into account the general situation and results. This system consists of:

- Fixed remuneration based on the person's level of responsibility and career path, which constitutes a relevant part of the total compensation.
- Social benefits, including participation in company profits (article 27 of the Collective Agreement of Credit Cooperatives) and remuneration in kind.
- Variable remuneration, which may be annual or multiannual, linked to the achievement of previously established targets and prudent risk management.

The fixed remuneration of the Board members or directors of the Bank is regulated as a combination of fees and allowances for assistance, based on the following criteria:

- The functions and responsibilities assigned to them by the Board of Directors.
- Whether or not the director belongs to any of the Board's delegated bodies.
- The effective dedication of the director to the administration and service of the Board itself and, where appropriate, the different Delegated Committees.

In addition to the above, the fixed remuneration of executive directors, managing directors and similar posts is structured into two supplements distributed as follows: (i) base salary, which will be 75 per cent of their annual remuneration, and (ii) management supplement, which will be 25 per cent of their annual remuneration.

In addition to the social benefits and compensation in kind common awarded to all personnel, the following members of the Identified Collective have leased company cars: Chief Executive Officer, President, Executive Directors, Directors and Deputy Managing Director.

In the case of senior management, fixed remuneration amounts will, in any case, be periodically reviewed by the Remuneration Committee to assess their coherence and competitiveness, based on the performance of the Group itself and the sector through market research or external advice. This review in the case of senior managers is the responsibility of the Remuneration Committee. The Remuneration Committee or, where appropriate, the Chief Executive Officer may submit to the Board of Directors any proposals they deem appropriate.

The remaining members of the Identified Collective are governed by the general remuneration system for positions of responsibility.

The fixed remuneration system is determined by criteria such as the level of responsibility of the position itself, experience, complexity of duties, level of specialisation or executive performance, with a benchmark salary for each function. To do this, the fixed salary is supplemented with a number of post-specific supplements that can be reviewed annually based on the references indicated. In addition, fixed remuneration is the most important part of remuneration.

In line with the above, a full compensation policy is pursued aimed at promoting behaviours that ensure long-term value generation and sustainability of results over time.

The Remuneration Policy bases its strategy of attracting and retaining talent on facilitating the participation of professionals in a distinctive social and business project, on the possibility of developing professionally and in competitive conditions of full compensation.

It is committed to a remuneration policy whose capacity to attract and retain talent is based mainly on the sum of fixed remuneration and social benefits as more competitive elements.

The promotion system is based on the assessment of professionals' skills, performance, commitment, and merits in a sustained manner over time.

As part of the total compensation policy, a system of variable remuneration linked to sustainable and risk-adapted performance is established, which rewards only extraordinary levels of performance. It should therefore guarantee at all times prudent risk management and be linked to a system of pre-established targets.

The criteria applied to the measurement of results and the ex-ante and ex-post adjustment to the risk established for the Group's Executive Directors, as well as for the senior management of the Bank, will be subject to the conditions established in the Group's general Remuneration Policy for the Identified Collective and risk takers.

To the extent that remuneration is linked to results, the total amount of remuneration shall be based on an assessment combining individual results, measured in accordance with both financial and non-financial criteria, and the overall results of the Group.

Every year, the Remuneration Committee shall establish indicators and metrics linked to the financial results in order to access the accrual and payment of variable remuneration, in whole or in part.

When assessing performance with a view to calculating the variable components of remuneration, an adjustment shall be made for all types of current and future risks, taking into account the cost of capital and liquidity required, ensuring that variable remuneration will not limit the ability to strengthen the capital base.

In general, variable remuneration shall be accrued and paid annually after the end of the financial year to which the targets and results pertain, depending on the achievement of a series of quantitative/qualitative and/or individual/group targets or results, previously defined and properly communicated to the interested parties; both at the time of their establishment and through regular progress updates.

The payment of variable remuneration in any given financial year is not and does not generate any acquired rights for the member of the Identified Collective.

The variable remuneration component of each Executive Director or other member of the Identified Collective may not exceed, in any case, 200 per cent of the fixed component of the remuneration, and must in any case comply with all the legal requirements for its quantification and payment.

Approval of the highest level of variable remuneration shall be given in accordance with the procedure established for this purpose in the Group's remuneration policy.

The variable remuneration to be received by directors performing executive functions, where appropriate, will be subject to the deferral period established by the regulations.

In addition, the remuneration payable under the deferral provisions will not be paid more quickly than proportionally.

Variable remuneration, including the deferred part, shall be paid or consolidated only if it is sustainable in accordance with the financial situation of the Entity as a whole, and if justified on the basis of the Entity's results.

Notwithstanding the general principles of contract law, the total variable remuneration shall be significantly reduced when the institution achieves poor or negative financial results, taking into account both current remuneration and reductions in payments of amounts previously accrued, if any, through clauses for reducing remuneration or recovering remuneration already paid.

Up to one hundred percent of the total variable remuneration shall be subject to clauses for reducing remuneration or recovering remuneration already paid. It will be subject to the approval of the Remuneration Committee, the application of the corresponding reduction of remuneration clauses ("malus") or the recovery of remuneration already paid ("clawback"), established by the Group Policy.

In any case, variable remuneration shall not be paid by means of instruments or methods that facilitate non-compliance with the regulations on organisation and discipline.

In order to comply adequately with the guidelines established by the European Securities and Markets Authority (ESMA), the Bank's Control Committee will review the system of targets linked to variable remuneration to ensure it does not incentivise or promote the generation of conflicts of interest by setting targets for the sale of specific products.

Among the issues addressed by the Remuneration Committee and listed in subparagraph (a) of the present report, no revisions or changes to the remuneration policy were made during the 2022 period with significant impact on the remuneration policy.

The Group ensures that the staff employed in its internal control functions are remunerated regardless of the activities they supervise, establishing in one of the general principles of the remuneration policy of Grupo Cooperativo Cajamar: *the variable remuneration of the control functions shall be independent of the results and targets of the business units they control*. Therefore, qualitative targets related to their functions have a greater weight to guarantee their independence from the results and targets of the business areas they supervise.

With regard to severance payments, payments for early termination of contracts will be based on results obtained over time and will be established in a way that does not reward poor results or misconduct. Therefore, the compensation amounts shall be based on the results obtained over time and shall apply to those classed as variable remuneration under the rules, the criteria of the same with regard to malus and clawback clauses, payments in instruments, the ratio of fixed to variable remuneration and deferral.

In addition, severance payments will not be awarded in any of the following cases:

- When there is an obvious breach that justifies the immediate termination of the contract or the dismissal of the member of the Identified Collective.
- When the member of the Identified Collective voluntarily resigns with the aim of occupying a position in a different legal entity.

c) Description of how current and future risks are taken into account in remuneration processes

The main function of variable remuneration is to reward the achievement of results through teamwork, quality of customer service and the achievement of targets, in which the contribution of the employee to such achievements is the fundamental premise to access the system.

Therefore, when remuneration is linked to results, the total amount of remuneration shall be based on an assessment combining the results of the individual, measured in accordance with both financial and non-financial criteria, and the overall results of the Group.

Therefore, it will not be guaranteed in any case since it would not be compatible with sound risk management or the principle of rewarding performance.

The Remuneration Committee shall set annual indicators and metrics linked to the financial results to access variable remuneration, in whole or in part, including the payment of benefits and profit-sharing, if the requirements set out under Article 28 of the Collective Agreement are not met.

When assessing performance with a view to calculating the variable components of remuneration, an adjustment shall be made for all types of current and future risks, taking into account the cost of capital and liquidity required, ensuring that variable remuneration will not limit the ability to strengthen the capital base.

In order to comply adequately with the guidelines established by the European Securities and Markets Authority (ESMA), the Bank's Control Division will review the system of targets linked to variable remuneration to ensure it does not incentivise or promote inadequate sales of MiFID products, safeguarding the correct commercialisation of such products.

In general, variable remuneration shall be accrued and paid annually after the end of the financial year to which the targets and results pertain, depending on the achievement of a series of quantitative/qualitative and/or individual/group targets or results, previously defined and properly communicated to the interested parties; both at the time of their establishment and through regular progress updates. The payment of variable remuneration in any given financial year is not and does not generate any acquired rights for the employee.

Variable remuneration shall be paid only if it is sustainable in accordance with the financial situation of the institution as a whole and if it is justified on the basis of the results of the institution, the business unit and the person concerned, and the Entity may, for these purposes, retain all or part of it.

Notwithstanding the general principles of contract law, the total variable remuneration shall be significantly reduced when the institution achieves poor or negative financial results, taking into account both current remuneration and reductions in payments of amounts previously accrued, if any, through clauses for reducing remuneration or recovering remuneration already paid.

Up to one hundred percent of the total variable remuneration shall be subject to clauses for reducing remuneration or recovering remuneration already paid. Specific criteria shall be laid down for the application of clauses for reducing remuneration or recovering remuneration already paid. These criteria shall include, in particular, situations in which the employee has participated in or is responsible for conduct that has generated significant losses for the Entity and in which he or she fails to comply with the appropriate requirements of suitability and correctness.

When determining variable remuneration for control functions, qualitative targets related to their functions shall have greater weighting to guarantee their independence from the results and targets of the business areas they supervise.

Any Group staff members may, if they wish, receive part of their corresponding variable remuneration in the form of equity capital contributions, in the terms set out by the relevant regulations.

The relevant bodies of the Group shall ensure that the achievement of targets is carried out within an appropriate regulatory framework. Therefore, the Control Committee has the power to penalise any malpractice, inappropriate behaviour or non-compliance, through penalties on variable remuneration.

The use of personal hedging or insurance strategies related to remuneration and liability, which undermine the effects of alignment with sound risk management promoted by their remuneration systems, is strictly prohibited.

Variable remuneration shall not be paid by means of instruments or methods that facilitate non-compliance with the regulations on organisation and discipline.

d) Ratios between fixed and variable remuneration

One of the premises of the Group's remuneration policy is that fixed remuneration constitutes a relevant portion of the total compensation.

With regard to the Identified Collective, and in accordance with the provisions of article 34.g) of Law 10/2014, it has been established as part of its remuneration policy that the variable remuneration of these professionals is limited to the amount of their total fixed remuneration, unless the General Meeting agrees to raise this limit to twice the total fixed remuneration, as provided for in the aforementioned Law.

To this end, the General Meeting of 7 May 2019 approved a variable remuneration level higher than 100% of the fixed component of the total remuneration, with a limit of 200%, for the Identified Collective.

Likewise, at the BCC General Meeting held on 28 April 2022, Shareholders unanimously agreed to maintain the aforementioned agreement and therefore the conditions and limit of remuneration for the staff referred to in Article 32.1 of the LOSS legislation, assuming the ratification and continuity of the maximum variable remuneration limit of up to 200% of the fixed component of the total remuneration for the Identified Collective, for the purposes of the provisions of Article 34.1.g) of Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions.

e) Description of how the entity seeks to link the results observed during a performance evaluation period to remuneration levels.

Each year, the BCC Steering Committee shall define the variable remuneration system to be applied during the financial year. It shall be approved by the Board of Directors, following approval of the Remuneration Committee.

Once approved it will be communicated to all persons within the Group who shall benefit from it.

Reference bonds shall also be approved each year for each position, except in cases where they have recognised, either contractually or under conditions agreed upon by the competent body, a reference bonus higher than the amount fixed for their position, in which case the latter shall apply.

In exceptional, duly justified cases, a one-off bonus may be allocated to certain persons/groups, which, if it affects members of the Identified Collective must be approved by the Board following approval from the Remuneration Committee, and in all other cases, it shall be approved by the Chief Executive Officer/Resources Committee at the proposal of the Human Resources Division.

The payment of variable remuneration will be subject to the fulfilment of quantitative and qualitative targets in which the contribution of the person will be taken into account.

For incentives to be paid, it is necessary to meet the Key Target (range 50%-100%), in addition to meeting quantitative and qualitative targets.

Therefore, the accrual of incentives does not guarantee the payment of the same.

The Key Target is related to the containment of irregular assets and incentives will only be paid if the established parameters are reached, and incentives can be accrued from an achievement rate of 50% or 100%.

Quantitative targets consist of:

- *Group Targets:* Group Level Compliance of 4 strategic magnitudes: CET1 phased in ratio, recurrent efficiency ratio, recurrent gross margin over ATA and Sustainability.
- *Unit Targets:* Specific indicators according to the collective to which they are assigned (branch network, private banking, business banking, agro, senior management,). Joint achievement must be greater than or equal to 75% in order for incentives to be paid.

Qualitative targets are defined by:

- *Individual Assessment:* where the line-manager will take into account different aspects of the person's performance
- *Malus clauses:* with penalties up to 100% of incentives for bad practices, poor management of customer claims, or poor quality in asset management.

For Senior Management, the same scheme as the variable remuneration approved for the Group is applied. Therefore, it is subject to the achievement of the key target established for the accrual of incentives, in addition to the achievement of unit targets.

For 2022, within the scope of unit targets specific to Senior Management, including executive directors, solvency indicators (Texas ratio) are taken into account, and two mandatory sustainability targets have been introduced, directly linked to achieving the global objectives that include indicators of Corporate Governance, Data Security and Privacy, Business Ethics, Integration of Environmental, Social and Corporate Governance Criteria, Product Governance and Human Capital. Furthermore, a target has been established on the maintenance of the Group's

carbon footprint at the level of “Leadership of the Carbon Disclosure Project”, with a specific weight in the composition of the incentive.

Regarding the CEO, a multi-annual scheme of targets, 2022-2024, has been established, which considers the evolution of 6 key indicators in the evolution of the Group. The Board of Directors may penalise or bonus up to 10% of the annual incentive accrued according to the fulfilment of the Group’s ESG indicators.

This variable remuneration proposal is subject to the possible reductions stipulated by ex post adjustments to the remuneration established in the Group’s Remuneration Policy, which will be duly assessed by the Board of Directors in its review of the achievement of these targets, to be carried out in the second quarter of 2024.

For its payment, deferral mechanisms of 50% of the incentive accrued during the following 5 years will be established, as well as the retention of the other deferred 50% and its instrumentation in financial products. The possible annual payment of 10% will occur as long as the CEO is linked to the Group through an employment or commercial relationship.

f) Description of how the entity seeks to adjust remuneration to take into account long-term results.

As established by the regulations, the Entity must establish and implement the Remuneration Policy in accordance with its internal organisation and in proportion to its size, nature, scope and complexity of its activities.

The principle of proportionality aims to consistently align the remuneration policies and practices of financial institutions with the risk profile of each individual, the risk profile of the entity, as well as with its strategy, so that the requirements, objectives and principles established by the regulations are effectively fulfilled.

Within the Entity itself, there is a proportionate application of the Principles for each collective. Categories of employees with material impact on the Entity’s risk profile should comply more strictly with principles that seek to manage the risk their activity entails.

Hence, the Entity may determine at any time as it deems appropriate the application of the principle of proportionality between the different categories of employees identified by their impact on the Entity’s risk profile, for which the Entity will take into account, among others, criteria such as its size, internal organisation and nature, scope and the complexity of its activities, in addition to the hierarchical rank, volume and proportion of the variable component of the remuneration package to the fixed component, the magnitude of the obligation that a risk generator can assume on behalf of the Entity, and the characteristics of the Entity’s line of business in which the member of the identified collective provides services.

For these purposes, in application of the aforementioned principle, the Entity has decided to neutralise requirements regarding deferral and payment in instruments, regulated in the Group

Policy, for those members of the Identified Collective whose annual gross variable remuneration does not exceed 50,000 euros.

Without prejudice to the application of the principle of proportionality, the Group's Remuneration Policy establishes the following mechanisms to adjust variable remuneration to the long-term results of the members of the Identified Collective:

I. PERCENTAGES AND PERIODS OF DEFERRAL

In general, the variable remuneration of the Identified Collective is subject to the percentages and deferral periods established in the regulations.

II. PAYMENT IN FINANCIAL INSTRUMENTS AND RETENTION PERIODS

In general, the variable remuneration of the Identified Collective is subject to delivery through financial instruments under the terms established in the regulations.

III. PROHIBITION OF HEDGING

It is prohibited to use personal hedging or insurance strategies related to remuneration and liability, which undermine the effects of alignment with sound risk management promoted by their remuneration systems.

In particular, the members of the Identified Collective may not carry out hedging of any kind or take out any insurance on variable remuneration that has been deferred and is pending payment in accordance with this Policy.

IV. EX-POST REMUNERATION ADJUSTMENTS

Variable remuneration, including the deferred part, shall be paid or consolidated only if it is sustainable in accordance with the financial situation of the Entity as a whole, and if justified on the basis of the Entity's results, those of the business unit and of the individual in question.

Notwithstanding the general principles of contract law, the total variable remuneration shall be significantly reduced when the Entity achieves poor or negative financial results, taking into account both current remuneration and reductions in payments of amounts previously accrued, if any, through clauses for reducing remuneration ("malus") or recovering remuneration already paid ("clawback").

The Group has established the following malus and clawback clauses that may apply up to 100 per cent of the total variable remuneration. These clauses set out criteria that include, in particular, situations in which the member of the Identified Collective has participated in or is responsible for conduct that has generated significant losses for the Entity and in which he or she fails to comply with the appropriate requirements of suitability and correctness.

V. MALUS CLAUSE

Deferred variable remuneration, both in cash and in instruments, which is pending payment, may be reduced by the Entity if, during the period until its consolidation, any of the following circumstances occur:

1. Where a requirement or recommendation from the competent authority to the Entity to restrict its dividend distribution policy is in place.
2. A reformulation of annual accounts that does not result from a regulatory change and provided that, in accordance with the aforementioned reformulation, the variable remuneration to be paid is less than the original accrued or no remuneration is payable in accordance with the variable remuneration system of the Entity.
3. If the accrual of the variable remuneration was due to targets that were achieved as a direct or indirect result of:
 - Fraudulent action by the member of the Identified Collective.
 - The occurrence of circumstances which would lead to the dismissal of the employee in accordance with the applicable labour regulations or, in the case of a Board Member, the occurrence of circumstances leading to their dismissal from the position of Board Member for the breach of their duties, the performance of any action or omission that causes damage to the Entity, or the concurrence of the necessary budgets for the Entity to be able to take corporate liability action against them.
 - The member of the Identified Collective has caused serious harm to the Entity, through fault or negligence.
 - The member of the Identified Collective has been penalised for a serious and intentional breach of any of the internal rules of the Entity applicable.
 - The member of the Identified Collective has been penalised for an infringement of the rules of organisation and discipline referred to in Title IV of the LOSS legislation, classified as serious or very serious.
 - Regulatory sanctions or judicial convictions for acts that could be attributable to the unit or personnel responsible for them.
 - Irregular behaviours, whether individual or collective. Special consideration shall be given to the negative effects of the marketing of inappropriate products and to the responsibilities of the persons or bodies that made such decisions.
4. If, as a result of management attributable to the member of the Identified Collective, any of the following circumstances occur:
 - Failure to comply with the capital ratios legally established at all times by the current regulations, for a continuous period of more than three months.
 - Failure to comply with the liquidity ratios legally established at all times by current regulations, for a continuous period of more than three months.
 - Significant negative changes have occurred in the risk profile of the Entity due to actions carried out outside the policies and limits approved by the Board of Directors.
 - The Entity's operating costs are not covered due to significant impairment of financial margins or significant increase in overheads or staffing costs.

- Significant failures in risk management committed by the Entity, or by a business or risk control unit.
- Increase in the capital needs of the Entity or of a business unit, not foreseen when generating exposures.

VI. CLAWBACK CLAUSE

Variable remuneration already paid, both in cash and in instruments, to members of the Identified Collective, whether deferred or not, shall be subject to partial or total recovery on the part of the Entity where it becomes apparent during the 5 years immediately following its payment that the receipt of said remuneration, and therefore the non-application of the adjustment mechanisms, has taken place on the basis of some of the actions described in points 2 to 4 above.

In addition, variable remuneration will be recovered when it becomes clear that the receipt of the same has occurred totally or partially based on any of the following causes:

- Falsehood or serious inaccuracy, which is manifestly evidenced, a posteriori.
- Risks emerge assumed during the conditioned period.
- Other circumstances not foreseen or assumed by the Entity that have a material negative effect on the income statements of any of the years in which it applies.

g) Description of the main parameters and motivation of possible variable remuneration schemes and other non-pecuniary advantages.

Variable remuneration shall reflect a sustainable and risk-appropriate performance as well as higher performance than required to comply with the job description as part of the working conditions. Variable remuneration should therefore ensure prudent risk management and be linked to a system of pre-established targets.

The main function of variable remuneration is to reward the achievement of results through teamwork, quality customer service and the achievement of targets, in which the contribution of the person to such achievements is the fundamental premise to access the system.

Determination of the variable components of the remuneration of Group staff shall be based on the following principles:

- When remuneration is linked to results, the total amount of remuneration shall be based on an assessment combining the results of the individual, measured in accordance with both financial and non-financial criteria, and the overall results of the credit institution.
- The evaluation of results shall be included in a multi-annual framework to ensure that the evaluation process is based on long-term results, and that the actual payment of results-based remuneration components is staggered over a period that takes into account the underlying business cycle of the credit institution and its business risks.
- Therefore, variable remuneration will not be guaranteed in any case since it would not be compatible with sound risk management or the principle of rewarding performance,

and it will not be included in possible remuneration plans. Furthermore, it will not limit the Entity's ability to strengthen its capital base.

- Guaranteed variable remuneration is permitted on an exceptional basis, in accordance with Article 34(1)(e) of the LOSS legislation, only when new staff are hired and the Entity has a sound and solid capital base, limited to the first year of employment.
- When assessing results with a view to calculating the variable components of remuneration, an adjustment shall be made for all types of current and future risks; as well as the risk resulting from the abusive sale of products, and the cost of capital and liquidity required shall be taken into account
- The allocation of variable remuneration components in the Entity shall also take into account all types of current and future risks.
- The variable remuneration of the control functions shall be independent of the results and targets of the business units they control.

The Remuneration Committee shall set annual indicators and metrics linked to the financial results to access variable remuneration, in whole or in part, including the payment of benefits and profit-sharing available to employees of Credit Cooperatives, if the requirements set out under Article 27 of their Collective Agreement are not met.

In general, variable remuneration shall be accrued and paid annually after the end of the financial year to which the targets and results pertain, depending on the achievement of a series of quantitative/qualitative and/or individual/group targets or results, previously defined and properly communicated to the interested parties; both at the time of their establishment and through regular progress updates. The payment of variable remuneration in any given financial year is not and does not generate any acquired rights for the employee. For the Identified Collective, the deferrals required by the regulations will be established where appropriate.

Variable remuneration shall only be paid if it is sustainable in accordance with the financial situation of the Entity and if it is justified on the basis of its results, of the business unit and the employee concerned, and the Entity may, for these purposes, retain all or part of it.

Notwithstanding the general principles of contract law, the total variable remuneration shall be significantly reduced when the entity or company achieves poor or negative financial results, taking into account both current remuneration and reductions in payments of amounts previously accrued, if any, through clauses for reducing remuneration or recovering remuneration already paid.

(h) Total remuneration for each member of the management body or senior management.

In accordance with the provisions of article 529r of the Capital Companies Act, at the Ordinary General Meeting of Shareholders held on 28 April 2022, a "Proposal to Amend the Remuneration Policy of Board Members of Grupo Cooperativo Cajamar" was included as paragraph 4. e) of the Agenda of the aforementioned General Meeting. The proposal was approved unanimously after timely knowledge by the attendees -as stated in the minutes of that meeting-.

Detail of the result of the vote			
Quorum	Shareholders Total Shares		Percentage of share capital present
Total invited	66	1,059,028,391	100.000%
Total present	32	996,309,052	94.078%
Total represented	12	24,359,339	2.300%
Total present and represented	44	1,020,668,391	96.378%

No. of shares present	Votes cast in favour	Votes cast against	Abstentions	Total votes validly cast
1,020,668,391	1,020,668,391	0	0	1,020,668,391

Therefore, the “Proposal to Amend the Remuneration Policy of the Board Members of Grupo Cooperativo Cajamar” was approved by 100% of the votes cast by the present and represented shareholders who represented 96.378% of the share capital of BCC, hence this Policy is applicable from the date of its approval.

Total remuneration in thousands of euros accrued by each of the members of the Board of Directors of Banco de Crédito Social Cooperativo SA during the financial year 2022.

Derived from the limits and system of global remuneration established by the aforementioned agreements, the remuneration in thousands of euros corresponding to the members of the Board of Directors accrued during the financial year 2022 is as follows:

First and Last Name(s)	Fixed remuneration	Pension Commitments	Variable remuneration	Severance pay	Recruitment payments
Marta de Castro Aparicio	211,20	-	-	-	-
Juan Carlos Rico Mateo*	27,70	-	-	-	-
José Antonio García Pérez*	27,35	-	-	-	-
Bernabé Sánchez Minguet Martínez	312,71	29,70	34,00	-	-
Maria Teresa Vázquez Calo	87,95	-	-	-	-
Antonio Cantón Góngora	183,00	-	-	-	-
Manuel Yebra Sola	747,07	10,05	34,00	-	-
Luis Rodríguez González	528,40	24,92	-	-	-
Juan Bautista Mir Piqueras	131,25	-	-	-	-
Rafael García Cruz	403,49	18,24	34,00	-	-
Antonio José Carranceja López de Ochoa	188,75	-	-	-	-
Ana Núñez Álvarez	157,20	-	-	-	-
Luis Francisco Fernández-Revuelta Pérez	85,60	-	-	-	-
Maria López Fernández	193,73	13,83	7,44	-	-
Antonio de Parellada Duran**	236,79	6,67	-	-	-
Executive Directors	1.463,27	57,99	102,00	-	-
Non-Executive Directors	2.058,92	45,42	7,44	-	-
Total number of Board members receiving remuneration (2022):			15		
(*) Persons who stepped down as members of the Entity's Board of Directors in 2022.					
(**)Persons who were appointed as members of the Entity's Board of Directors in 2022.					

The Group's Remuneration Policy provides for the application of the principle of proportionality and neutralisation of requirements governing deferral and payment in instruments when the annual variable remuneration does not exceed 50,000 euros or does not exceed one third of the total annual remuneration of the affected person.

At the date of preparation of this document, no member of the Identified Collective has received variable remuneration greater than EUR 50,000 gross, neutralising the deferral and payment requirements in accordance with Article 94(3) letter b) of Directive 2013/36/EU.

QUANTITATIVE INFORMATION (amounts expressed in thousands of euros)

1 — Remuneration granted in 2022

		Supervisory role of the management body	Management role of the management body	Other members of senior management	Other identified personnel
Fixed remuneration	Number of identified personnel	14	9,33	4	
	Total fixed remuneration	3.626	2.337	1.202	
	Of which: in cash	3.428	1.967	1.064	
	(Not applicable in the EU)	0			
	Of which: shares or equivalent property interests	24	72	24	
	Of which: instruments linked to equivalent non-pecuniary actions or instruments	0	0	0	
	Of which: other instruments	0	0	0	
	(Not applicable in the EU)	0			
	Of which: other modes	174	299	114	
	(Not applicable in the EU)	0			
Variable remuneration	Number of identified personnel	4	9,33	3	
	Total variable remuneration	109	168	85	
	Of which: in cash	109	156	85	
	Of which: deferred	0	0	0	
	Of which: shares or equivalent property interests	0	12	0	
	Of which: deferred	0	0	0	
	Of which: instruments linked to equivalent non-pecuniary actions or instruments	0	0	0	
	Of which: deferred	0	0	0	
	Of which: other instruments	0	0	0	
	Of which: deferred	0	0	0	
	Of which: other modes	0	0	0	
	Of which: deferred	0	0	0	
	Total remuneration		3.735	2.505	1.287

2 — Special payments to the identified collective

	Supervisory role of the management body	Management role of the management body	Other members of senior management	Other identified personnel
Guaranteed variable remuneration granted				
Guaranteed variable remuneration granted — number of identified personnel	0		0	0
Guaranteed variable remuneration granted - Total amount	0		0	0
Of which: guaranteed variable remuneration granted during the financial year which is not taken into account in the limitation of premiums	0		0	0
Severance payments awarded in previous periods and paid during the financial year				
Severance payments awarded in previous periods and paid during the financial year — Number of identified personnel	0		0	0
Severance payments awarded in previous periods and paid during the financial year — Total amount	0		0	0
Severance payments awarded during the financial year				
Severance payments awarded during the financial year — Number of identified personnel	0		0	0
Severance payments awarded during the financial year — Total amount	0		0	0
Of which: paid during the financial year	0		0	0
Of which: deferred	0		0	0
Of which: severance payments paid during the financial year which are not taken into account in the limitation of premiums	0		0	0
Of which: higher compensation awarded to a single person	0		0	0

3 — Deferred remuneration

	Total amount of deferred remuneration granted for previous results periods	Of which: consolidated in the financial year	Of which: to be consolidated in subsequent financial years	Amount of profit or loss adjustment applied in the year to deferred remuneration to be consolidated in the financial	Amount of profit or loss adjustment applied in the period to deferred remuneration to be consolidated in subsequent	Total amount of adjustment during the financial year due to implicit ex post adjustments (i.e. changes in the value of deferred remuneration due	Total amount of deferred remuneration granted before the financial year and actually disbursed during the	Total amount of deferred remuneration granted for previous results periods that has been consolidated but is subject to
Deferred and withheld remuneration								
Supervisory role of the management body	0	0	0	0	0	0	0	0
In cash	0	0	0	0	0	0	0	0
Shares or equivalent property interests	0	0	0	0	0	0	0	0
Instruments linked to equivalent non-pecuniary actions or instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other modes	0	0	0	0	0	0	0	0
Management role of the management body	0	0	0	0	0	0	0	0
In cash	0	0	0	0	0	0	0	0
Shares or equivalent property interests	0	0	0	0	0	0	0	0
Instruments linked to equivalent non-pecuniary actions or instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other modes	0	0	0	0	0	0	0	0
Other members of senior management	0	0	0	0	0	0	0	0
In cash	0	0	0	0	0	0	0	0
Shares or equivalent property interests	0	0	0	0	0	0	0	0
Instruments linked to equivalent non-pecuniary actions or instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other modes	0	0	0	0	0	0	0	0
Other identified personnel	0	0	0	0	0	0	0	0
In cash	0	0	0	0	0	0	0	0
Shares or equivalent property interests	0	0	0	0	0	0	0	0
Instruments linked to equivalent non-pecuniary actions or instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other modes	0	0	0	0	0	0	0	0
Total amount	0	0	0	0	0	0	0	0

4 — Remuneration of EUR 1 million or more per year

EUR	Identified personnel with high pay in accordance with Article 450(i) CRR
From 1,000,000 to less than 1,500,000	0
From 1,500,000 to less than 2,000,000	0
From 2,000,000 to less than 2,500,000	0
From 2,500,000 to less than 3,000,000	0
From 3,000,000 to less than 3,500,000	0
From 3,500,000 to less than 4,000,000	0
From 4,000,000 to less than 4,500,000	0
From 4,500,000 to less than 5,000,000	0
From 5,500,000 to less than 6,000,000	0
From 6,000,000 to less than 7,000,000	0
7,000,000 or more	0

5 — Remuneration of the identified collective

	Remuneration of the management body			Business areas						Total
	Supervisory role of the management body	Management role of the management body	Total management body	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All others	
Total number of personnel identified										27,33
Of which: members of the management body	14	14								
Of which: other members of senior management				0,00	0,00	0,00	7,33	2,00	0,00	
Of which: other identified personnel				0,00	4,00	0,00	0,00	0,00	0,00	
Total remuneration of identified personnel	3.735	3.735		0	1.287	0	1.967	538	0	
Of which: variable remuneration	109	109		0	85	0	134	34	0	
Of which: fixed remuneration	3.626	3.626			1.202	0	1.833	504	0	