

# NOMINATIONS, EVALUATION AND REMUNERATION COMMITTEE

## TERMS OF REFERENCE

(Approved at the meeting of the Board of Directors of 27 July 2006 as amended at the meeting of the Board of Directors of 12 March 2007 and 25 July 2011)

### NOMINATIONS, EVALUATION AND REMUNERATION COMMITTEE

#### TERMS OF REFERENCE

- 1. Membership
- 2. Duties
- 3. Meetings

#### **ARTICLE 1 - Membership**

- 1. The Nominations, Evaluation and Remuneration Committee is made up of three to six members of the Board of Directors who are not members of the Executive Committee as set out in Article 16 (3) (a) of the Articles of Association of the Company and, if deemed fit by the Board of Directors, by persons who are not members of that board, nominated at the Board's discretion for their expertise in the Nominations, Evaluation and Remuneration Committee's business.
- 2. The number of members of the Nominations, Evaluation and Remuneration Committee who are not members of the Board of Directors shall always be less than half of total membership.
- 3. At least one of the members of the Nominations, Evaluation and Remuneration Committee shall meet the following requirements:
  - a) not be associated with any group having special interests in the company;
  - b) not be in a position likely to affect his/her impartiality in analysis or decision-making, namely, by virtue of being the owner, or acting in the name of or on behalf of the owners of qualifying holdings equal to or above 2% of the Company's share capital.
- 4. The Chairman of the Board of Directors, if not member of the Executive Committee, shall be a member of and chair the Nominations, Evaluation and Remuneration Committee, which may elect one of their number as Deputy-Chairman, and also the Chairman, should the aforesaid condition with regard to the Chairman of the Board of Directors not be met.

#### **ARTICLE 2 - Duties**

- 1. It is the responsibility of the Nominations, Evaluation and Remuneration Committee to assist and advise the Board of Directors on:
  - a) the filling of any vacancies on the governing bodies;

- b) the election of Directors to be appointed to the Executive Committee;
- c) the conduct of the process involving the annual evaluation of the members of the Executive Committee;
- d) the preparation of the report to be submitted to the Remuneration Committee envisaged in Article 28 (2) of the Articles of Association of the Company, setting the variable remuneration for the members of the Executive Committee.
- 2. In its duties to assist in the filling of vacancies on the governing bodies and the appointment of Executive Directors, the Nominations, Evaluation and Remuneration Committee shall:
  - a) prepare and update all skills, know-how and professional experience required to perform the duties assigned to the members of the various governing bodies and of the Executive Committee:
  - b) monitor the process of selection and nomination of officers of the companies of the BPI Group in order to ensure that there will be a recruitment base for future members of governing bodies and Executive Directors;
  - c) prepare a reasoned opinion for the Board of Directors, identifying the persons who, in its judgment, are more suited to fill that vacancy whenever this occurs on the governing bodies or on the Executive Committee.
- 3. Within the framework of the annual evaluation and the setting of the variable remuneration for the members of the Executive Committee, the Nominations, Evaluation and Remuneration Committee is responsible for proposing to the Board of Directors the criteria to be used in that process, which should include proper appraisal of merit, individual performance and contribution to the Executive Committee's efficiency.
- 4. The Nominations, Evaluation and Remuneration Committee is also responsible for reporting to the Board of Directors any recommendations made by the latter to the Remuneration Committee, as set out in Article 28 (2) of the Articles of Association of the Company, concerning the definition of and any amendments to the general remuneration policy of the Executive Committee, as well as the variable remuneration schemes based on Banco BPI shares or options.

#### **ARTICLE 3 - Meetings**

- 1. The Nominations, Evaluation and Remuneration Committee shall meet whenever convened by its Chairman or by any two of its members and, in particular, where its opinion is required on matters within its duties and responsibilities, as set out in Article 2(1) of these Terms of Reference.
- 2. The meetings of the Nominations, Evaluation and Remuneration Committee shall be convened upon ten days prior notice, indicating the matters to be dealt with.

3.	The Company Secretary shall prepare summary minutes of the meetings of the Nominations,
	Evaluation and Remuneration Committee, which shall contain the main issues addressed and
	conclusions drawn.