

## REMUNERATION POLICY FOR DIRECTORS OF BBVA

February 2015

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## **Chapter I: Remuneration policy of BBVA directors.**

### **1. Introduction: Legal Framework**

Article 17 of the Board of Directors Regulations of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, “BBVA”, “the Bank” or “the Company”), establishes that the management body capacities include the approval of the directors’ remuneration policy to subsequently convey to the General Meeting, as stipulated in article 529, section 19, of the Corporate Enterprises Act, brought in by Law 31/2014, of 3 December.

On the basis of the above, the Board of Directors, following the proposal of the Remunerations Committee, has agreed to propose this Remuneration Policy for BBVA directors for financial years 2015, 2016 and 2017 to the Annual General Meeting, with the content provided both in the Corporate Enterprises Act and also in Law 10/2014 on the Regulation, Supervision and Solvency of credit institutions, all of the above in the terms set out below:

### **2. General principles of BBVA Group’s remuneration policy**

BBVA Group’s remuneration policy focuses on recurring generation of value for the Group, also seeking alignment with the interests of employees and shareholders and prudent risk management.

To attain these goals, BBVA Group’s remuneration policy is based on the following principles:

- Long-term value creation.
- Reward achievement of results on the basis of prudent, responsible risk taking.
- Attract and retain the best professionals.
- Reward the level of responsibility and professional track record.

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- Ensure internal equitability within the Group and competitiveness outside it.
- Benchmark performance against the market using analyses from prestigious consultancy firms specialising in remuneration.
- Ensure transparency in its remuneration policy.

BBVA has defined its remuneration policy on the basis of these general principles, additionally taking into account the need to comply with legal requirements applicable to credit institutions, and the alignment with the best practices on the market, having incorporated elements aimed at reducing exposure to excessive risks and adjust remuneration to the targets, values and long-term interests of the Bank.

BBVA Group's remuneration policy is therefore subject to constant progress and improvement incorporating elements this year - and as a result of an in-depth study in collaboration with top international independent consultants on the matter, such as the McLagan firm (part of the McLagan/AonHewitt group) allowing BBVA Group to continue to be a benchmark company in the sector in the matter, aimed at, among others:

- Increasing the number and type of indicators used for calculating variable remuneration.
- Strengthening the links between variable remuneration and risk metrics, reinforcing its alignment with a prudent risks management.
- Increasing the weight of the multi-year indicators for determining the variable remuneration and thus reinforcing the long-term performance assessment.
- Reinforcing the deferral period in the payment of the variable remuneration.
- Increasing the transparency in the calculation of the variable remuneration.

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### 3. Remuneration policy of BBVA directors

BBVA's Remuneration Policy for members of the Board of Directors, in keeping with the Bylaws, distinguishes between the remuneration system for directors in their capacity as such (non-executive directors) and executive directors.

As for **executive directors**, the remuneration items applicable are those used worldwide by major listed international companies for senior management remuneration. These items are set forth in Article 50 bis of BBVA's Bylaws and are the same items as those generally applicable to the Bank's senior management.

Therefore, executive directors have a remuneration system comprising:

- Fixed remuneration, taking into account the level of responsibility of their duties, which is to be competitive in relation to the remuneration applicable for equivalent duties in the leading international financial institutions of the major European countries and the United States, constituting a relevant portion of their total remuneration; and
- Variable remuneration whose amount is determined on the basis of targets linked to the results of the Group, the performance of their duties and the generation of long-term value; and governed by the same principles as those applied to the group of employees whose professional activities have a significant impact on the Group's risk profile or those in control functions (hereinafter, the "**Identified Staff**").

Insofar as **non-executive directors** are concerned, their remuneration system, as provided in Article 33 bis of the Bylaws, is based on the criteria of responsibility, dedication and incompatibilities inherent to the role that they undertake, comprising fixed remuneration with the following items:

- An annual remuneration in cash for exercising the position of director and member of the different Board committees, with a greater weight given to the exercise of the role of chairman of each committee, and the amount depending on the nature of the duties attributed to each committee, the dedication required and the number of meetings of these committees; and

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- A remuneration in shares instrumented through the annual assignment to the recipients of a number of "theoretical shares" corresponding to a percentage of their cash remuneration. These shares shall be vested to them, where applicable, on the date on which they cease to be directors on any grounds other than the dereliction of duty.

A detailed explanation is offered below on the different items comprising the remuneration system of BBVA directors, applicable to current directors and also to any other directors appointed as such during the term of this Policy.

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## 4. Remuneration system applicable to executive directors

The remuneration system applicable to BBVA's executive directors detailed in this Policy is that applicable to the remaining Identified Staff, and has been devised within the framework of commercial regulations and specific rules applicable to credit institutions, essentially contained in Law 10/2014 on Regulation, Supervision and Solvency, which transposes Directive 2013/36/EU concerning access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "CRD IV Directive"); considering the best practices and recommendations on a local and international level, and in accordance with the Bank's Bylaws, with the following items:

### 4.1. Fixed remuneration

Fixed remuneration of executive directors is linked to their level of responsibility within the organisation and their professional experience, which considers ensuring it is competitive with the remuneration applied to equivalent posts in the major international financial institutions of the major European countries and the United States, constituting a relevant portion of their total remuneration.

To set this remunerations and any potential updates thereof, the Remuneration Committee takes the aforementioned criteria into account, and also the specific characteristics of each office and the level of dedication required; considering market wage surveys, carried out by, top independent consultancy firms , with the goal of establishing remuneration commensurate with the duties performed and competitive on the market. Other factors considered are average increases of fixed remuneration of the members of the Bank's senior management.

On these grounds, the fixed remuneration of each executive director is set annually by the Remuneration Committee, exclusively comprising non-executive directors, with a majority of independent directors, to then be submitted to the approval of the Board of Directors.

Following this system, the Board of Directors, following the proposal of the Remuneration Committee, resolved in its meeting held on 3 February 2015 not to increase the annual fixed remuneration of the executive directors, which therefore stands at €1,966,260 for Francisco Gonzalez Rodríguez, at €1,748,000 for Ángel Cano Fernández, and at

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€800,000 for José Manuel González-Páramo. In the case of Francisco Gonzalez Rodríguez and Ángel Cano Fernández, these amounts have not been raised since 2011.

These amounts shall remain the same as long as the Board of Directors does not resolve to update them, following the criteria stated for their update, which are: the level of responsibility taken on in the organisation, the studies and market analyses drawn up by external third parties and the average levels of remuneration increases for senior managers of the Bank; also considering that, when applicable, such updates are to be in line with the changes of the fixed remuneration of the Bank's senior management. In any case, these updates would be reported in the relevant Annual Directors' Remuneration Report, to be submitted to the consideration of the General Shareholders Meeting.

#### 4.2. Variable remuneration

The system of variable remuneration of executive directors is based on a sole incentive assigned annually, yet combining indicators that are assessed annually, with multi-year (long-term) indicators, the combination of which allows effective alignment of the remuneration of executive directors with the long-term interests of the Company and its stakeholders.

In accordance with this scheme, variable remuneration of executive directors for each financial year is to be calculated on the basis of financial and non-financial indicators, based on the relevant performance scales, and according to the weight attributed to each indicator (hereinafter, "**Annual Assessment Indicators**"). All in accordance with the terms established on a yearly basis and for each of such persons by the Board of Directors, at the motion of the Remuneration Committee.

Annual assessment financial indicators shall consist of the most relevant management metrics of the Group and, therefore, indicators such as the Economic Value Added of continuing operations shall be used. This indicator is regarded as an appropriate method to assess performance, including adjustments for current and future risks and cost of capital. Further indicators relate to the capacity to generate profit, efficiency and absorb losses; in addition to non-financial indicators, relating to own tactical targets of the beneficiary, of certain duties, or of the Group as a whole and metrics such as customer satisfaction.

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The resulting amount is the annual variable remuneration of each executive director to be set by the Remuneration Committee and submitted to the approval of the Board of Directors (hereinafter, the **Annual Variable Remuneration**), proceeding, when the terms and conditions established for the above are fulfilled and as set forth in regulations applicable to credit institutions, to the payment of 50% of the above in equal parts in cash and in shares, in the first quarter of the financial year following that on which such remuneration was accrued.

For the payment of the part in shares, the reference price taken shall be the average share closure price of BBVA from 15 December of the year corresponding to such Annual Variable Remuneration and 15 January of the following year (inclusive).

The remaining 50% of Annual Variable Remuneration, in equal parts in cash and in shares, shall be entirely deferred for a three-year period, and its accrual and vesting shall be subject to compliance with a series of multi-year indicators related to share price performance and the control and management of Group's fundamental risk metrics, concerning solvency, liquidity and profitability, to be established by the Board of Directors when the Annual Variable Remuneration is determined and calculated over the three-year deferral period (hereinafter, the **"Multi-Annual Assessment Indicators"**). These Multi-Annual Assessment Indicators may lead to a reduction of the deferred amount, which may even be zero, although these may not be used under any circumstances to increase such deferred remuneration.

The Board of Directors, following the proposal of the Remuneration Committee, is to analyse the structure of both annual and multi-annual indicators, and may make adjustments to the same depending on the circumstances taking place over the financial years concerning this Policy, disclosing their information on the indicators applicable to each financial year in the relevant Annual Report on Remunerations of directors.

The amount of the Annual Variable Remuneration and its link to performance shall be further included on an annual basis in the Annual Report on Remuneration of the directors submitted to the consideration of the Annual General Meeting.

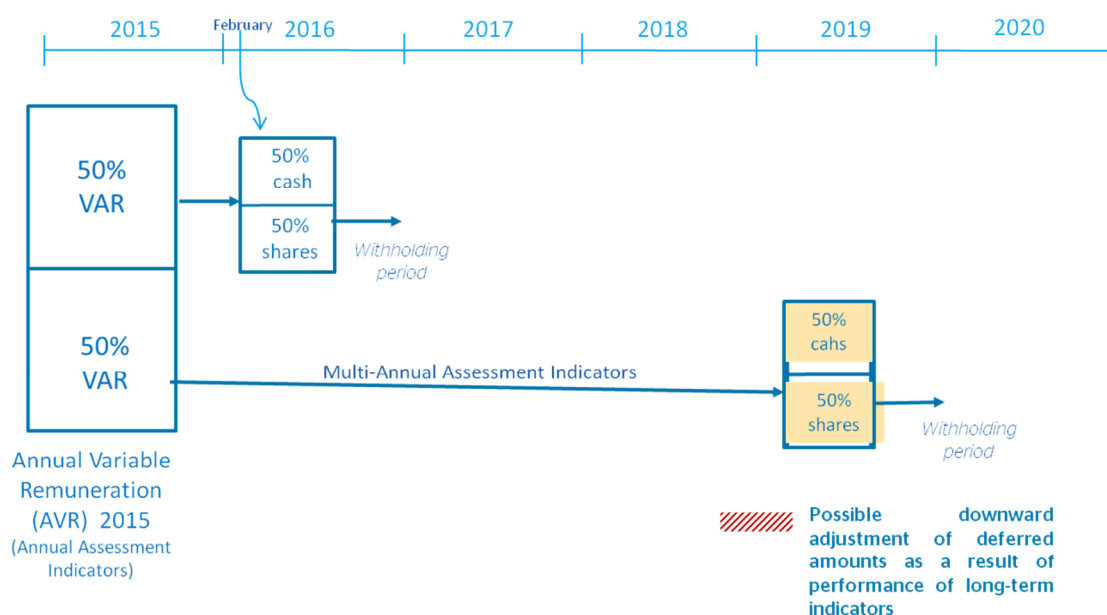
Furthermore, in compliance with the provisions laid down in Article 34 of Law 10/2014, of 26 June, on the Regulation, Supervision and Solvency of credit institutions and in accordance with the resolutions of the Annual General Meeting of the Company held on

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14 March 2014, the variable part of the remuneration of a given financial year for executive directors may not exceed 200% of the fixed component.

Therefore, in agreement with the provisions set forth in Section 83 of the Guide on Remuneration Policies and Practices of the European Banking Committee (CEBS Guidelines of December 2010), the ratio between fixed and variable remuneration shall be established at the time at which the initial assessment of results is completed, irrespective of any ex-post adjustments to risk.

Below there is a graph offering an example of the variable remuneration system of executive directors in BBVA, taking as a reference financial year 2015:



Annual Variable Remuneration of executive directors will be subject to certain conditions, in line with those applied by the Bank since 2011 to the variable remuneration of the Identified Staff, and therefore:

- All shares paid for the settlement of Annual Variable Remuneration, both the initial percentage and deferred amounts subject to Multi-Annual Assessment Indicators shall not be available during a certain period, which is to be set on an annual basis by the Board of Directors, and this withholding is to be made on the resulting

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number of shares after discounting the part required to honour the payment of taxes.

- No hedging strategies may be carried out on the shares received as Annual Variable Remuneration nor on the deferred and outstanding shares.
- Deferred amounts subject to Multi-Annual Assessment Indicators of Annual Variable Remuneration finally paid shall be updated, under the terms established by the Board of Directors.
- The Annual Variable Remuneration deferred and subject to Multi-Annual Assessment Indicators provided in the rules set forth above may not be reduced or paid when any of the following circumstances arise prior to the payment date (“*malus clauses*”):
  - I. The beneficiary has not generated the right to Annual Variable Remuneration of one year as a consequence of the effect on the year's earnings of transactions recorded to the accounts in previous years when they did generate the right to be paid the annual variable remuneration;
  - II. When the beneficiary has been sanctioned for serious breach of the code of conduct and other applicable internal rules, in particular with respect to risks;

On extinction of the contractual relationship, the right to receive payment of the deferred amounts shall only persist in the same terms as if it remained active in cases of retirement, early retirement, unfair dismissal, declaration of permanent disability in any degree or death; and in the case of extinction on mutual agreement, in which the parties shall be bound by the corresponding agreement.

If the BBVA Group obtained negative earnings (reporting losses) in any given year, without considering the impact of one-offs, the beneficiaries will not receive either the Annual Variable Remuneration corresponding to the year the losses were accrued or the deferred amounts that may be payable in the year in which the annual financial statements reflecting said negative earnings are approved.

In any event, the variable remuneration will only be paid if it is sustainable in the light of the BBVA Group's situation as a whole, and if it can be justified as a function of the Entity's earnings.

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When any events, circumstances or corporate operations occur in BBVA which, in the opinion of the Board of Directors, could significantly impact vesting of deferred parts of the Annual Variable Remuneration for a given year, the Board of Directors may alter the rules for the settlement and the payment schedule described above, and may resolve to settle such deferred parts early.

In short, this remuneration system contributes to reinforce the assessment of performance in a multi-year framework and also transparency on the link between variable remuneration and the results achieved. Furthermore, greater weight is given to multi-annual indicators in establishing variable remuneration, the range of indicators used is broadened, and there is a greater link between variable remuneration and risk metrics and the effective deferral term increases to three years.

### **4.3. Other remuneration**

Also in accordance with the provisions laid down in Article 50 bis of the Bylaws, executive directors are beneficiaries of medical insurance and accident policies taken out by the Bank, which pays the relevant premiums, and which are allocated to the directors as payments in kind.

Additionally, the Bank pays executive directors other remunerations in kind such as ADSL, vehicle leasing and other corporate benefits that generally apply to senior Bank management

### **4.4. Main conditions of executive director contracts**

Remunerations, entitlements and economic rewards of each executive director are provided in their relevant contracts, and comprise the items established under article 50 bis of the Company's Bylaws.

Contracts of executive directors are open-ended and do not include any notice periods, or tenure or loyalty clauses.

In addition to the above, Article 16 of the Board Regulations establishes that the director that ceases to belong to the Bank's Board of Directors may not provide services to another financial institution in competition with the Bank or its subsidiaries for two years

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from the date they leave their directorship, unless they are given express authorisation by the Board. Such authorisation may be denied on the grounds of corporate interest. Articles 8 and 11 of said Board Regulations additionally establish a set of rules on conflicts of interest and incompatibilities of the post of director applicable to all members of the Board of Directors (executive and non-executive directors), on top of the rules applicable to them at each time by virtue of applicable legislation.

Pursuant to article 50 bis of the Company Bylaws, the contracts for the executive directors include a system of protection against the contingencies of retirement, disability and death.

Therefore, in respect of the *Consejero Delegado*, the Bank has assumed commitments to cover such contingencies as follows:

a) Retirement: The entitlement to receive an annual retirement pension is recognised. Its amount will be calculated on the basis of the annual average total remuneration that would have been payable over the last two years prior to retirement as fixed remuneration and a fixed amount determined by the Board for this purpose (hereinafter referred to as the "pensionable salary"). The amount of the pension will be calculated depending on his effective length of service in the Bank until the age of 65 years, capped at 85% of the pensionable salary.

This entitlement will arise when, while in performance of his professional duties, he reaches the age of 65 years.

The Bank's retirement commitments may be met, at the discretion of the beneficiary, by the payment of a lifelong annuity pension, or by payment of a lump sum at the time when the conditions established for this in the contract occur.

Likewise, the contractual conditions of the *Consejero Delegado* determine that should he cease to hold his position for any reason other than his own will, retirement, disability or dereliction of duty, he will be given early retirement with a pension payable, as he chooses, through a lifelong annuity pension, or by payment of a lump sum that will be 75% of his pensionable salary should this occur before he is 55, and 85% should it occur after he has reached said age.

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b) Disability: On the same terms as the retirement pension, a disability pension will be recognised for an amount equal to the maximum amount of his retirement pension should he become permanently or totally disabled while in performance of his professional duties.

c) Death: In the event of death, an annual widow's pension is established of 50% on the average pensionable salary for retirement or, as applicable, the retirement or disability pension that he may have been receiving.

Likewise, an annual orphans' pension will be granted for his children until they reach the age of 25. For each child, this will be 20% of the pensionable salary. In no event may the sum of the widow's and orphans' pension exceed 100% of the pensionable salary of the policy at the time of death.

In respect of José Manuel González-Páramo, the Bank has assumed commitments to cover the same contingencies under the terms detailed as follows:

a) Retirement: The entitlement to receive an annual retirement pension is recognised. Its amount will be the result of the cumulative sum of annual contributions and their corresponding earnings up to that date. To such end, the contributions for each year will be sum resulting from applying 20% per year to the fixed remuneration received.

b) Disability: Should the executive permanently or totally disabled while in the discharge of his professional duties, an annual pension of 46% of the annual fixed remuneration over the previous 12 months will be recognised.

c) Death: In the case of death prior to retirement, the corresponding widow's pension is established at 50% of the annual fixed remuneration of the previous 12 months.

Likewise, an annual orphans' pension will be granted for his children until they reach the age of 25. For each such child, this will be 20% of the annual fixed remuneration of the previous 12 months. In no event may the sum of the widow's and orphans' pension exceed 100% of the annual fixed remuneration of the policy at the time of death.

At the date of this Report, there are no other pension obligations for other executive directors.

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The Bank does not have any commitments to pay severance indemnity to executive directors other than the commitment in respect of José Manuel González-Páramo who is contractually entitled to receive an indemnity equivalent to twice his annual fixed remuneration should he cease to hold his position as executive director on grounds other than his own will, death, retirement, disability or dereliction of duty.

#### **4.4. Joining of new executive directors**

As a general rule, the remuneration system and basic contractual conditions described in the foregoing shall also be applicable to any new executive directors joining the Board of Directors during the term of this Policy considering, in particular, the duties attributed, the responsibilities undertaken and their professional experience. In this regard, a resolution of the Board of Directors is to provide fixed remuneration suitable to such characteristics, in line with the fixed remuneration of current executive directors and regarding the competitive environment comprising the set of comparable leading international financial institutions in Europe and the United States, applying the same variable remuneration system contained in this Policy.

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## 5. Remuneration system applicable to non-executive directors

As for non-executive directors, a separate scheme has been created on the basis of the responsibility, dedication and incompatibilities required of them, depending on their offices.

### 5.1. Fixed remuneration

Pursuant to article 33 bis of the Company Bylaws, the Annual General Meeting is responsible for establishing the annual allocation that the Bank will pay to the set of directors in such capacity, and the Board of Directors is entrusted with the duty of distributing this amount, according to the criteria described below, with powers to reduce the amount allocated at its discretion.

To such end, 2012's Annual General Meeting resolved to establish the total annual allocation payable by the Bank to all the directors as a whole for their directorships at €6 million. This amount will remain in force until the Annual General Meeting resolves to change it.

Non-executive directors receive a fixed annual amount in cash for holding the office of board member and member of the various Committees, and the relative amount is set according to the nature of the duties attributed to each Committee and the dedication required, there being a greater weighting of the exercise of the duties of Chairman on each Committee. The Annual Remuneration Report for BBVA directors for financial year 2014 includes a breakdown of the amounts received by the board members for these items in 2014.

Furthermore, as provided in Article 33 bis of the Bylaws, the Bank has a share-based remuneration system for non-executive directors with deferred distribution, approved by the Annual General Meeting held on 18 March 2006, extended for an additional term of 5 years by the Annual General Meeting held in March 2011.

This scheme consists of the annual allocation to non-executive directors, as part of their remuneration, of a number of "theoretical BBVA shares", which will effectively vest, where

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applicable, on the date on which they cease to be directors on any grounds other than dereliction of duty.

The annual number of "theoretical shares" allotted to each non-executive will be equivalent to 20% of the total cash remuneration received by each non-executive director in the previous year, according to the average closing prices of the BBVA share during the 60 trading sessions prior to the dates of the respective Annual General Meetings that approve the financial statements corresponding to each year.

## **5.2. Other remuneration**

In keeping with Article 14 of the BBVA Board of Directors Regulations, non-executive directors benefit from healthcare and accident insurance policies taken out by the Bank, which pays the relevant premiums, and which are attributed to the directors as remuneration in kind and detailed in the Annual Remuneration Report for directors.

## **5.3. Joining of new non-executive directors**

This same remuneration system will apply to any new non-executive directors joining the Board of Directors during the term of this Policy.

## **6. Term of the policy**

This Policy shall be applicable for the remuneration of BBVA directors in financial years 2015, 2016 y 2017, unless a new resolution was adopted by the Annual General Meeting.

In any event, the Policy shall be construed notwithstanding any payments due to executive directors over such years, corresponding to the deferred amounts of deferred variable remuneration of other financial years, subject to the conditions applicable for such remuneration.

## **Chapter II: Resolution on share handovers:**

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## **Settlement and payment system for Annual Variable Remuneration: Handover of shares**

In accordance with this Policy, 50% of Annual Variable Remuneration of the relevant executive directors for each financial year, deferred or not, shall be paid out in shares, should the conditions for the above be fulfilled.

To allow the application of this Policy in the terms set forth herein, the Annual General Meeting is expressly requested an authorisation to deliver the Bank's executive directors, for the three-year term of the Policy, a total capped at 2 million shares of Banco Bilbao Vizcaya Argentaria, S.A., i.e. 0.032% of the Bank's current share capital.

To complete these deliveries of shares, the benchmark price for the BBVA shares will be the average closure BBVA share price from 15 December of the year of accrual of the Annual Variable Remuneration to 15 January of the following year (inclusive), and it is stated that the Company may devote the shares comprising or which comprised its treasury stock to covering these shares or resort to another appropriate financial system established by the Company.

In any event, we note that the receipt of these shares is not related to the course of the listed price of the shares.

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## Appendix I

### Variable remuneration for executive directors in 2015

In 2015, the remuneration policy described in the foregoing is specified in the manner provided below:

For the calculation of Annual Variable Remuneration for 2015, a number of annual assessment indicators have been established, which include financial and non-financial targets, establishing that the financial targets are linked to the Group's most relevant management metrics and, therefore, one of the main indicators preserved is the Economic Value Added, regarded as an appropriate measure to assess performance including adjustments for current and future risks and cost of capital; and there are further indicators relating to the capacity to generate profit, efficiency and absorption of losses; in addition to non-financial indicators relating to customer satisfaction and tactical targets belonging to each office.

The annual assessment indicators provided by the Board of Directors, at the proposal of the Remuneration Committee, for non-executive directors and their weighting for 2015 are as follows:

#### Annual assessment indicators

Indicator	Chairman & CEO	President & Chief Operating Officer	JM González Páramo
Attributable Profit from continuing operations	30%	30%	20%
EVA from continuing operations	30%	30%	20%
Efficiency ratio	15%	10%	10%
Gross Loss Absorption Capacity (Net Margin)	15%	10%	-
Customer satisfaction (IreNe)	10%	10%	-
Tactical Indicators	-	10%	50%

As stated above, the amount of Annual Variable Remuneration of executive directors for 2015 is obtained on the basis of the level of compliance with the indicators provided above, depending on certain performance scales to be approved by the Board of Directors at the proposal of the Remuneration Committee.

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Following the calculation of Annual Variable Remuneration using the method stated, such remuneration is to be divided so that it is 50% cash and 50% BBVA shares, and to achieve this in 2015 the benchmark price of the BBVA share will be the average closure price of BBVA shares from 15 December 2015 to 15 January 2016 (inclusive).

The remaining 50% of Annual Variable Remuneration of executive directors, both in cash and in shares, shall be deferred for a three-year term and the accrual and vesting of this amount shall be subject to the compliance with the following indicators, the targets and weightings of which are to be provided by the Board of Directors, for the three-year term from 1 January 2016 to 31 December 2018:

### Multi-annual assessment indicators

Indicator	Weighting
Relative TSR	10%
ROE	10%
Economic Capital / ERC	30%
Cost of Risk	20%
Loan to Stable Customer Deposit Ratio	30%

Within Multi-Annual Assessment indicators we still find TSR (*Total Shareholders Return*), measuring the return on investment for shareholders as a result of adding changes of the listed price of shares plus dividends in the period considered; with the further inclusion, as multi-annual indicators, of some of the fundamental metrics provided by the Board of Directors for the control and management of Group risks, therefore directly connecting the main risks of the entity and the remuneration of its executives.

For each of the indicators, there are performance scales to be approved by the Board of Directors, at the proposal of the Remuneration Committee at the time of setting 2015 Annual Variable Remuneration of executive directors, i.e., in 2016.

Depending on the result of each indicator, the final amount of the deferred part of Annual Variable Remuneration shall be established on the basis of the weightings assigned to each of the indicators. Therefore, if the targets for each indicator are not attained, the deferred amount could be decreased for the percentage emerging from the relevant

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scales and weightings, and may even reach zero, such deferred remuneration may not be increased under any circumstances.

Any shares to be handed over to executive directors as Annual Variable Remuneration in financial year 2015 shall be retained for 6 months, this withholding is to be made on the resulting number of shares after discounting the part required to honour the payment of taxes for the shares received.

As stated at the end of this Policy, it is to be applicable for Annual Variable Remuneration in financial years 2015, 2016 and 2017, unless a new resolution was adopted by the Annual General Meeting and the application of the above is to be construed notwithstanding any payments to be made to the executive directors in such years, relating to the deferred amounts of variable remuneration as a consequence of previous remuneration policies, and subject to the terms and conditions provided in each year..

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