

**NOTICE OF GENERAL MEETING OF HOLDERS OF COVERED BONDS
ISSUED BY**

NOVO BANCO, S.A.

Registered office: Avenida da Liberdade, 195, 1250-142 Lisbon, Portugal

Entity legal type: Limited liability company (*sociedade anónima*)

Registered before the Commercial Registry Office of Lisbon

under the single registration and tax number 513.204.016

Share capital: €6,567,843,862.91

Pursuant to the provisions of article 355, paragraph 2, of the Portuguese Companies Code, a general meeting of all the holders of the following covered bonds (the “**Covered Bonds**”):

- “Series 1”, with the ISIN code PTNOBAOE0012 (the “**Series 1 Holders**” and the “**Series 1 Covered Bonds**”, respectively);
- “Series 2”, with the ISIN code PTNOBBOE0011 (the “**Series 2 Holders**” and the “**Series 2 Covered Bonds**”, respectively);
- “Series 3”, with the ISIN code PTNOBCOE0010 (the “**Series 3 Holders**” and the “**Series 3 Covered Bonds**”, respectively);
- “Series 4”, with the ISIN code PTNOBDOE0019 (the “**Series 4 Holders**” and the “**Series 4 Covered Bonds**”, respectively);
- “Series 5”, with the ISIN code PTNOBEOE0018 (the “**Series 5 Holders**” and the “**Series 5 Covered Bonds**”, respectively);
- “Series 6”, with the ISIN code PTNOBGOM0008 (the “**Series 6 Holders**” and the “**Series 6 Covered Bonds**”, respectively); and
- “Series 7”, with the ISIN code PTNOBHOM0007 (the “**Series 7 Holders**” and the “**Series 7 Covered Bonds**”, respectively),

(the Series 1 Holders, Series 2 Holders, Series 3 Holders, Series 4 Holders, Series 5 Holders, Series 6 Holders and Series 7 Holders hereinafter jointly referred to as the “**Holders**”),

issued by NOVO BANCO, S.A. (the “**Issuer**”) pursuant to its €10,000,000,000.00 Conditional Pass-Through Covered Bonds Programme (the “**Programme**”), is hereby convened (the “**Meeting of Holders of Covered Bonds**”), to be held on 6 October 2023, at 10:00 am, Lisbon time, at the registered office of the Issuer. If within 15 minutes after the time fixed for the Meeting of Holders of Covered Bonds a quorum (as detailed below)

is not present, then the meeting shall be adjourned to 23 October 2023, at 10:00 am, Lisbon time, at the registered office of the Issuer. The Meeting of Holders of Covered Bonds shall have the following agenda:

AGENDA

- Item One** Resolve on the modification of the trading venue where the Covered Bonds are admitted to trading, from Euronext Dublin to Euronext Lisbon, and to approve the changes such modification will require to be reflected in the terms and conditions of the Covered Bonds, issued under the Programme, as per the updated terms and conditions set out in **Annex VII** hereto, as well as in the final terms of each issue of Covered Bonds under the Programme;
- Item Two** Resolve on the removal of DBRS as a rating agency for the Covered Bonds and in the context of the Programme, as reflected in the updated terms and conditions set out in **Annex VII** hereto, as well as in the final terms of each issue of Covered Bonds under the Programme;
- Item Three** Resolve on the modification of the maturity extension mechanism of the Covered Bonds from Conditional Pass-Through to Soft-Bullet, in accordance with the updated terms and conditions of the Covered Bonds issued under the Programme set out in **Annex VII** hereto, as well as in the final terms of each issue of Covered Bonds under the Programme;
- Item Four** Resolve on the removal of the Reserve Account held by the Issuer with the Account Bank for the benefit of the Covered Bonds and on the replacement with a Liquidity Buffer, in accordance with the updated terms and conditions of the Covered Bonds issued under the Programme set out in **Annex VII** hereto;
- Item Five** With reference to the Series 1 Covered Bonds, the Series 2 Covered Bonds, the Series 3 Covered Bonds, the Series 4 Covered Bonds and the Series 5 Covered Bonds, resolve on the inclusion of provisions governing benchmark discontinuation equivalent to those applicable to the Series 6 Covered Bonds and the Series 7 Covered Bonds, as currently foreseen in the base prospectus of the Programme dated 28 September 2020, as supplemented on 1 February 2021, and in accordance with the updated terms and conditions of the Covered Bonds issued under the Programme set out in **Annex VII** hereto. For avoidance of doubt, this Item 5 is only subject to resolution from the holders of Series 1 Covered Bonds, Series 2 Covered Bonds, Series 3 Covered Bonds, Series 4 Covered Bonds and Series 5 Covered Bonds;

Item Six Resolve on the modification of the terms and conditions substantially in the form set out in **Annex VIII** hereto to reflect the legally required amendments to be included in the terms and conditions in virtue of the entry into force of Decree-Law no. 31/2022 of 6 May, which approved the new Portuguese Covered Bonds Legal Framework on 1 July 2022, subject to the approval of such updated terms and conditions by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) in the context of the envisaged process of approval of the €10,000,000,000.00 Covered Bonds Programme of the Issuer under the Covered Bonds Legal Framework and subject to any changes which may be required by the CMVM to the terms and conditions within such process.

The full texts of the proposals of resolution in relation to the Item One, Item Two, Item Three, Item Four, Item Five and Item Six of the Agenda are set out respectively in **Annex I, Annex II, Annex III, Annex IV, Annex V and Annex VI** hereto.

Capitalized and italic terms used in this notice, unless otherwise stated, have the meaning assigned to them in the Terms and Conditions of the Covered Bonds issued under the Programme contained in the Base Prospectus dated 5 October 2015, as supplemented or replaced from time to time on 21 December 2016, 18 July 2019, 28 September 2020 and 1 February 2021, prepared in connection with the Programme available at <https://www.novobanco.pt/investidores/informacao-divida/programa-de-obrigacoes-hipotecarias-cpt> (the “**Terms and Conditions**”).

Relevant Information on the Meeting of Holders of Covered Bonds

Participation and functioning of the Meeting of Holders of Covered Bonds shall be governed by (i) the provisions of the Terms and Conditions of the Covered Bonds in place at the time of their respective issue, (ii) the provisions of Schedule 1 (“*Provisions for Meetings of Holders of the Covered Bonds*”) of the Common Representative Appointment Agreement in relation to the Programme, (iii) the relevant legal provisions, notably articles 355 and 377 of the Portuguese Companies Code and article 14 of the Covered Bonds Law, approved by Decree-Law no. 59/2006, of 20 March and (iv) the remaining applicable regulatory provisions, including rules and practices of the centralized registration, settlement and clearing securities systems (which, under the Programme, are Interbolsa, and/or Euroclear, and/or Clearstream, Luxembourg (“**Clearing Systems**”)).

The Meeting of Holders of Covered Bonds is convened by Bondholders S.L. in its capacity as the Common Representative of the Holders (the “**Common**”).

Representative”), in accordance with the legal provisions and in accordance with Clause 1.1 (*Convening of meeting*) of the Common Representative Appointment Agreement in relation to the Programme.

The Issuer has appointed Issuer Solutions, S. L., to act as Information and Tabulation Agent for the meeting.

THE HOLDERS ARE ADVISED TO OBTAIN INFORMATION ALSO FROM THEIR FINANCIAL INTERMEDIARIES, CREDIT INSTITUTIONS, BROKERS, DEPOSITARIES AND OTHER ENTITIES THROUGH WHICH THEY HOLD THEIR RESPECTIVE COVERED BONDS (“FINANCIAL INTERMEDIARIES”) ON ANY PRE-REQUISITES, INSTRUCTIONS OR ADDITIONAL DEADLINES THAT THESE ENTITIES MAY REQUIRE FOR THE PURPOSES OF THE EFFECTIVE EXERCISE OF THEIR RIGHTS.

A. Participation in the Meeting of Holders of Covered Bonds

Holder may participate in the Meeting of Holders of Covered Bonds, using the form of representation described below.

1. Rights to Attend and Vote

- a) The Meeting of Holders of Covered Bonds is a general meeting of Holders and all Holders of Covered Bonds are entitled to participate in it and to discuss and vote therein. The Directors and other representatives of the Issuer and the Common Representative, the Paying Agent under the issues, as well as the legal and financial advisors of the Issuer, and as the case may be, any advisors to the Chairman of the Issuer’s shareholders meeting and Common Representative are also entitled to attend the Meeting of Holders of Covered Bonds.
- b) Holders may only exercise their voting rights if they are proven to be registered as holders of Covered Bonds by 00:00 hours on the second (2nd) business day prior to the date scheduled for the Meeting of Holders of the Covered Bonds, i.e., on 3 October 2023 or on 19 October 2023, if the Meeting is held at second call ("**Blocking Date**").
- c) The exercise of the abovementioned rights shall be subject to the delivery of a blocking certificate (the "**Ownership Certificate**") that confirms the Covered Bonds’ blocking as from the Blocking Date until the conclusion of the Bondholders meeting and of the Attendance and Proxy Vote Card available at www.issuersolutions.com/meeting/novobanco. The Ownership Certificate shall be issued by the relevant affiliate member of Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. according to article 78 of the Portuguese Securities Code and shall be delivered to the Tabulation and Information Agent at least one hour

prior to the commencement of the Meeting of Holders of the Covered Bonds, either in the first meeting or the second meeting, as applicable.

The issue of the Ownership Certificate presupposes the blocking of the relevant Covered Bonds, under the terms of article 72, paragraph 1, al. a), of the Portuguese Securities Code pertaining to the mandatory blocking of registered securities. This means that during the term of the blocking, the registering entity of the securities is prohibited from transferring the Covered Bonds.

- d) Beneficial holders of Covered Bonds who do not hold their interest in the Covered Bonds directly through a financial intermediary that is a participant in the Portuguese CSD, i.e. Central de Valores Mobiliários, operated by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. should consult with their custodians in advance in order to ensure that they comply with any procedures and deadlines (of such custodians or other intermediaries, such as Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme) required for them to obtain the Ownership Certificate. Such deadlines will be on top of the deadlines mentioned in this call notice.
- e) Holders of the Covered Bonds may attend the meeting in person or may be represented by the Common Representative or any other person they appoint for such purpose, but in no case may be represented by the Issuer's directors, even if these are also Holders of Covered Bonds. The Holder, whether a legal or natural person, that wishes to be represented at the General Meeting, must send to projects@issuersolutions.com, until 9:00 am Lisbon time (GMT+1) on the date of the meeting the required documentation. The appointment of a proxy must be in writing and only for this Meeting of Holders of the Covered Bonds. Such representation right shall continue for the second call or for any other session of the meeting that takes place as a result of the Meeting of Holders of the Covered Bonds being adjourned and resumed.
- f) To each Covered Bond corresponds one (1) vote.
- g) In case of co-ownership, only the co-owner's common representative may participate in the Meeting of Holders of Covered Bonds.
- h) The participants in the Meeting of Holders of Covered Bonds shall be accompanied by their identification documents (identity card or equivalent document).

2. Representation at the Meeting of Holders of Covered Bonds

Issuer Solutions, S.L., the Information and Tabulation Agent appointed by the Issuer, shall make available to the Holders of Covered Bonds the Attendance and Proxy Vote Card at www.issuersolutions.com/meeting/novobanco.

Without prejudice of the instructions mentioned therein in order that Holders of Covered Bonds can validly issue their voting instructions, the Holders of Covered Bonds willing to participate in the Meeting of Holders of Covered Bonds and exercise voting rights should adopt the following procedures:

(a) Complete the Attendance and Proxy Vote Card (the “**Card**”) available at www.issuersolutions.com/meeting/novobanco as per the chosen participation option.

(b) Print and sign the Card. It must be signed by the person/entity who is the legal owner of the bonds (when the legal owner is a legal entity, the Card must be signed by its legal representative(s)). The representative must also sign the Card when voting is delegated in another person.

(c) Scan the duly executed and signed Card and send it to projects@issuersolutions.com up to one hour prior to the commencement of the Bondholders Meeting, on first call or on second call, as applicable, attaching:

- Copy of the identification document of the Holder of Covered Bonds and of any representative, in what concerns individuals, or copy of the Commercial Registry Certificate (or similar registration document or access code thereto) of such legal entity and copy of the identification document of the legal representative(s) thereof, in what concerns legal entities.
- Copy of the ownership certificate issued by the financial intermediary with whom the Covered Bonds in question are domiciled, which should include: (i) full name of the Holder of Covered Bonds; (ii) number of Covered Bonds held in the relevant account as of the Blocking Date; and (iii) confirmation that the Covered Bonds are registered and will remain registered in a blocked account until the end of the Meeting, held on first or second call, as applicable, in accordance with Article 72 of the Portuguese Securities Code.
- Copy of the power of attorney, proxy-letter or any other document confirming powers of the signatories of the Card, if applicable. A copy of any such documents must be sent to projects@issuersolutions.com up to one hour prior to the beginning of the Meeting of Holders of Covered Bonds, so that the validity of such documents can be confirmed before the Meeting starts.

(d) Holders of Covered Bonds who attend the Meeting of Holders of Covered Bonds in person must present at the commencement of the Meeting, a valid identification document, the Card and the Ownership Certificate.

(e) Those who attend on behalf of a legal entity will need to present the valid power of attorney, proxy-letter or any other document confirming powers of the signatories of the Card. A copy of any such documents must be sent to projects@issuersolutions.com

up to one hour prior to the beginning of the Meeting of Holders of Covered Bonds, so that the validity of such documents can be confirmed before the Meeting starts.

(f) When Bondholders, S. L. is appointed by a Holder of Covered Bonds as its representative, the Holder needs to send the Card and the Ownership Certificate by email, as requested in c) above.

(g) Whenever attendance and vote are delegated in another person, the relevant representative must present at the commencement of the Meeting of Holders of Covered Bonds the Card, the Ownership Certificate, and its own valid identification document. The granting of a proxy may be revoked, such revocation taking place if the bondholder that has granted the proxy attends the Meeting of Holders of Covered Bonds in person.

Unless revoked, any appointment of a proxy in relation to a Meeting of Holders of Covered Bonds as described shall remain in force in relation to any resumption of such Meeting of Holders of Covered Bonds following an adjournment.

BENEFICIAL HOLDERS OF COVERED BONDS WHO DO NOT HOLD THEIR INTEREST IN THEIR RESPECTIVE COVERED BONDS DIRECTLY THROUGH A FINANCIAL INTERMEDIARY THAT IS A PARTICIPANT IN THE PORTUGUESE CSD, I.E., CENTRAL DE VALORES MOBILIÁRIOS, OPERATED BY INTERBOLSA – SOCIEDADE GESTORA DE SISTEMAS DE LIQUIDAÇÃO E DE SISTEMAS CENTRALIZADOS DE VALORES MOBILIÁRIOS, S.A. AND WHO WISH TO BE REPRESENTED IN THIS MEETING OF HOLDERS OF COVERED BONDS SHOULD CONSULT WITH THEIR CUSTODIANS IN ADVANCE IN ORDER TO ENSURE THAT THEY COMPLY WITH ANY PROCEDURES (OF SUCH CUSTODIANS OR OTHER INTERMEDIARIES, SUCH AS EUROCLEAR BANK S.A./N.V. OR CLEARSTREAM BANKING, *SOCIÉTÉ ANONYME*) REQUIRED FOR THEM TO BE REPRESENTED IN THE MEETING OF HOLDERS OF COVERED BONDS.

The presence of the Holders at the Meeting of Holders of Covered Bonds will be understood as revocation of any appointment of a proxy.

B. Quorum

The Meeting of Holders of Covered Bonds shall convene as long as any person or persons holding or representing at least 50% (fifty per cent.) of the Principal Amount Outstanding of the Covered Bonds of the relevant series then outstanding so held or represented are present or represented or, at the adjourned meeting, any Holder is present or duly represented, whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented in such series.

C. Functioning

The Common Representative (or any duly authorised representative thereof) will take the chair at the Meeting of Holders of Covered Bonds.

If the Common Representative, or any duly authorised representative thereof, is not present within 15 minutes after the time fixed for the Meeting of Holders of Covered Bonds, the chairman of the Issuer's shareholders meeting shall take the chair of the Meeting of the Holders of the Covered Bonds.

D. Voting Majority

The majority required to pass the proposed resolution included in the Agenda is at least 50% (fifty per cent.) of the Principal Amount Outstanding of the Covered Bonds then outstanding or, at the adjourned meeting 2/3 (two thirds) of the votes cast at the relevant meeting.

E. Exercise of Voting Rights

Each Covered Bond is granted 1 voting right, provided that where such Covered Bonds are held by the Issuer or on its behalf, the voting rights inherent to such Covered Bonds will be not exercisable, except if the matter to be voted only affects Series of Covered Bonds which are exclusively held by the Issuer or on its behalf.

Unless the procedures and regulations of Interbolsa or other applicable Clearing System require otherwise, Holders shall not be obliged to vote at a meeting in respect of its whole holding of Covered Bonds, but if they participate or are represented at such meeting they shall be obliged to cast all the votes which it exercises in the same way, pursuant to the provision of article 385 of the Portuguese Companies Code.

F. Other Rights

Holders who, individually or together with other Holders, hold at least 5% (five per cent.) of the principal amount of the Covered Bonds may request the inclusion of items on the Agenda contained in this notice and proposals of resolutions in relation to the items of the Agenda or which inclusion to the Agenda is requested within 5 (five) days from the publication of this notice. Such request must be in the written form, addressed to attention of the Common Representative and to the Information and Tabulation Agent and delivered by registered mail to Avenida da Liberdade, 195, 9th floor (DTF – Funding MLP), 1250-142 Lisbon, Portugal and/or by electronic mail exclusively to the address dtf.fundingmlt@novobanco.pt. The request must be duly justified and accompanied with

proof of ownership of at least 5% (five per cent.) of the principal amount of the Covered Bonds.

G. Available Documents

The preparatory information and documents for the Meeting of Holders Covered Bonds are available to the Holders to consultation as of the date of this notice, at the Issuer's registered office and on the Issuer's website (<https://www.novobanco.pt/english/investor-relations/debt-issuance//Meeting-of-Holders-2023>) and at the Information and Tabulation Agent's website www.issuersolutions.com/meeting/novobanco.

H. Binding Nature

Any resolution duly passed at the Meeting of Holders of Covered Bonds will be binding upon all Holders, whether or not they were present or represented at such meeting and whether or not they have voted at the meeting, including in case they have voted against any such resolution.

I. Other Information

The following means of contact are available in order to obtain or clarify any information related to this Meeting of Holders of Covered Bonds:

Information and Tabulation Agent

Issuer Solutions, S.L.

Attn: Marina Pettis

Telephone: +34 963 222 555

E-mail: projects@issuersolutions.com

J. Voting Scrutiny

The result of the votes regarding any resolution duly adopted at the Meeting of Holders of Covered Bonds shall be published by the Issuer at <https://www.novobanco.pt/english/investor-relations/debt-issuance//Meeting-of-Holders-2023> as well as at the websites of Euronext Dublin and of the CMVM.

K. Data Protection

The personal data that the Holders, their representatives and/or the financial intermediaries make available to the Issuer in the exercise of the participation, representation and voting rights in the Meeting of Holders of Covered Bonds will be subject to treatment by the Issuer with the purpose of managing its relationship with the Holders within the scope of the Meeting of Holders of Covered Bonds to fulfill their legal obligations, being kept for the periods legally established in commercial legislation or until definitive resolution of any dispute related to the Meeting of Holders of Covered Bonds, including the respective deliberative process and result. It is further informed that, under the applicable legal terms, Holders may exercise the rights to request the Issuer for access to personal data which concerns them, as well as for its rectification, the limitation of processing or the right to object to its treatment through the email address dpo@novobanco.pt.

This Notice is drawn up in duplicate in the English and Portuguese languages. In case of divergence, the English version shall prevail.

Lisbon, 6 September 2023

On behalf of the Common Representative, Bondholders S.L.,

Juan Carlos Perlaza
Sole Administrator

ANNEX I

PROPOSAL OF RESOLUTION – ITEM ONE OF THE AGENDA

Whereas:

- a) Following the entry into force of Decree-Law no. 31/2022 of 6 May, which approved the new Portuguese Covered Bonds Legal Framework (the “**Covered Bonds Legal Framework**”), on 1 July 2022, the Portuguese Securities Market Commission (the “**CMVM**”) was designated as the relevant regulator authority in Portugal with powers to supervise Portuguese covered bond programmes in accordance with the Covered Bonds Legal Framework and was vested with the powers to supervise issuers of covered bonds.
- b) Accordingly, the Issuer may significantly reduce the administrative burden associated with the covered bonds issued under its €10,000,000,000.00 Conditional Pass-Through Covered Bonds Programme (the “**Programme**”), if it changes the listing venue where such covered bonds (the “**Covered Bonds**”) are currently admitted to trading from the regulated market operated by The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”), to the regulated market operated by Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A., trading as Euronext Lisbon (“**Euronext Lisbon**”).
- c) In such a way, the CMVM would be the only regulator having supervision over the Programme and any issuances of Covered Bonds, and supervising them and the Issuer, whereas, according to the current terms and conditions of the Programme, the intervention of regulators from both Ireland (the Central Bank of Ireland, competent for approving bases prospectus for admissions to trading in Irish regulated markets and thus for supervising the trading of securities thereunder) and Portugal (the Bank of Portugal (before the entry into force of the Covered Bonds Legal Framework) or the CMVM (after such entry into force), competent to supervise Portuguese covered bonds issuers) applies.
- d) In light of the above, the trading venue of the Covered Bonds should be modified from Euronext Dublin to Euronext Lisbon, and the terms and conditions of the covered bonds issued under the Programme should be amended accordingly.

Item One: Considering the background and the reasons detailed above, it is proposed to resolve the change of the trading venue where the Covered Bonds are currently admitted to trading, from Euronext Dublin to Euronext Lisbon, and to approve the required changes to the terms and conditions of the Covered Bonds issued under the Programme, as per the amended terms and conditions attached as **Annex VII** to this convening notice. This resolution comprises the approval of any consequential amendments to the relevant final terms and the remaining documents of the Programme, which may accordingly be disclosed by the Issuer.

ANNEX II

PROPOSAL OF RESOLUTION – ITEM TWO OF THE AGENDA

Whereas:

- a) The Base Prospectuses approved with reference to the €10,000,000,000.00 Conditional Pass-Through Covered Bonds Programme of the Issuer (the “**Programme**”) foresee as relevant agencies to issue credit ratings in relation to the covered bonds issued under the Programme both Moody’s Investors Service España, S.A. (and any of its successors and affiliates) (“**Moody’s**”) and DBRS Ratings GmbH, as the credit rating agency part of the DBRS Group (and any successor to the relevant credit rating agency of that group) (“**DBRS**”).
- b) The Issuer understands that the removal of DBRS as a credit rating agency for the purposes of the Programme would not negatively affect the market conditions for the Covered Bonds. Moreover, the removal of DBRS as a credit rating agency for the purposes of the Programme would also optimise and reduce the running costs of the Programme.
- c) A removal of DBRS as a credit rating agency for the purposes of the Programme would also require the withdrawal of the credit rating of DBRS in relation to the Covered Bonds issued under the Programme.

Item Two: In light of the above, it is proposed to resolve the withdrawal of the credit rating of DBRS in relation to the Covered Bonds issued under the Programme and the removal of DBRS as a credit rating agency for the purposes of the Programme, approving the required changes to the terms and conditions of the Covered Bonds issued under the Programme, as per the amended terms and conditions attached as Annex VII to this convening notice. This resolution comprises the approval of any consequential amendments to the relevant final terms and the remaining documents of the Programme, which may accordingly be disclosed by the Issuer.

ANNEX III

PROPOSAL OF RESOLUTION – ITEM THREE OF THE AGENDA

Whereas:

- a) The terms and conditions of the Base Prospectuses referring to the €10,000,000,000.00 Conditional Pass-Through Covered Bonds Programme of the Issuer (the “**Programme**”) foresee a conditional pass-through maturity extension mechanism for the covered bonds issued or to be issued under the Programme (the “**Covered Bonds**”).
- b) The Issuer has ascertained that market conditions currently offered for covered bonds with soft bullet maturity extension mechanisms are more favourable as compared to covered bonds with conditional pass-through maturity extension mechanisms. Moreover, the Issuer expects that the amendment of the maturity extension mechanism from conditional pass-through to soft bullet will not have a negative impact on the credit rating assign to the Covered Bonds by Moody’s.
- c) The better market conditions currently associated with soft bullet covered bonds, without negative impact on the credit rating of the covered bonds, justify that the terms and conditions of the Covered Bonds issued under the Programme are amended so as to change the currently envisaged conditional pass-through maturity extension mechanism to a soft bullet maturity extension mechanism.

Item Three: In light of the above, it is proposed to resolve an amendment to the terms and conditions of the Covered Bonds issued under the Programme in order to change the current existing conditional pass-through maturity extension mechanism to a soft bullet maturity extension mechanism, including the one year market standard extension, approving the required changes to the terms and conditions of the Covered Bonds issued under the Programme, as per the amended terms and conditions attached as Annex VII to this convening notice. This resolution comprises the approval of any consequential amendments to the relevant final terms and the remaining documents of the Programme, which may accordingly be disclosed by the Issuer.

ANNEX IV

PROPOSAL OF RESOLUTION – ITEM FOUR OF THE AGENDA

Whereas:

- a) The terms and conditions of the Base Prospectuses referring to the €10,000,000,000.00 Conditional Pass-Through Covered Bonds Programme of the Issuer (the “**Programme**”) foresee that the Covered Bonds have the benefit of a Reserve Account held by the Issuer with the Account Bank on behalf of the Programme and which form part of the cover pool of assets and be subject to the same legal requirements and legal regime as any other eligible assets which are part of the cover pool.
- b) Following the entry into force of Decree-Law no. 31/2022 of 6 May, which approved the new Portuguese Covered Bonds Legal Framework (the “**Covered Bonds Legal Framework**”), on 1 July 2022, the cover pool must include liquid assets to cover the maximum net liquidity outflows accumulated over the following 180-days period (Net Liquidity Outflows).
- c) To comply with the liquidity requirement referred above, the cover pool will include a liquidity buffer comprised by eligible liquid assets to cover the Net Liquidity Outflows and no further liquidity measures are deemed necessary to manage the liquidity risk of the cover pool (“**Liquidity Buffer**”).

Item Four: In light of the above, it is proposed to resolve on the removal of the Reserve Account held by the Issuer with the Account Bank for the benefit of the Covered Bonds and on the replacement with the Liquidity Buffer, as per the amended terms and conditions attached as **Annex VII** to this convening notice, which will comply with the new legal requirements. This resolution comprises the approval of any consequential amendments to the relevant final terms and the remaining documents of the Programme, which may accordingly be disclosed by the Issuer.

ANNEX V

PROPOSAL OF RESOLUTION – ITEM FIVE OF THE AGENDA (FOR THE HOLDERS OF SERIES 1 COVERED BONDS, SERIES 2 COVERED BONDS, SERIES 3 COVERED BONDS, SERIES 4 COVERED BONDS AND SERIES 5 COVERED BONDS)

Whereas:

- a) The terms and conditions applicable to the Series 1 Covered Bonds, the Series 2 Covered Bonds, the Series 3 Covered Bonds, the Series 4 Covered Bonds and the Series 5 Covered Bonds do not currently include any provisions pertaining to benchmark discontinuation events.
- b) However, it is the market standard for floating rate covered bonds to include provisions specifically addressing benchmark discontinuation, and the terms and conditions applicable to the Series 6 Covered Bonds and the Series 7 Covered Bonds currently include such provisions, namely in Condition 4.2(E) (*Benchmark Discontinuation*).
- c) Consequently, in order to align the terms and conditions applicable to the Series 1 Covered Bonds, the Series 2 Covered Bonds, the Series 3 Covered Bonds, the Series 4 Covered Bonds and the Series 5 Covered Bonds with the current market standard for the rules governing floating rate covered bonds, and also for uniformization purposes with reference to the terms and conditions applicable to the Series 6 Covered Bonds and the Series 7 Covered Bonds, the former should be amended so as to include a new Condition 4.2(E), pertaining to benchmark discontinuation.

Item Five: In light of the above, with reference to the Series 1 Covered Bonds, the Series 2 Covered Bonds, the Series 3 Covered Bonds, the Series 4 Covered Bonds and the Series 5 Covered Bonds, it is proposed to resolve on the modification of the terms and conditions substantially in the form set out in Annex VII to this convening notice, and to include specifically Condition 4.2(E) thereto, to reflect the inclusion of the corresponding provisions governing benchmark discontinuation. This resolution comprises the approval of any consequential amendments to the relevant final terms and the remaining documents of the Programme, which may accordingly be disclosed by the Issuer.

ANNEX VI

PROPOSAL OF RESOLUTION – ITEM SIX OF THE AGENDA

Whereas:

- a) Following the entry into force of Decree-Law no. 31/2022 of 6 May, which approved the new Portuguese Covered Bonds Legal Framework (the “**Covered Bonds Legal Framework**”), on 1 July 2022, the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the “**CMVM**”) was designated as the relevant regulator authority in Portugal with powers to approve new or converted covered bond programmes in accordance with the Covered Bonds Legal Framework and was vested with the powers to supervise issuers of covered bonds.
- b) The Issuer has currently in place the “€10,000,000,000.00 Conditional Pass-Through Covered Bonds Programme” of the Issuer (the “**Programme**”), which was drafted in accordance with the Decree-Law no. 59/2006, of 20 March, and which was revoked by the Covered Bonds Legal Framework.
- c) The Issuer expects to submit to the CMVM a request to convert the Programme and, accordingly, to approve the update of the Base Prospectus in accordance with the Covered Bonds Legal Framework as soon as possible after the date of the Meeting of Holders of Covered Bonds.
- d) In addition to the proposal of modification of the terms and conditions attached as Annex VII to this convening notice, the Issuer expects the terms and conditions of the Programme as applicable to the outstanding Covered Bonds to be amended in virtue of the entry into force of Covered Bonds Legal Framework and as approved in due time by the CMVM. Following the conversion, all the outstanding covered bonds will, once the Programme is updated, be labelled European Covered Bonds (Premium).
- e) The amendments to the terms and conditions resulting from the implementation of the changes required in virtue of the entry into force of the Covered Bonds Legal Framework substantially in the terms attached as Annex VIII are subject to the approval of such updated terms and conditions by the CMVM in the context of the envisaged process of approval of the €10,000,000,000.00 Covered Bonds Programme of the Issuer.

Item Six: In light of the above, it is proposed to resolve on the modification of the terms and conditions substantially in the form set out in **Annex VIII** to this convening notice to reflect the legally required amendments to be included in the terms and conditions in virtue of the entry into force of the Covered Bonds Legal Framework, subject to the approval of such updated terms and conditions by the CMVM in the context of the envisaged process of approval of the €10,000,000,000.00 Covered Bonds Programme of the Issuer under the Covered Bonds Legal Framework and subject to any changes which may be required by the CMVM to the terms and conditions within such process. This resolution comprises the approval of any consequential amendments to the relevant final terms and the remaining documents of the Programme, which may accordingly be disclosed by the Issuer.

ANNEX VII

UPDATED TERMS AND CONDITIONS

(page numbering interrupted)

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Covered Bond (as defined below). The applicable Final Terms (or the relevant provisions thereof) will be incorporated by reference into each Covered Bond. Reference should be made to ‘Final Terms for Covered Bonds’ for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

THE COVERED BONDS (AS DEFINED IN THESE TERMS AND CONDITIONS) ARE MORTGAGE COVERED BONDS (“OBRIGAÇÕES HIPOTECÁRIAS”) ISSUED IN ACCORDANCE WITH THE COVERED BONDS LAW (AS DEFINED) AND SUBJECT THERETO AND WHERE APPLICABLE TO THE COVERED BONDS FRAMEWORK. THE ISSUER (AS DEFINED IN THESE TERMS AND CONDITIONS) IS A CREDIT INSTITUTION WITH THE CAPACITY TO ISSUE COVERED BONDS PURSUANT TO THE APPLICABLE LAW. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE APPLICABLE LAW ARE SECURED BY THE ASSETS THAT COMPRISE THE COVER POOL (AS DEFINED BELOW) MAINTAINED BY THE ISSUER IN ACCORDANCE THEREWITH. THE COVER POOL IS AUTONOMOUS FROM ANY OTHER COVER POOL MAINTAINED BY THE ISSUER IN RELATION TO ANY OTHER PROGRAMMES THAT IT HAS OR MAY ESTABLISH IN THE FUTURE.

This Covered Bond is one of a Series (as defined below) of mortgage covered bonds issued by Novo Banco, S.A. (the “**Issuer**”) in accordance with the procedures set out in the Set of Agency Procedures (as defined below).

References herein to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean, whilst the Covered Bonds are held through Interbolsa, the book-entries corresponding to the units of the lowest Specified Denomination in the Specified Currency (as specified in the applicable Final Terms).

The Covered Bonds have the benefit of a set of agency procedures (such set of agency procedures as amended and/or supplemented and/or restated from time to time, the “**Set of Agency Procedures**”) dated 5 October 2015 and made and agreed by Novo Banco, S.A. (acting in its capacity as Agent and Paying Agent, which expressions shall include any successors, and as Issuer) and by any subsequent agent, paying agent, transfer agent and/or agent bank appointed by the Issuer.

Any reference to “**holders of Covered Bonds**” shall mean, while the Covered Bonds are held through Interbolsa, the person or entity registered as such in the relevant individual securities account held with the relevant Interbolsa Participant.

As used herein, “**Tranche**” means Covered Bonds which are identical in all respects (including as to listing) and Series means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Set of Agency Procedures are available for inspection during normal business hours at the specified office of each of the Paying Agents (such Paying Agents being together referred to as the “**Agents**”). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents and at the Euronext’s website – www.euronext.com, save that, if these Covered Bonds are unlisted, the applicable Final Terms will only be obtainable by a holder holding one or more unlisted Covered Bonds and such holder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Covered Bonds and identity and at the website of the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) (the “**CMVM**”) – www.cmvm.pt. The Covered Bonds holders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Set of Agency Procedures and the applicable Final Terms which

are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Set of Agency Procedures.

Words and expressions defined in the Set of Agency Procedures or used in the applicable Final Terms shall have the same meanings when used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Set of Agency Procedures and the applicable Final Terms, the applicable Final Terms will prevail.

As used herein, “**outstanding**” means in relation to the Covered Bonds all the Covered Bonds issued other than:

- (a) those Covered Bonds which have been redeemed and cancelled pursuant to these Terms and Conditions;
- (b) those Covered Bonds in respect of which the date for redemption under these Terms and Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under these Terms and Conditions after that date) have been duly paid to or to the order of the Agent in the manner provided in the Set of Agency Procedures (and, where appropriate, notice to that effect has been given to the Covered Bonds holders in accordance with these Terms and Conditions);
- (c) those Covered Bonds which have been purchased and cancelled under these Terms and Conditions; and
- (d) those Covered Bonds which have become prescribed under these Terms and Conditions.

In connection with the issue of any Tranche (as defined in *General Description of the Programme*), the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, will be in compliance with all relevant laws and regulations and may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

1 FORM, DENOMINATION AND TITLE

The Covered Bonds are in registered form (*nominativas*) and in the Specified Currency and the Specified Denomination(s), as specified in the applicable Final Terms. Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

The Covered Bonds held through Interbolsa will be in book-entry form (*forma escritural*) and title to the Covered Bonds will be evidenced by book entries in accordance with the provisions of Portuguese Securities Code and the applicable CMVM regulations. No physical document of title will be issued in respect of the Covered Bonds. Each person shown in the records of an Interbolsa Participant as having an interest in Covered Bonds shall be treated as the holder of the principal amount of the Covered Bonds recorded therein. The Covered Bonds shall be registered covered bonds (“*nominativas*”) which means that Interbolsa, at the Issuer’s request, can ask the Interbolsa Participants for information regarding the identity of the holders of Covered Bonds.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown and as specified in the applicable Final Terms.

Terms applicable to other types and structures of Covered Bonds that the Issuer and any Dealer(s) may

agree to issue under the Programme will be set out in the applicable Final Terms.

The Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds in respect of the period from the Issue Date to and including the Maturity Date, and Fixed Rate Covered Bonds or Floating Rate Covered Bonds in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

The Covered Bonds may be Instalment Covered Bonds depending upon the Redemption/Payment Basis shown, and as specified, in the applicable Final Terms.

The Covered Bonds to be issued on or after the date hereof will be issued in denomination per unit equal to or higher than €100,000 (or if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) as may be agreed between the Issuer and the relevant dealer(s), as specified in the relevant Final Terms and provided that each series of Covered Bonds will have one denomination only.

2 TRANSFERS OF COVERED BONDS

The transferability of the Covered Bonds is not restricted.

Covered Bonds held through Interbolsa may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Covered Bond. No owner of a Covered Bond will be able to transfer such Covered Bond, except in accordance with Portuguese Law and with the applicable procedures of Interbolsa.

Subject as set out below, title to the Covered Bonds will be evidenced by book entries in accordance with the provisions of Portuguese Securities Code, the applicable CMVM regulations and the provisions of the Set of Agency Procedures. The Issuer, the Paying Agent and the Common Representative will (except as otherwise required by law) deem and treat the registered holder of any Covered Bond as the absolute owner thereof for all purposes.

Any reference herein to Interbolsa shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. The holders of Covered Bonds will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3 STATUS OF THE COVERED BONDS

The Covered Bonds issued under the Programme and any interest thereon, if applicable, constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and rank *pari passu* without any preference among themselves. The Covered Bonds are mortgage covered securities issued in accordance with the Covered Bonds Law, which are secured by the Cover Pool maintained by the Issuer in accordance with the terms of the Covered Bonds Law and rank *pari passu* with all other obligations of the Issuer under mortgage covered bonds issued or to be issued by the Issuer pursuant to the Covered Bonds Law.

4 INTEREST

4.1 Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Subject as provided in Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*), interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment

Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1 (*Interest on Fixed Rate Covered Bonds*):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (a) in the case of Covered Bonds where the number of days in the relevant period from (and including) the previous Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - 1. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - 2. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “**30/360**” is specified in the applicable Final Terms, the number of days in the period from (and including) the previous Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

- (i) “**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and
- (ii) “**Principal Amount Outstanding**” means in respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant holder of the Covered Bond in respect thereof.
- (iii) “**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Covered Bonds

(A) Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Covered Bonds become payable on a date other than an Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 4.2.(ii) above, the Floating Rate Convention (as specified in the applicable Final Terms), such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention (as specified in the applicable Final Terms), such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following (Adjusted) Business Day Convention (as specified in the applicable Final Terms), such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention (as specified in the applicable Final Terms), such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and any Additional Business Centre(s) specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and Lisbon and any Additional Business Centre(s)) or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

(B) Rate of Interest

The rate of interest payable from time to time in respect of Floating Rate Covered Bonds (“**Rate of Interest**”) will be determined in the manner specified in the applicable Final Terms.

- (i) *ISDA Determination for Floating Rate Covered Bonds:* Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph, “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds; or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Covered Bonds (together, the “**ISDA Definitions**”) and under which:
1. the Floating Rate Option is as specified in the applicable Final Terms;
 2. the Designated Maturity, if applicable, is the period specified in the applicable Final Terms; and
 3. the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period, or (B) in any other case, as specified in the applicable Final Terms.

For the purposes of this Condition 4.2.(B), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

- (ii) *Screen Rate Determination for Floating Rate Covered Bonds:* Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:
1. the offered quotation (if there is only one quotation on the Relevant Screen Page); or
 2. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) or, as applicable, the relevant Calculation Agent, of such offered quotations.

The Set of Agency Procedures contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(C) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the

provisions of Condition 4.2(B) (*Interest on Floating Rate Covered Bonds – Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If no Minimum Rate of Interest is specified or if the Minimum Rate of Interest is specified as Not Applicable in the applicable Final Terms, then the minimum interest rate shall be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(B) (*Interest on Floating Rate Covered Bonds – Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(D) Determination of Rate of Interest and calculation of Interest Amounts

The Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, will calculate the amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination (each an “**Interest Amount**”) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(E) *Benchmark discontinuation*

(i) Independent Adviser

Notwithstanding the provisions in Condition 4.2 (*Interest on Floating Rate Covered Bonds*) above, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, but no later than 10 days prior to the Interest Determination Date relating to the next Interest Period for which the Rate of Interest (or the relevant component part thereof) is otherwise to be determined by reference to the Original Reference Rate (the “**IA Determination Cut-Off Date**”, at its own costs to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*)) (ii) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4.2(E)(v) and (vi), respectively). In making such determination, Independent Adviser appointed pursuant to this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agents or the Noteholders for any determination made by it pursuant to this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*).

(ii) Issuer Determination

If (a) the Issuer is unable to appoint an Independent Adviser; or (b) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) prior to the relevant IA Determination Cut-Off Date /Interest Determination Date, the Issuer acting in good faith and in a commercially reasonable manner may itself determine (but shall not be obliged to determine) (1) a Successor Rate or Alternative Rate and (2) in either case an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) (with the relevant provisions in this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) applying mutatis mutandis to allow such determinations to be made by the Issuer without consultation with the Independent Adviser). In the event that the Issuer decides to make a determination in accordance with this condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*), without prejudice to the definitions hereof, for the purpose of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Issuer shall take into account published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

(iii) Issuer’s failure to determine a Successor Rate or Alternative Rate

If the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate, or otherwise decides not to determine a Successor Rate or Alternative Rate in accordance with the Condition 4.2(E)(ii) prior to the relevant IA Determination Cut-Off Date, the Rate of Interest applicable to the next succeeding Accrual Period shall be equal to the Rate of Interest last determined in relation to the Covered Bonds in respect of the immediately preceding Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Accrual Period from that which applied to the last preceding Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Accrual Period only and any subsequent Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*).

(iv) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*)).

(v) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(vi) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) and the Independent Adviser or Issuer, as the case may be, acting in good faith and in a commercially reasonable manner, determines (1) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “Benchmark Amendments”) and (2) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(E)(vii), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.2(E)(vi), the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

(vii) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) will be notified promptly by the Issuer to the Common Representative, the Agent, the Calculation Agent and, in accordance with Condition 11 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Common Representative of the same, the Issuer shall deliver to the Common Representative a certificate signed by Authorised Signatories of the Issuer:

- a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*); and
- b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Common Representative, the Calculation Agent and the Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor

Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Common Representative's or the Calculation Agent's or the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Common Representative, the Calculation Agent, the Agent and the Noteholders.

(viii) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) will continue to apply unless and until a Benchmark Event has occurred.

(ix) Definitions:

As used in this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, which the Independent Adviser or, as the case may be, the Issuer, in each case acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- i. in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- ii. the Independent Adviser, failing which, the Issuer determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if Independent Adviser, failing which, the Issuer determines that no such spread is customarily applied);
- iii. the Independent Adviser, failing which, the Issuer, determines is recognised or acknowledged as being the industry standard for over-the-counter in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser, failing which, the Issuer determines has replaced the Original Reference Rate in accordance with Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Covered Bonds and with an interest period of a comparable duration to the relevant Interest Period.

“**Benchmark Amendments**” has the meaning given to it in Condition 4.2 (E) (i).

“**Benchmark Event**” means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or be administered; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will on or prior to a specified date cease to publish the Original Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, on or before a specified date, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate stating that the Original Reference Rate will be prohibited from being used either generally, or in respect of the Covered Bonds, or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date; or
- (e) it has, or will on or prior to a specified date, become unlawful for the Agent, the Calculation Agent, the Issuer or other party, as the case may be, to calculate any payments due to be made to the holders of the Covered Bonds using the Original Reference Rate; or
- (f) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used,

provided that in the case of sub-paragraphs (b), (c) and (d), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets transactions appointed by the Issuer under Condition 4.2 (E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Covered Bonds in respect of any Interest Period(s).

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- i. the central bank for the currency to which the relevant benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant benchmark or screen rate (as applicable); or
- ii. any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the relevant benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(F) Notification of Rate of Interest and Interest Amounts

The Agent, or where the applicable Final Terms specifies a Calculation Agent for this purpose, the Calculation Agent so specified, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to any Stock Exchange or other relevant competent listing authority or quotation system on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded and notice thereof to be published in accordance with Condition 11 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Common Representative and each Stock Exchange or other relevant authority on which the relevant Floating Rate Covered Bonds are for

the time being listed or by which they have been admitted to listing and to the holders of Covered Bonds in accordance with Condition 11 (*Notices*). For the purposes of this Condition 4.2(F), the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(G) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Interest on Floating Rate Covered Bonds*), whether by the Agent or the Calculation Agent (if applicable) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, any Calculation Agent, the Common Representative and all holders of Covered Bonds and (in the absence of wilful default or bad faith) no liability to the Issuer, any Calculation Agent, the holders of Covered Bonds shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Subject as provided in Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*), interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the earlier of (i) the date on which all amounts due in respect of such Covered Bond have been paid; and (ii) five days after the date on which the full amount of the moneys payable in respect of such Covered Bond has been received by the Agent, as the case may be, and notice to that effect has been given to the holders of Covered Bonds in accordance with Condition 11 (*Notices*).

4.4 Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date

- (A) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of the Covered Bonds is extended beyond the Maturity Date in accordance with Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date, subject to Condition 4.3 (*Accrual of Interest*), 4.4(B) and 6.8(F). In that event, interest shall be payable on each Interest Payment Date following the Maturity Date on those Covered Bonds at the rate determined in accordance with Condition 4.4(B) on the Principal Amount Outstanding of the Covered Bonds in respect of the Interest Period ending immediately prior to such relevant Interest Payment Date, or as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date.
- (B) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of the Covered Bonds is extended beyond the Maturity Date in accordance with Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), the rate of interest payable from time to time in respect of the Principal Amount Outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.
- (C) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date, for the purposes of this Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*) the Principal

Amount Outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

- (D) This Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*) shall only apply to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds in full on the Maturity Date, or within two Business Days thereafter, and the maturity of such Covered Bonds is automatically extended up to the Extended Maturity Date in accordance with Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*).

5 PAYMENTS

5.1 Method of payment

Payments of principal and interest in respect of Covered Bonds held through Interbolsa may be made in Euro, United States Dollar, Pound Sterling, Japanese Yen, Swiss Franc, Australian Dollar and Canadian Dollar or in any other currency as may be accepted from time to time by Interbolsa and payments in a currency other than euro, will be settled through the Non-euro Currency Settlement System (SLME) of Interbolsa.

Whilst the Covered Bonds are held through Interbolsa, payment of principal and interest in respect of the Covered Bonds will be (i) credited, according to the procedures and regulations of Interbolsa, by the relevant Paying Agent (acting on behalf of the Issuer) to the relevant T2 payment current- accounts of the Interbolsa Participant whose control accounts with Interbolsa are credited with such Covered Bonds and thereafter (ii) credited by such Interbolsa Participants from the aforementioned payment current-accounts to the accounts of the owners of those Covered Bonds, in accordance with the rules and procedures of Interbolsa.

Payments will be subject in all cases to the provisions of Condition 7 (*Taxation*), to (i) any tax or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto. Any such amounts withheld or deducted will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

5.2 Payment Day

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which (subject to Condition 8 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation; or
 - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the T2 System is open,

provided that such a day is a business day for the purposes of the central securities depository and associated clearing and settlement system operated by Interbolsa.

5.3 Interpretation of principal

Any reference in these Terms and Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Covered Bonds;
- (ii) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (iii) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts (as specified in the applicable Final Terms); and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

6 REDEMPTION AND PURCHASE

6.1 Final redemption

Subject to Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), unless previously redeemed or purchased and cancelled or extended as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, in the relevant Specified Currency on the Maturity Date.

6.2 Redemption at the option of the Issuer (Call Option)

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given (unless otherwise specified, in the applicable Final Terms) not less than 30 nor more than 60 days' notice to the Common Representative, the Agent and, in accordance with Condition 11 (*Notices*), the holders of Covered Bonds (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, whilst the Covered Bonds are held through Interbolsa, the nominal amount of all outstanding Covered Bonds will be redeemed proportionally.

6.3 Redemption at the option of the holders of Covered Bonds (Put Option)

If Investor Put Option is specified in the applicable Final Terms, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 11 (*Notices*) not less than 30 nor more than 60 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. To exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must deliver, at the specified office of any Paying Agent while the Covered Bonds are held through Interbolsa at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a Put Notice) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. Any Put Notice given by a holder of any Covered Bond pursuant to this Condition shall be irrevocable. If the Covered Bonds are held through Interbolsa, the right to require redemption will be exercised directly against the Issuer, through the relevant Paying Agent.

6.4 Instalments

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates.

6.5 Purchases

The Issuer or any of its subsidiaries may at any time purchase or otherwise acquire Covered Bonds at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation by Interbolsa.

6.6 Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled. All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 6.5 above shall be cancelled by Interbolsa and cannot be held, reissued or resold.

6.7 Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bonds to which Condition 6.8 does not apply, upon redemption of such Zero Coupon Covered Bond pursuant to Condition 6.1 (*Final redemption*), 6.2 (*Redemption at the option of the Issuer (Call Option)*) or 6.3 (*Redemption at the option of the holders of Covered Bonds (Put Option)*) above, or upon its becoming due and repayable as provided for in Condition 9 (*Insolvency Event and Enforcement*), is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated according to the following formula:

$$RP \times (1 + AY)^y$$

where:

RP means the Reference Price; and

AY means the Accrual Yield expressed as a decimal; and

y is a fraction, the denominator of which is 360 and the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Agent and notice to that effect has been given to the holders of Covered Bonds either in accordance with Condition 11 (*Notices*) or individually.

6.8 Extension of Maturity Date up to Extended Maturity Date

- (A) An Extended Maturity Date shall be specified in the applicable Final Terms as applying to each Series of Covered Bonds unless the rating provided by the rating agencies appointed by the Issuer at the relevant time in respect of the Programme is adversely affected by such Extended Maturity Provisions.
- (B) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the Issuer fails to redeem such Series of Covered Bonds in full on the Maturity Date or within two Business Days thereafter, the maturity of such Covered Bonds issued under the Programme and the date on which such Covered Bonds will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than their Extended Maturity Date, unless otherwise provided for in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the Principal Amount Outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give to the holders of Covered Bonds (in accordance with Condition 11 (*Notices*)), the Agent and the other Paying Agents, notice of its intention to redeem all or any of the Principal Amount Outstanding of the Covered Bonds in full at least five Business Days

prior to the relevant Interest Payment Date or, as applicable, the Extended Maturity Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date or, as applicable, the Extended Maturity Date, or give rise to rights in any such person.

- (C) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) the Principal Amount Outstanding shall be the amount calculated in accordance with Condition 6.7 (*Zero Coupon Covered Bonds*).
- (D) Any extension of the maturity of Covered Bonds under this Condition 6.8 shall be irrevocable. Where this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 6.8 shall not constitute an event of default for any purpose or give any holder of Covered Bonds any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Terms and Conditions.
- (E) In the event of the extension of the maturity of Covered Bonds under this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), interest rates, interest periods and interest payment dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*).
- (F) If the Issuer redeems part and not all of the Principal Amount Outstanding of Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the Principal Amount Outstanding of the Covered Bonds shall be reduced by the level of that redemption.
- (G) If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), subject to otherwise provided for in the applicable Final Terms, for so long as those Covered Bonds remain in issue, the Issuer shall not issue any further mortgage covered bonds, unless the proceeds of issue of such further mortgage covered bonds are applied by the Issuer on issue in redeeming in whole or in part the relevant Covered Bonds in accordance with the terms hereof.
- (H) This Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) shall apply only to Covered Bonds to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Covered Bonds in full on the Maturity Date (or within two Business Days thereafter).

7 TAXATION

7.1 Payments free of taxes

All payments of principal and interest in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes unless the Issuer or any Paying Agent (as the case may be) is required by law to make any such payment subject to any such withholding or deduction. In that event, the Issuer or any Paying Agent (as the case may be) shall be entitled to withhold or deduct the required amount for or on account of Tax from such payment and shall account to the relevant Tax Authorities for the amount so withheld or deducted.

7.2 No payment of additional amounts

Neither the Issuer nor the Paying Agent will be obliged to pay any additional amounts to the holders of Covered Bonds in respect of any Tax Deduction made in accordance with Condition 7.1 (*Payment free of taxes*) above.

7.3 Taxing Jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Portuguese Republic, references in these Terms and Conditions to the Portuguese Republic shall be construed as references to the Portuguese Republic and/or such other jurisdiction.

7.4 Tax Deduction not event of default

Notwithstanding that the Issuer or any Paying Agent is required to make a Tax Deduction in accordance with Condition 7.1 (*Payment free of taxes*) above, this shall not constitute an event of default by the Issuer.

8 PRESCRIPTION

The Covered Bonds will become void unless presented for payment within 20 years (in the case of principal) and 5 years (in the case of interest) in each case from the Relevant Date therefor, subject in each case to the provisions of Condition 5 (*Payments*). As used in these Terms and Conditions, “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of Covered Bonds in accordance with Condition 11 (*Notices*).

9 INSOLVENCY EVENT AND ENFORCEMENT

9.1 Insolvency Event

Pursuant to the Covered Bonds Law, if an Insolvency Event in respect of the Issuer occurs, the holders of Covered Bonds may approve a Resolution, by a majority of two thirds of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding, for which purpose the Covered Bonds held by the Issuer or on its behalf shall not be counted nor entitle voting rights (unless such Series is fully held by the Issuer), to determine the serving of an Acceleration Notice, in which case all outstanding Covered Bonds shall immediately become due and payable each at their Early Redemption Amount together with accrued interest. For the sake of clarity, the serving of such an Acceleration Notice will supersede the provisions of Conditions 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), the Covered Bonds becoming immediately due and payable as aforementioned.

For the purposes of these Terms and Conditions: “**Insolvency Event**” means the winding-up and dissolution of the Issuer under any applicable laws and regulations (including under Decree-law 199/2006, of 25 October 2006, as amended, the RGICSF, and/or (if applicable) under the Code for the Insolvency and Recovery of Companies introduced by Decree-law 53/2004, of 18 March 2004, as amended). Investors should see the *Insolvency of the Issuer* section.

9.2 Enforcement

(A) Following the approval of a Resolution as described in Condition 9.1 (*Insolvency Event*), the holders of the Covered Bonds (or the Common Representative on their behalf, provided it has been indemnified and/or secured to its satisfaction) may at any time after service of an Acceleration Notice, at its discretion and without further notice, take such proceedings against the Issuer, and/or any other person as it may deem fit to enforce the provisions of the Covered Bonds.

(B) In exercising any of its powers and discretions the Common Representative shall only have regard to the interests of the holders of Covered Bonds of all Series.

(C) No holder of Covered Bonds shall be entitled to proceed directly against the Issuer or to take any action with respect to the Common Representative Appointment Agreement, the Covered Bonds or any other Programme Document unless the Common Representative, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing.

10 AGENT AND PAYING AGENTS

(A) The names of the Agent and the Paying Agent and their initial specified offices are set out in Condition 17 (*Definitions*) below. In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint such other bank to act as such in its place.

(B) The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid. The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) there will at all times be an Agent;
- (ii) the Issuer will, so long as any of the Covered Bonds is outstanding, maintain a Paying Agent (which may be the Agent) having a specified office in a city approved by the Common Representative in continental Europe; and
- (iii) so long as any of the Covered Bonds are listed on any Stock Exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant Stock Exchange or as the case may be, other relevant authority.

11 NOTICES

All notices regarding the Covered Bonds shall be published in a manner which complies with the applicable listing rules of the Euronext Lisbon and also with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Covered Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication.

Notices to the holders of Covered Bonds shall, in respect of the Covered Bonds listed on Euronext Lisbon, be published on CMVM's information system (www.cmvm.pt). Furthermore, any such notice shall be disclosed by any further means required to allow a fast access by all holders of Covered Bonds throughout the EU and shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

All notices regarding the Covered Bonds shall comply with the applicable Portuguese law requirements, notably pursuant to the Portuguese Securities Code and CMVM Regulation 5/2008, as amended.

12 MEETINGS OF HOLDERS OF COVERED BONDS

- (A) The Portuguese Companies Code contains provisions for convening meetings of the holders of Covered Bonds to consider any matter attributed to them by law and in their common interest (which provisions are described and supplemented in the Common Representative Appointment Agreement), including the modification by Resolution of these Terms and Conditions or the provisions of the Common Representative Appointment Agreement.
- (B) The quorum at any meeting convened to vote on: (i) a Resolution not regarding a Reserved Matter will be any person or persons holding or representing whatever the Principal Amount Outstanding of the Covered Bonds then outstanding; or (ii) a Resolution regarding a Reserved Matter of the Covered Bonds, will be any person or persons holding or representing at least 50 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented or, at any adjourned meeting, any person being or representing holders of Covered Bonds holding, whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented. Each Covered Bond grants its holder one vote.
- (C) The majorities required to approve a Resolution at any meeting convened in accordance with the applicable rules shall be: (i) if in respect to a Resolution not regarding a Reserved Matter, the

majority of the votes cast at the relevant meeting; (ii) if in respect to a Resolution regarding a Reserved Matter except for the one set out in (iii) below, at least 50 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding or, at any adjourned meeting 2/3 of the votes cast at the relevant meeting or (iii) if in respect to a Resolution regarding an increase in the obligations of the holders of Covered Bonds, all holders of the relevant Series of Covered Bonds.

For the purposes of these Terms and Conditions, a “Reserved Matter” means any proposal: (i) to change any date fixed for payment of principal or interest in respect of the Covered Bonds of all or of a given Series, (ii) to reduce the amount of principal or interest due on any date in respect of the Covered Bonds of all or of a given Series or to alter the method of calculating the amount of any payment in respect of the Covered Bonds of all or of a given Series on redemption or maturity; (iii) to effect the exchange, conversion or substitution of the Covered Bonds of all or of a given Series into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iv) to change the currency in which amounts due in respect of the Covered Bonds of all or of a given Series are payable; (v) to alter the priority of payment of interest or principal in respect of the Covered Bonds of all or of a given Series; (vi) to amend this definition; and (vii) any other matter required by law to be approved by the majorities set out in Conditions 12(C)(ii) and 12(C)(iii);

A Resolution approved at any meeting of the holders of Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of Covered Bonds of such Series, whether or not they are present at the meeting. Pursuant to the Common Representative Appointment Agreement, the Common Representative may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Common Representative there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph (C) shall apply thereto *mutatis mutandis*.

- (D) Notwithstanding the provisions of the immediately preceding paragraph, any Resolution to direct the Common Representative to accelerate the Covered Bonds pursuant to Condition 9 (*Insolvency Event and Enforcement*) or to direct the Common Representative to take any enforcement action (each a “**Programme Resolution**”) shall only be capable of being passed at a single meeting of the holders of Covered Bonds of all Series then outstanding.
- (E) Any such meeting to consider a Programme Resolution may be convened by the Common Representative or, if it refuses to convene such a meeting, by the Chairman of the General Meeting of Shareholders of the Issuer; if both the Common Representative and the Chairman of the General Meeting of Shareholders of the Issuer refuses to convene the meeting, then 5 per cent. of the holders of Covered Bonds of any Series may petition the court to order a meeting to be convened.
- (F) A Programme Resolution passed at any meeting of the holders of Covered Bonds of all Series shall be binding on all holders of Covered Bonds of all Series, whether or not they are present at the meeting.
- (G) In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in euro, the nominal amount of the Covered Bonds of any Series not denominated in euro shall be converted into euro at the relevant exchange rate at the date of the meeting.

13 INDEMNIFICATION OF THE COMMON REPRESENTATIVE CONTRACTING WITH THE ISSUER

- (A) If, in connection with the exercise of its powers and discretions, the Common Representative is of the opinion that the interests of the holders of Covered Bonds of any one or more Series would be materially prejudiced thereby, the Common Representative shall not exercise such powers and discretions without the approval of such holders of Covered Bonds by a Resolution or by a written resolution of such holders of Covered Bonds of at least the majority of the Principal Amount

Outstanding of Covered Bonds of the relevant Series then outstanding.

- (B) The Common Representative shall not be required to expend its own funds or otherwise incur or risk incurring any liability in the performance of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has grounds for believing the repayment of such funds is not reasonably assured to it under the Covered Bonds Law or if it has not been provided with adequate indemnity against or security for such risk or liability. Notwithstanding any Programme Resolution or any other Resolution approved at any meeting or any written resolution of any holders of Covered Bonds, the Common Representative may (i) to the extent permitted by law, refrain from taking any action until it has been provided with sufficient funds or adequate indemnity against or security for any liability it may incur as a result of any such actions and (ii) refrain from doing anything which might in its opinion be contrary to any law of any jurisdiction or which might otherwise render it liable to any person and (iii) do anything which is in its opinion necessary to comply with any such law, and in no circumstances shall be liable to the holders of Covered Bonds for any consequences of such actions or inaction. The Common Representative Appointment Agreement contains further provisions for the indemnification of the Common Representative and for its relief from responsibility.

14 OVERCOLLATERALISATION, LIQUIDITY BUFFER AND ISSUER COVENANTS

14.1 Maintenance of overcollateralisation

For so long as the Covered Bonds are outstanding, the Value (determined in accordance with the Covered Bonds Law and the CMVM Regulation) of the Cover Pool maintained by the Issuer shall at all times be a minimum of 105 per cent. of the aggregate Value of all outstanding Covered Bonds issued under the Programme less any Covered Bonds held by the Issuer pursuant to article 21.2 of the Covered Bonds Law and not cancelled or such other percentage under such other conditions as may be selected by the Issuer from time to time and notified to the Cover Pool Monitor (the “**Overcollateralisation Percentage**”), provided that:

- (i) the Overcollateralisation Percentage shall not, for so long as there are Covered Bonds outstanding, be reduced by the Issuer below 105 per cent.;
- (ii) without prejudice to (i) above, the Issuer shall not at any time reduce the Overcollateralisation Percentage which applies for the purposes of this Condition 14 (*Overcollateralisation, Liquidity Buffer and Issuer Covenants*) if this could result in any credit rating then assigned to the Covered Bonds by any Rating Agency being reduced, removed, suspended or placed on credit watch.

14.2 Liquidity Buffer

For so long as the Covered Bonds are outstanding, the Cover Pool shall include a Liquidity Buffer comprised by Liquidity Assets to cover the Net Liquidity Outflows accumulated over the next 180 days, provided that (i) uncollateralised claims from exposures considered in default pursuant to article 178 of the CRR cannot contribute to the Liquidity Buffer, and (ii) if an Extended Maturity Date is specified in the applicable Final Terms, principal repayments under the Covered Bonds shall be considered due for this purpose on the relevant Extended Maturity Date.

14.3 Issuer Covenants

For so long as any of the Covered Bonds are outstanding, the Issuer shall ensure that:

- (A) *Loan to Value*: the Value of a Mortgage Credit granted by the Issuer may not exceed either 80 per cent. of the Current Property Value, in case of a property intended primarily for residential purposes, or 60 per cent. of the Current Property Value, in case of a Property intended primarily for commercial purposes;
- (B) *Asset Cover*: the aggregate value of the Other Assets may not exceed 20 per cent. of the aggregate value of the Cover Pool;

- (C) *Average Maturity*: the remaining average Maturity of all outstanding Covered Bonds is at all times shorter than the remaining average Maturity of the Cover Pool entered in the Register;
- (D) *Interest Cover*: the total amount of interest receivable on the Cover Pool will at all times be at least equal to or exceed the total amount of interest payable on the outstanding Covered Bonds;
- (E) *Valuations*: all the required valuations of Covered Bonds, Mortgage Credits, Hedging Contracts, Properties or other Cover Pool assets will be made in compliance with the requirements of the Covered Bonds Law, the CRR;
- (F) *Cover Pool Monitor*: the Cover Pool Monitor will be provided with all necessary elements and information to monitor compliance by the Issuer of this Condition 14 (*Overcollateralisation, Liquidity Buffer and Issuer Covenants*) in accordance with the Covered Bonds Law and under the terms set forth in the Cover Pool Monitor Agreement;
- (G) *Mortgage Credits*: the Mortgage Credits included in the Cover Pool are not Non-Performing Mortgage Credits; and
- (H) *Liabilities*: the net present value of the liabilities arising from issues of Covered Bonds cannot exceed the net present value of the Cover Pool, including any Hedging Contracts. This ratio must also be met for 200 basis points parallel shifts of the yield curve.

15 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the holders of Covered Bonds to create and issue further securities with the same terms and conditions of the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

16 GOVERNING LAW AND JURISDICTION

The Common Representative Appointment Agreement, the Set of Agency Procedures, the Covered Bonds, and the other Programme Documents (including any non-contractual obligations arising out of, or in connection with said documents), are governed by, and shall be construed in accordance with, Portuguese law unless specifically stated to the contrary.

The courts of Lisbon shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds and accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Covered Bonds (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) may be brought in such courts, subject to mandatory applicable laws.

17 DEFINITIONS

In these Terms and Conditions, the following defined terms have the meanings set out below:

“**Acceleration Notice**” means a notice served on the Issuer pursuant to Condition 9 (*Insolvency Event and Enforcement*).

“**Agent**” means Novo Banco, S.A., in its capacity as Agent with head office at Avenida da Liberdade, 195, 1250-142 Lisbon, Portugal, or any successor Agent(s), in each case together with any additional Agent(s), appointed from time to time by the Issuer in connection with the Covered Bonds and under the Set of Agency Procedures.

“**Clearstream, Luxembourg**” means Clearstream Banking société anonyme, Luxembourg.

“**CMVM**” means the *Comissão do Mercado de Valores Mobiliários*, the Portuguese Securities Market Commission.

“**CMVM Regulation**” means the CMVM Regulation no. 2/2023, of 28 of July, regarding covered bonds.

“**Common Representative**” means Bondholders, S.L., in its capacity as representative of the holders of the Covered Bonds pursuant to Article 14 of the Covered Bonds Law in accordance with the Terms and Conditions and the terms of the Common Representative Appointment Agreement, having its registered office at Avenida de Francia 17, A, 1 46023 Valencia (Spain).

“**Common Representative Appointment Agreement**” means the agreement dated 23 October 2020 entered into between the Issuer and the Common Representative which sets out the terms and conditions for the appointment of, and provision of services by the Common Representative.

“**Cover Pool**” means the pool of assets maintained by the Issuer and allocated to the issue of Covered Bonds under the Programme, held to the benefit of the holders of Covered Bonds and the Other Preferred Creditors, and including the Mortgage Credits, the Hedging Contracts and the Other Assets, as specified in the Register. The Cover Pool is autonomous from any other cover pool maintained by the Issuer in relation to any other programmes that it has or may establish in the future.

“**Cover Pool Monitor**” means Ernst & Young, Audit & Associados – SROC, S.A., registered in the Portuguese Securities Market Commission (“**CMVM**”) under number 20161480 and in the Portuguese Institute of Statutory Auditors (“**OROC**”) under number 178 and with registered office at Av. da República no. 90, 1700-157 Lisbon.

“**Covered Bond**” means any covered bond issued by the Issuer pursuant to the Covered Bonds Law in the form specified in the applicable Final Terms and “**Covered Bonds**” shall be construed accordingly.

“**Covered Bonds Framework**” means the current Portuguese legal framework applicable to the issuance of covered bonds, enacted by Decree-Law number 31/2022, of 6 May, as amended from time to time;

“**Covered Bonds Law**” means the Portuguese legal framework applicable to the issuance of covered bonds, enacted by Decree-law 59/2006, of 20 March 2006, as amended from time to time.

“**CRR**” means Regulation (EU) no. 575/2013, of the European Parliament and of the Council, of 26 June 2013, as amended from time to time.

“**Current Property Value**” means, in relation to a Property securing a Mortgage Credit, the updated Property Valuation of such Property;

“**Dealers**” means J.P. Morgan Securities plc, Novo Banco, S.A. and any other Dealer(s) appointed from time to time by the Issuer in accordance with the Programme Agreement.

“**EU**” means the European Union.

“**Euro**”, “**€**” or “**euro**” means the lawful currency of Member States of the European Union that adopt the single currency introduced in accordance with the Treaty.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Euronext**” means Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A..

“**Euronext Lisbon**” means the regulated market managed by Euronext.

“**Extended Maturity Date**” means the date so specified in the applicable Final Terms.

“**Final Terms**” means, in relation to each Tranche, the final terms applicable to such Covered Bonds.

“**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

“**Hedging Contracts**” means the hedging contracts entered into by the Issuer in accordance with the Covered Bonds Law for the purpose of hedging interest rate, exchange or liquidity risks in relation to the Cover Pool.

“**Interbolsa**” means Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., as operator of the Central de Valores Mobiliários.

“**Interbolsa Participant**” means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and Clearstream, Luxembourg.

“**Interest Amount**” means, as applicable, the amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination, calculated by the Calculation Agent pursuant to Condition 4 (*Interest*).

“**Issue Date**” means the date so specified in the applicable Final Terms being, in respect of any Covered Bond, the date of issue and purchase of such Covered Bond pursuant to and in accordance with the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s).

“**Liquidity Assets**” means the assets which may compose the Liquidity Buffer, as described below:

- (a) Assets qualifying as level 1, level 2A or level 2B assets pursuant to the applicable delegated regulation adopted pursuant to article 460 of the CRR, that are valued in accordance with such regulation, and are not issued by the issuing credit institution itself, its parent undertaking, unless it is a public sector entity that is not a credit institution, its subsidiary or another subsidiary of its parent undertaking or by a securitisation special purpose entity with which the credit institution has close links; and
- (b) Short-term exposures to credit institutions that qualify for credit quality step 1 or 2 (as defined in the CRR), or claims, including deposits, that are short-term to credit institutions that qualify for credit quality step 1, 2 or 3 (as defined in the CRR), in accordance with article 129(1)(c) of the CRR, provided that any such assets comply with any applicable requirements under paragraph (A) (*Eligible Assets*) of Condition 14.3 (*Issuer Covenants*), subject to Condition 14.1(ii).

For the avoidance of doubt, and provided that the requirements under b) above are met, the assets under b) above can include short term deposits held with the Bank of Portugal or the Issuer, segregated and allocated to the Cover Pool as part of the Liquidity Assets.

“**Liquidity Buffer**” means the liquidity buffer included in the Cover Pool, as detailed in Condition 14.2 (*Liquidity Buffer*).

“**Loan to Value**” means, in respect of a Mortgage Credit, the ratio of the aggregate Value of such Mortgage Credit to the Current Property Value of the Property securing such Mortgage Credits.

“**Margin**” means the margin specified as such in the relevant Final Terms.

“**Maturity**” means the final legal maturity of any outstanding Covered Bonds, Mortgage Credits, Hedging Contracts or Other Assets, as applicable;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Minimum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Moody's**” means Moody's Investors Service España, S.A., and any of its successors and affiliates;

“**Mortgage**” means, in respect of any Mortgage Credit, the charge by way of legal mortgage over the relevant Property together with all other encumbrances or guarantees the benefit of which is vested in the Issuer as security for the repayment of that Mortgage Credit.

“**Mortgage Credit**” means the pecuniary credit receivables secured by a Mortgage and/or any Additional Security which is comprised in the Cover Pool and which complies with the following eligibility criteria established in the Covered Bonds Law and Condition 14.3(A):

- (a) it is a pecuniary receivable not yet matured, which is neither subject to conditions nor encumbered, judicially seized or apprehended and which is secured by first ranking mortgages over residential or

commercial real estate located in an EU Member State;

- (b) notwithstanding (a) above, it is a pecuniary receivable secured by a junior mortgage but where all Mortgage Credits ranking senior thereto are held by the Issuer and also allocated to the Cover Pool;
- (c) it is a receivable secured by (i) a personal guarantee granted by a credit institution, or (ii) an appropriate insurance policy, in any case together with a mortgage counter guarantee evidencing (a) or (b) above.

“Net Liquidity Outflows” means all payment outflows falling due on one day, including principal (if applicable, as it will only be considered due for these purposes on the relevant Extended Maturity Date) and interest payments under the Covered Bonds and payments under the Hedging Contracts, net of all payment inflows falling due on the same day for assets in the Cover Pool.

“Non-Performing Mortgage Credits” means, with respect to a Mortgage Credit, that such Mortgage Credit:

- (a) is in the course of being foreclosed or otherwise enforced; or
- (b) has one or more payments of principal or interest payable on the related credit in arrears and those payments are referable to a period of 90 days or more.

“Other Assets” means all assets other than Mortgage Credits and Hedging Contracts which comply with the eligibility criteria established in the Covered Bonds Law and which are included in the Cover Pool as specified in the Register, including:

- (a) deposits with the Bank of Portugal in cash or securities eligible for credit transactions in the Eurosystem (which is the monetary authority of the euro area which comprises the ECB and the national central banks of the Member States whose currency is the euro);
- (b) current or term account deposits with credit institutions (which are not in a control or group relationship with the Issuer) having a rating as required pursuant to the Covered Bonds Law ; and
- (c) other assets complying simultaneously with the requisites of low risk and high liquidity as defined by the Bank of Portugal;

For the avoidance of doubt, the Other Assets do not include any cash collateral that may be transferred under the Hedging Contracts.

“Other Preferred Creditors” means the counterparties under the Hedging Contracts.

“Overcollateralisation Percentage” has the meaning given in Condition 14.1 (*Maintenance of Overcollateralisation*).

“Overcollateralisation Percentage” means 105 per cent. or such other percentage as may be selected by the Issuer from time to time pursuant and subject to the terms of Condition 14.1 (*Maintenance of Overcollateralisation*) and notified to the Cover Pool Monitor.

“Paying Agents” means the paying agents named in the Set of Agency Procedures together with any successor or additional paying agents appointed from time to time in connection with the Covered Bonds under the Set of Agency Procedures.

“Portuguese Companies Code” means Decree-Law number 262/86, of 2 September, as amended from time to time.

“Portuguese Securities Code” means Decree-Law number 486/99, of 13 November, as amended from time to time.

“Programme” means the €10,000,000,000 covered bonds programme established for the issuance of Covered Bonds by the Issuer in accordance with the Covered Bonds Law for the issuance of Covered Bonds by the Issuer for the issuance of Covered Bonds in compliance with the Covered Bonds Law, and as updated from time to time.

“Programme Agreement” means the agreement entered into between the Issuer and the Dealers on 5

October 2015, as amended from time to time.

“**Programme Resolution**” means any Resolution directing the Common Representative to accelerate the Covered Bonds pursuant to Condition 9 (*Insolvency Event and Enforcement*) or directing the Common Representative to take any enforcement action and which shall only be capable of being passed at a single meeting of the holders of Covered Bonds of all Series then outstanding.

“**Property**” means, in relation to any Mortgage Credit, the property upon which the repayment of such Mortgage Credit is secured by the corresponding Mortgage and “**Properties**” means all of them.

“**Property Valuation**” means, in relation to any Property the amount determined as such Property’s market value (which means, in accordance with point (76) of article 4(1) of the CRR, the estimated amount for which the Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion), in accordance with the most recent independent valuation of such Property, at the time or after the relevant Mortgage Credit was originated, in accordance with the Covered Bonds Law and article 208 of the CRR, provided that, in accordance with the foregoing, the Issuer may use statistical methods to monitor the value of the Property and identify if it needs revaluation.

“**Rating Agency**” means Moody’s.

“**Register**” means the register of the Cover Pool and associated collateral maintained by the Issuer in accordance with the Covered Bonds Law;

“**Regulation S**” means Regulation S under the Securities Act.

“**Relevant Date**” means the date on which a payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of Covered Bonds in accordance with Condition 11 (*Notices*).

“**Relevant Screen Page**” has the meaning ascribed to it in the Final Terms.

“**Reserved Matter**” means any proposal: (i) to change any date fixed for payment of principal or interest in respect of the Covered Bonds of all or of a given Series, (ii) to reduce the amount of principal or interest due on any date in respect of the Covered Bonds of all or of a given Series or to alter the method of calculating the amount of any payment in respect of the Covered Bonds of all or of a given Series on redemption or maturity; (iii) to effect the exchange, conversion or substitution of the Covered Bonds of all or of a given Series into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iv) to change the currency in which amounts due in respect of the Covered Bonds of all or of a given Series are payable; (v) to alter the priority of payment of interest or principal in respect of the Covered Bonds of all or of a given Series; (vi) to amend this definition; and (vii) any other matter required by law to be approved by the majorities set out in Conditions 12(C)(ii) and 12(C)(iii).

“**Resolution**” means a resolution adopted at a duly convened meeting of holders of Covered Bonds and approved in accordance with the applicable provisions.

“**RGICSF**” means the General Regime for Credit Institutions and Financial Companies, as enacted by the Decree-Law 298/92, of 31 December 1992, as amended.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates, interest rates and/or Issue Prices.

“**Set of Agency Procedures**” means the set of agency procedures (such set of agency procedures as amended and/or supplemented and/or restated from time to time) dated 5 October 2015 and made and agreed by Novo Banco, S.A., in its capacity as Agent, Paying Agent and the Issuer and agreed to by any

subsequent agent, paying agent, transfer agent, agent bank and/or registrar appointed by the Issuer.

“**Stock Exchange**” means Euronext Lisbon or any other stock exchange where Covered Bonds may be listed as per the relevant Final Terms.

“**T2 System**” means the real time gross settlement system operated by the Eurosystem, or any successor system.

“**Tax**” shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority and “**Taxes**”, “**taxation**”, “**taxable**” and comparable expressions shall be construed accordingly.

“**Tax Authority**” means any government, state, municipal, local, federal or other tax, revenue, customs or excise authority, body or official anywhere in the world exercising a tax, revenue, customs or excise function.

“**Tax Deduction**” means any deduction or withholding on account of Tax.

“**Terms and Conditions**” means in relation to the Covered Bonds, the terms and conditions applicable to the Covered Bonds and any reference to a particular numbered Condition shall be construed in relation to the Covered Bonds accordingly.

“**Treaty**” means the treaty establishing the European Communities, as amended by the Treaty on European Union.

“**Value**” means:

- (a) in relation to a Mortgage Credit, (i) for the purpose of the Overcollateralisation, an amount equal to the book value of such Mortgage Credit entered on the Register, together with any matured and accrued interest; and (ii) for the purpose of Loan to Value calculation, an amount equal to the book value of such Mortgage Credit entered on the Register;
- (b) in relation to any Other Assets:
 - i. the aggregate amount of any deposits together with any matured and accrued interest, as entered on the Register;
the value resulting from the rules regarding valuation of margins defined by the Eurosystem for securities eligible for Eurosystem credit transactions or, if lower, the nominal value of such securities, including matured and accrued interests.

ANNEX VIII

UPDATED AND CONDITIONAL TERMS AND CONDITIONS

(page numbering interrupted)

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Covered Bond (as defined below). The applicable Final Terms (or the relevant provisions thereof) will be incorporated by reference into each Covered Bond. Reference should be made to ‘Final Terms for Covered Bonds’ for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.

THE COVERED BONDS (AS DEFINED IN THESE TERMS AND CONDITIONS) ARE COVERED BONDS (“OBRIGAÇÕES COBERTAS”) ISSUED IN ACCORDANCE WITH THE COVERED BONDS FRAMEWORK (AS DEFINED). THE ISSUER (AS DEFINED IN THESE TERMS AND CONDITIONS) IS A CREDIT INSTITUTION WITH THE CAPACITY TO ISSUE COVERED BONDS PURSUANT TO THE COVERED BONDS FRAMEWORK. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE COVERED BONDS FRAMEWORK ARE SECURED ON THE ASSETS THAT COMPRISE THE COVER POOL (AS DEFINED BELOW) MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE COVERED BONDS FRAMEWORK. THE COVER POOL IS AUTONOMOUS FROM ANY OTHER COVER POOL MAINTAINED BY THE ISSUER IN RELATION TO ANY OTHER PROGRAMMES THAT IT HAS OR MAY ESTABLISH IN THE FUTURE.

IT IS THE INTENTION OF THE ISSUER, BUT NOT ITS CONTRACTUAL UNDERTAKING, THAT ANY COVERED BONDS TO BE ISSUED ARE ABLE TO BEAR THE LABEL “EUROPEAN COVERED BOND (PREMIUM)”, AS FORESEEN IN ARTICLE 42(2) OF THE COVERED BONDS FRAMEWORK. THE ACTUAL ABILITY FOR SUCH LABEL TO BE USED WILL DEPEND ON THE COMPLIANCE OVER TIME WITH THE RELEVANT REQUIREMENTS OF THE COVERED BONDS FRAMEWORK AND OF ARTICLE 129 OF THE CRR.

This Covered Bond is one of a Series (as defined below) of covered bonds issued by Novo Banco, S.A. (the “**Issuer**”) in accordance with the procedures set out in the Set of Agency Procedures (as defined below).

References herein to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean, whilst the Covered Bonds are held through Interbolsa, the book-entries corresponding to the Specified Denomination in the Specified Currency (as specified in the applicable Final Terms).

The Covered Bonds have the benefit of a set of agency procedures (such set of agency procedures as amended and/or supplemented and/or restated from time to time, the “**Set of Agency Procedures**”) dated 5 October 2015 and made and agreed by Novo Banco, S.A. (acting in its capacity as Agent and Paying Agent, which expressions shall include any successors, and as Issuer) and by any subsequent agent, paying agent, transfer agent and/or agent bank appointed by the Issuer.

Any reference to “**holders of Covered Bonds**” shall mean, while the Covered Bonds are held through Interbolsa, the person or entity registered as such in the relevant individual securities account held with the relevant Interbolsa Participant.

As used herein, “**Tranche**” means Covered Bonds which are identical in all respects (including as to listing) and Series means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Set of Agency Procedures are available for inspection during normal business hours at the specified office of each of the Paying Agents (such Paying Agents being together referred to as the “**Agents**”). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents and at the Euronext’s website – www.euronext.com, save that, if

these Covered Bonds are unlisted, the applicable Final Terms will only be obtainable by a holder holding one or more unlisted Covered Bonds and such holder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Covered Bonds and identity and at the website of the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) (the “**CMVM**”) – www.cmvm.pt. The Covered Bonds holders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Set of Agency Procedures and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Set of Agency Procedures.

Words and expressions defined in the Set of Agency Procedures or used in the applicable Final Terms shall have the same meanings when used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Set of Agency Procedures and the applicable Final Terms, the applicable Final Terms will prevail.

As used herein, **outstanding** means in relation to the Covered Bonds all the Covered Bonds issued other than:

- (a) those Covered Bonds which have been redeemed and cancelled pursuant to these Terms and Conditions;
- (b) those Covered Bonds in respect of which the date for redemption under these Terms and Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and any interest (if any) payable under these Terms and Conditions after that date) have been duly paid to or to the order of the Agent in the manner provided in the Set of Agency Procedures (and, where appropriate, notice to that effect has been given to the Covered Bonds holders in accordance with these Terms and Conditions);
- (c) those Covered Bonds which have been purchased and cancelled under these Terms and Conditions;
- (d) those Covered Bonds which have become prescribed under these Terms and Conditions.

In connection with the issue of any Tranche (as defined in *General Description of the Programme*), the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, will be in compliance with all relevant laws and regulations and may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

1 FORM, DENOMINATION AND TITLE

The Covered Bonds are in registered form (*nominativas*) and in the Specified Currency and the Specified Denomination, as specified in the applicable Final Terms. Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

The Covered Bonds held through Interbolsa will be in book-entry form and title to the Covered Bonds will be evidenced by book entries in accordance with the provisions of Portuguese Securities Code and the applicable CMVM regulations. No physical document of title will be issued in respect of the Covered Bonds. Each person shown in the records of an Interbolsa Participant as having an interest in Covered Bonds shall be treated as the holder of the principal amount of the Covered Bonds recorded therein. The Covered Bonds shall be registered covered bonds (“*nominativas*”) which means that Interbolsa, at the Issuer’s request, can ask the Interbolsa Participants for information regarding the identity of the holders

of Covered Bonds.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown and as specified in the applicable Final Terms.

Terms applicable to other types and structures of Covered Bonds that the Issuer and any Dealer(s) may agree to issue under the Programme will be set out in the applicable Final Terms.

Where the applicable Final Terms specify that an Extended Maturity Date applies to a Series of Covered Bonds, those Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds in respect of the period from the Issue Date to and including the Maturity Date, and Fixed Rate Covered Bonds or Floating Rate Covered Bonds in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

The Covered Bonds may be Instalment Covered Bonds depending upon the Redemption/Payment Basis shown, and as specified, in the applicable Final Terms.

The Covered Bonds to be issued on or after the date hereof will be issued in denomination per unit equal to or higher than €100,000 (or if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) as may be agreed between the Issuer and the relevant dealer(s), as specified in the relevant Final Terms and provided that each series of Covered Bonds will have one denomination only.

2 TRANSFERS OF COVERED BONDS

The transferability of the Covered Bonds is not restricted.

Covered Bonds held through Interbolsa may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Covered Bond. No owner of a Covered Bond will be able to transfer such Covered Bond, except in accordance with Portuguese Law and with the applicable procedures of Interbolsa.

Subject as set out below, title to the Covered Bonds will be evidenced by book entries in accordance with the provisions of Portuguese Securities Code, the applicable CMVM regulations and the provisions of the Set of Agency Procedures. The Issuer, the Paying Agent and the Common Representative will (except as otherwise required by law) deem and treat the registered holder of any Covered Bond as the absolute owner thereof for all purposes.

Any reference herein to Interbolsa shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. The holders of Covered Bonds will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3 STATUS OF THE COVERED BONDS

The Covered Bonds issued under the Programme and any interest thereon, if applicable, constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and rank *pari passu* without any preference among themselves. The Covered Bonds are covered bonds issued in accordance with the Covered Bonds Framework, which are secured by a Cover Pool maintained by the Issuer in accordance with the terms of the Covered Bonds Framework and rank *pari passu* with all other obligations of the Issuer under covered bonds issued or to be issued by the Issuer pursuant to the Covered Bonds Framework (or which have been originally issued pursuant to the Covered Bonds Law and to which the Covered Bonds Framework became applicable following the approval of the Programme by CMVM under the Covered Bonds Framework).

4 INTEREST

4.1 Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Subject as provided in Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*), interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1 (*Interest on Fixed Rate Covered Bonds*):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (a) in the case of Covered Bonds where the number of days in the relevant period from (and including) the previous Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - 1. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - 2. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “**30/360**” is specified in the applicable Final Terms, the number of days in the period from (and including) the previous Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

In these Terms and Conditions:

- (i) “**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first

Determination Date falling after, such date); and

- (ii) “**Principal Amount Outstanding**” means in respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant holder of the Covered Bond in respect thereof.
- (iii) “**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Covered Bonds

(A) Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (i) in any case where Specified Periods are specified in accordance with Condition 4.2.(ii) above, the Floating Rate Convention (as specified in the applicable Final Terms), such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention (as specified in the applicable Final Terms), such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following (Adjusted) Business Day Convention (as specified in the applicable Final Terms), such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention (as specified in the applicable Final Terms), such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and any Additional Business Centre(s) specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which

commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and Lisbon and any Additional Business Centre(s)) or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

(B) Rate of Interest

The rate of interest payable from time to time in respect of Floating Rate Covered Bonds (“**Rate of Interest**”) will be determined in the manner specified in the applicable Final Terms.

- (i) *ISDA Determination for Floating Rate Covered Bonds:* Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph, “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds; or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Covered Bonds (together, the “**ISDA Definitions**”) and under which:
1. the Floating Rate Option is as specified in the applicable Final Terms;
 2. the Designated Maturity, if applicable, is the period specified in the applicable Final Terms; and
 3. the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period, or (B) in any other case, as specified in the applicable Final Terms.

For the purposes of this Condition 4.2.(B), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

- (ii) *Screen Rate Determination for Floating Rate Covered Bonds:* Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:
1. the offered quotation (if there is only one quotation on the Relevant Screen Page); or
 2. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) or, as applicable, the relevant Calculation Agent, of such offered quotations.

The Set of Agency Procedures contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (i) above, no such

offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(C) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(B) (*Interest on Floating Rate Covered Bonds – Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If no Minimum Rate of Interest is specified or if the Minimum Rate of Interest is specified as Not Applicable in the applicable Final Terms, then the minimum interest rate shall be zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(B) (*Interest on Floating Rate Covered Bonds – Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(D) Determination of Rate of Interest and calculation of Interest Amounts

The Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, will calculate the amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination (each an “**Interest Amount**”) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month

of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(E) *Benchmark discontinuation*

(i) Independent Adviser

Notwithstanding the provisions in Condition 4.2 (*Interest on Floating Rate Covered Bonds*) above, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, but no later than 10 days prior to the Interest Determination Date relating to the next Interest Period for which the Rate of Interest (or the relevant component part thereof) is otherwise to be determined by reference to the Original Reference Rate (the “**IA Determination Cut-Off Date**”, at its own costs to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*)) (ii) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4.2(E)(v) and (vi), respectively). In making such determination, Independent Adviser appointed pursuant to this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agents or the Noteholders for any determination made by it pursuant to this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*).

(ii) Issuer Determination

If (a) the Issuer is unable to appoint an Independent Adviser; or (b) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) prior to the relevant IA Determination Cut-Off Date /Interest Determination Date, the Issuer acting in good faith and in a commercially reasonable manner may itself determine (but shall not be obliged to determine) (1) a Successor Rate or Alternative Rate and (2) in either case an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) (with the relevant provisions in this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) applying mutatis mutandis to allow such determinations to be made by the Issuer without consultation with the Independent Adviser). In the event that the Issuer decides to make a determination in accordance with this condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*), without prejudice to the definitions hereof, for the purpose of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Issuer shall take into account published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

(iii) Issuer’s failure to determine a Successor Rate or Alternative Rate

If the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate, or otherwise decides not to determine a Successor Rate or Alternative Rate in accordance with the Condition 4.2(E)(ii) prior to the relevant IA Determination Cut-Off Date, the Rate of Interest applicable to the next succeeding Accrual Period shall be equal to the Rate of Interest last determined in relation to the Covered Bonds in respect of the immediately preceding Accrual

Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Accrual Period from that which applied to the last preceding Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Accrual Period only and any subsequent Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*).

(iv) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*)).

(v) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(vi) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) and the Independent Adviser or Issuer, as the case may be, acting in good faith and in a commercially reasonable manner, determines (1) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “Benchmark Amendments”) and (2) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(E)(vii), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.2(E)(vi), the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

(vii) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) will be notified promptly by the Issuer to the Common Representative, the Agent, the Calculation Agent and, in accordance with Condition 11 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Common Representative of the same, the Issuer shall deliver to the Common Representative a certificate signed by Authorised Signatories of the Issuer:

a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case

may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*); and

- b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Common Representative, the Calculation Agent and the Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Common Representative's or the Calculation Agent's or the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Common Representative, the Calculation Agent, the Agent and the Noteholders.

(viii) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*), the Original Reference Rate and the fall back provisions provided for in Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) will continue to apply unless and until a Benchmark Event has occurred.

(ix) Definitions:

As used in this Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, which the Independent Adviser or, as the case may be, the Issuer, in each case acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- i. in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- ii. the Independent Adviser, failing which, the Issuer determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if Independent Adviser, failing which, the Issuer determines that no such spread is customarily applied);
- iii. the Independent Adviser, failing which, the Issuer, determines is recognised or acknowledged as being the industry standard for over-the-counter in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser, failing which, the Issuer determines has replaced the Original Reference Rate in accordance with Condition 4.2(E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Covered Bonds and with an interest period of a comparable duration to the relevant Interest Period.

“**Benchmark Amendments**” has the meaning given to it in Condition 4.2 (E) (i).

“**Benchmark Event**” means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or be administered; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will on or prior to a specified date cease to publish the Original Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, on or before a specified date, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate stating that the Original Reference Rate will be prohibited from being used either generally, or in respect of the Covered Bonds, or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date ; or
- (e) it has, or will on or prior to a specified date, become unlawful for the Agent, the Calculation Agent, the Issuer or other party, as the case may be, to calculate any payments due to be made to the holders of the Covered Bonds using the Original Reference Rate; or
- (f) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used,

provided that in the case of sub-paragraphs (b), (c) and (d), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets transactions appointed by the Issuer under Condition 4.2 (E) (*Interest on Floating Rate Covered Bonds – Benchmark discontinuation*).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Covered Bonds in respect of any Interest Period(s).

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- i. the central bank for the currency to which the relevant benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant benchmark or screen rate (as applicable); or
- ii. any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the relevant benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(F) Notification of Rate of Interest and Interest Amounts

The Agent, or where the applicable Final Terms specifies a Calculation Agent for this purpose, the Calculation Agent so specified, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to any Stock Exchange or other relevant competent listing authority or quotation system on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded and notice thereof to be published in accordance with Condition 11 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Common Representative and each Stock Exchange or other relevant authority on which the relevant Floating Rate Covered Bonds are for the time being listed or by which they have been admitted to listing and to the holders of Covered Bonds in accordance with Condition 11 (*Notices*). For the purposes of this Condition 4.2(F), the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(G) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Interest on Floating Rate Covered Bonds*), whether by the Agent or the Calculation Agent (if applicable) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, any Calculation Agent, the Common Representative and all holders of Covered Bonds and (in the absence of wilful default or bad faith) no liability to the Issuer, any Calculation Agent, the holders of Covered Bonds shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Subject as provided in Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*), interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof (which, in case an extension of maturity ceases to apply after the Maturity Date pursuant to Condition 6.8(F), shall be the Extension Cessation Date) unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the earlier of (i) the date on which all amounts due in respect of such Covered Bond have been paid; and (ii) five days after the date on which the full amount of the moneys payable in respect of such Covered Bond has been received by the Agent, as the case may be, and notice to that effect has been given to the holders of Covered Bonds in accordance with Condition 11 (*Notices*).

4.4 Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date

(A) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of the Covered Bonds is extended beyond the Maturity Date in accordance with Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), the Covered Bonds shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Covered Bonds are redeemed in full or the Extended Maturity Date, subject to Condition 4.3 (*Accrual of Interest*), 4.4(B) and 6.8(F). In that event, interest shall be payable on each Interest Payment Date following the Maturity Date on those Covered Bonds at the rate determined in accordance with Condition 4.4(B) on the Principal Amount Outstanding of the Covered Bonds in respect of the Interest Period ending immediately prior to such relevant Interest Payment Date, or as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Maturity Date.

- (B) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Covered Bonds and the maturity of the Covered Bonds is extended beyond the Maturity Date in accordance with Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), the rate of interest payable from time to time in respect of the Principal Amount Outstanding of the Covered Bonds on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms (or, in connection with any redemption of the Covered Bonds (other than Zero Coupon Covered Bonds) where an extension of maturity ceases to apply after the Maturity Date pursuant to Condition 6.8(F), interest will continue to accrue from (and including) the Maturity Date to (but excluding) the Extension Cessation Date at the same Rate of Interest that was applicable in respect of the interest period ending on (but excluding) the Maturity Date).
- (C) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date, for the purposes of this Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*) the Principal Amount Outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.
- (D) This Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*) shall only apply if the maturity of the Covered Bonds is extended up to the Extended Maturity Date in accordance with Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*).

5 PAYMENTS

5.1 Method of payment

Payments of principal and interest in respect of Covered Bonds held through Interbolsa may be made in Euro, United States Dollar, Pound Sterling, Japanese Yen, Swiss Franc, Australian Dollar and Canadian Dollar or in any other currency as may be accepted from time to time by Interbolsa and payments in a currency other than euro, will be settled through the Non-euro Currency Settlement System (SLME) of Interbolsa.

Whilst the Covered Bonds are held through Interbolsa, payment of principal and interest in respect of the Covered Bonds will be (i) credited, according to the procedures and regulations of Interbolsa, by the relevant Paying Agent (acting on behalf of the Issuer) to the relevant T2 payment current- accounts of the Interbolsa Participant whose control accounts with Interbolsa are credited with such Covered Bonds and thereafter (ii) credited by such Interbolsa Participants from the aforementioned payment current-accounts to the accounts of the owners of those Covered Bonds, in accordance with the rules and procedures of Interbolsa.

Payments will be subject in all cases to the provisions of Condition 7 (*Taxation*), to (i) any tax or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto. Any such amounts withheld or deducted will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

5.2 Payment Day

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant

place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which (subject to Condition 8 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation; or
 - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the T2 System is open,
provided that such a day is a business day for the purposes of the central securities depository and associated clearing and settlement system operated by Interbolsa.

5.3 Interpretation of principal

Any reference in these Terms and Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Covered Bonds;
- (ii) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (iii) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts (as specified in the applicable Final Terms); and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

6 REDEMPTION AND PURCHASE

6.1 Final redemption

Subject to Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), unless previously redeemed or purchased and cancelled or extended as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, in the relevant Specified Currency on the Maturity Date.

6.2 Redemption at the option of the Issuer (Call Option)

If Issuer Call Option is specified in the applicable Final Terms, the Issuer may, having given (unless otherwise specified, in the applicable Final Terms) not less than 30 nor more than 60 days' notice to the Common Representative, the Agent and, in accordance with Condition 11 (*Notices*), the holders of Covered Bonds (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, whilst the Covered Bonds are held through Interbolsa, the nominal amount of all outstanding Covered Bonds will be redeemed proportionally.

6.3 Redemption at the option of the holders of Covered Bonds (Put Option)

If Investor Put Option is specified in the applicable Final Terms, upon the holder of any Covered Bond giving to the Issuer in accordance with Condition 11 (*Notices*) not less than 30 nor more than 60 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date, subject to an extension of maturity not having occurred on or prior to the Optional Redemption Date in the terms provided for in Condition 6.8. To exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must deliver, at the specified office of any Paying Agent while the Covered Bonds are held through Interbolsa at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a Put Notice) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. Any Put Notice given by a holder of any Covered Bond pursuant to this Condition shall be irrevocable. If the Covered Bonds are held through Interbolsa, the right to require redemption will be exercised directly against the Issuer, through the relevant Paying Agent.

6.4 Instalments

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates.

6.5 Purchases

The Issuer or any of its subsidiaries may at any time purchase or otherwise acquire Covered Bonds at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation by Interbolsa.

6.6 Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled. All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 6.5 above shall be cancelled by Interbolsa and cannot be held, reissued or resold.

6.7 Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bonds to which Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) does not apply (or, where an extension of Maturity ceases to apply pursuant to Condition 6.8(F) below, upon redemption of such Zero Coupon Covered Bond pursuant to Condition 6.1 (*Final redemption*), 6.2 (*Redemption at the option of the Issuer (Call Option)*) or 6.3 (*Redemption at the option of the holders of Covered Bonds (Put Option)*) above or upon its becoming due and repayable as provided for in Condition 9 (*Insolvency Event and Enforcement*), is improperly withheld or refused or where an extension of maturity ceases to apply after the Maturity Date pursuant to Condition 6.8(F), the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated according to the following formula:

$$RP \times (1 + AY)^y$$

where:

RP means the Reference Price; and

AY means the Accrual Yield expressed as a decimal; and

y is a fraction, the denominator of which is 360 and the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been

paid; and

- (ii) the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Agent and notice to that effect has been given to the holders of Covered Bonds either in accordance with Condition 11 (*Notices*) or individually.

6.8 Extension of Maturity Date up to Extended Maturity Date

- (A) Each Series of Covered Bonds issued under the Programme may be issued with an Extended Maturity Date which shall be at least one year after the applicable Maturity Date, provided that in any case the Issuer may not specify an Extended Maturity Date that is earlier than the Extended Maturity Date for any other Series of Covered Bonds with an earlier Maturity Date.

The Issuer may decide not to apply an Extended Maturity Date to a Series of Covered Bonds provided that the rating assigned to the outstanding Covered Bonds by the Rating Agency at the time of issue of such Series is not adversely affected.

- (B) In the case of liquidation or resolution of the Issuer, no extension of maturity for a Series of Covered Bonds to the applicable Extended Maturity Date will (i) affect the ranking of the covered bonds issued by the Issuer and subject to the Covered Bonds Framework or (ii) invert the sequencing of the original maturity schedule for the covered bonds issued by the Issuer and subject to the Covered Bonds Framework.
- (C) If an Extended Maturity Date is specified in the applicable Final Terms and (i) the Issuer fails to redeem any Series of Covered Bonds in full on the Maturity Date and it is foreseeable (as determined by the Issuer) that such failure will continue for 5 Business Days thereafter and (ii) the Issuer has given notice to CMVM in the manner described in paragraph (F) below, the maturity of such Covered Bonds issued under the Programme and the date on which such Covered Bonds will be due and repayable for the purposes of these Terms and Conditions will be automatically extended up to but no later than the relevant Extended Maturity Date, subject as described in paragraph (F) below.
- (D) If an Extended Maturity Date is specified in the applicable Final Terms and in the case of resolution or voluntary liquidation of the Issuer, if one or some but not all Series of Covered Bonds then outstanding have been subject to extension to their respective Extended Maturity Dates and any such Extended Maturity Date falls later than the relevant Maturity Date for the Covered Bonds of any other Series then outstanding that has not been extended (and which Maturity Date for such other Series is later than the corresponding Maturity Date of such extended Series of Covered Bonds) the maturity of such other Series of Covered Bonds will be automatically extended to its relevant Extended Maturity Date, as required by article 21(1)(d) of the Covered Bonds Framework.
- (E) If an Extended Maturity Date is specified in the applicable Final Terms and if the authorisation of the Issuer as a credit institution is revoked by the competent banking supervisory authority (being the European Central Bank and the Bank of Portugal, acting individually or jointly, and including any successor) and leading to mandatory liquidation of the Issuer, the maturity of all Series of Covered Bonds will, subject to the right of CMVM to oppose such extension in the manner described in paragraph (F) below, be automatically extended up to but no later than the Extended Maturity Date.
- (F) If an Extended Maturity Date is specified in the applicable Final Terms, the Issuer shall, at least 10 calendar days in advance of a possible extension of maturity (or, if that is not possible, in light of the occurrence or knowledge of the event, as soon as possible), give notice to CMVM of such extension and the respective grounds for such extension, in particular that it is foreseeable (as determined by the Issuer) that (i) (in the case of any extension of maturity in the circumstances described in paragraph (C) above) the Covered Bonds will not be redeemed on the Maturity Date and such failure will continue for 5 Business Days thereafter or (ii) (in the case of any extension of maturity in the circumstances described in paragraph (E) above) the Issuer's authorisation as credit institution will be (or has been) revoked. CMVM may oppose to any such extension within 10 calendar days of the Issuer giving notice to CMVM if it considers that the Extension Legal Requirements are not met.

If CMVM decides on the basis of the Extension Legal Requirements to oppose such extension of maturity, the extension to the relevant Extended Maturity Date will not apply. In the absence of any decision by CMVM to oppose such extension within 10 calendar days from the date the Issuer gives the relevant notice to CMVM, such extension to the relevant Extended Maturity Date will continue to apply

For the avoidance of doubt, if CMVM has received less than 10 calendar days' notice from the Issuer of any possible extension and at the date on which the maturity for the Covered Bonds is scheduled to be automatically extended to the Extended Maturity Date CMVM has not yet decided whether or not it opposes such extension, the maturity for the Covered Bonds will extend to the Extended Maturity Date. If subsequently (but within 10 calendar days from the date the Issuer gives the relevant notice to CMVM) CMVM then decides on the basis of the Extension Legal Requirements to oppose such extension, the extension to the Extended Maturity Date will cease to apply and each Covered Bond shall, as at the date of such cessation (the "**Extension Cessation Date**") then become immediately due and payable at its Final Redemption Amount together with any accrued interest determined pursuant to Condition 4.4(B) (or, in the case of Zero Coupon Covered Bonds, an amount determined in accordance with Condition 6.7 (*Zero Coupon Covered Bonds*)).

- (G) If an Extended Maturity Date is specified in the applicable Final Terms, the Issuer shall give to the holders of the Covered Bonds (in accordance with Condition 11 (*Notices*)), the Rating Agency, the Agent and the other Paying Agents, notice that it has notified CMVM of any potential extension to the maturity of the Covered Bonds and of any decision CMVM notifies to the Issuer in respect of such potential extension. Any failure by the Issuer to notify any such persons shall not affect the validity or effectiveness of any extension or give rise to rights in any such person, under this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*).
- (H) In the event of an extension of the maturity for the Covered Bonds to the Extended Maturity Date, the Issuer may redeem all or any part of the Principal Amount Outstanding of the Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date or as otherwise provided for in the applicable Final Terms. The Issuer shall give to the holders of Covered Bonds (in accordance with Condition 11 (*Notices*)), the Agent and the other Paying Agents, notice of its intention to redeem the Principal Amount Outstanding of the Covered Bonds in full at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Extended Maturity Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date or as applicable, the Extended Maturity Date or give rise to rights in any such person.
- (I) In the case of Covered Bonds which are Zero Coupon Covered Bonds up to (and including) the Maturity Date, for the purposes of this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) the Principal Amount Outstanding shall be the amount calculated in accordance with Condition 6.7 (*Zero Coupon Covered Bonds*).
- (J) Any extension of the maturity of Covered Bonds under this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) shall be irrevocable unless the CMVM opposes to such extension, as described in paragraph (F) above. Where this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) applies, any failure to redeem the Covered Bonds on the Maturity Date or any extension of the maturity of Covered Bonds under this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) shall not constitute an event of default for any purpose or give any holder of Covered Bonds any right to receive any payment of interest, principal or otherwise on the relevant Covered Bonds other than as expressly set out in these Terms and Conditions.
- (K) In the event of the extension of the maturity of Covered Bonds under this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), interest rates, interest periods and interest payment dates on the Covered Bonds from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and

Condition 4.4 (*Interest rate and Payments from the Maturity Date in the event of extension of maturity of the Covered Bonds up to the Extended Maturity Date*).

- (L) If the Issuer redeems part and not all of the Principal Amount Outstanding of Covered Bonds on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Covered Bonds and the Principal Amount Outstanding of the Covered Bonds shall be reduced by the level of that redemption.
- (M) If the maturity of any Covered Bonds is extended up to the Extended Maturity Date in accordance with this Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), subject to otherwise provided for in the applicable Final Terms, for so long as those Covered Bonds remain in issue, the Issuer shall not issue any further covered bonds, unless the proceeds of issue of such further covered bonds are applied by the Issuer on issue in redeeming in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

7 TAXATION

7.1 Payments free of taxes

All payments of principal and interest in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes unless the Issuer or any Paying Agent (as the case may be) is required by law to make any such payment subject to any such withholding or deduction. In that event, the Issuer or any Paying Agent (as the case may be) shall be entitled to withhold or deduct the required amount for or on account of Tax from such payment and shall account to the relevant Tax Authorities for the amount so withheld or deducted.

7.2 No payment of additional amounts

Neither the Issuer nor the Paying Agent will be obliged to pay any additional amounts to the holders of Covered Bonds in respect of any Tax Deduction made in accordance with Condition 7.1 (*Payment free of taxes*) above.

7.3 Taxing Jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Portuguese Republic, references in these Terms and Conditions to the Portuguese Republic shall be construed as references to the Portuguese Republic and/or such other jurisdiction.

7.4 Tax Deduction not event of default

Notwithstanding that the Issuer or any Paying Agent is required to make a Tax Deduction in accordance with Condition 7.1 (*Payment free of taxes*) above, this shall not constitute an event of default by the Issuer.

8 PRESCRIPTION

The Covered Bonds will become void unless presented for payment within 20 years (in the case of principal) and 5 years (in the case of interest) in each case from the Relevant Date therefor, subject in each case to the provisions of Condition 5 (*Payments*). As used in these Terms and Conditions, "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of Covered Bonds in accordance with Condition 11 (*Notices*).

9 INSOLVENCY EVENT AND ENFORCEMENT

9.1 Insolvency Event

Pursuant to the Covered Bonds Framework, if an Insolvency Event in respect of the Issuer occurs, the provisions of Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) apply.

Notwithstanding the foregoing, pursuant to the Covered Bonds Framework, the holders of Covered Bonds may approve a Resolution, by a majority of two thirds of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding, for which purpose the Covered Bonds held by the Issuer or on its behalf shall not be counted nor entitle voting rights (unless such Series is fully held by the Issuer), to determine the serving of an Acceleration Notice, in which case all outstanding Covered Bonds shall immediately become due and payable each at their Early Redemption Amount together with accrued interest. For the sake of clarity, the serving of such an Acceleration Notice will supersede the provisions of Conditions 6.8 (*Extension of Maturity Date up to Extended Maturity Date*), the Covered Bonds becoming immediately due and payable as aforementioned.

For the purposes of these Terms and Conditions: “**Insolvency Event**” means the winding-up and dissolution of the Issuer under any applicable laws and regulations (including under Decree-law 199/2006, of 25 October 2006, as amended, the RGICSF, and/or (if applicable) under the Code for the Insolvency and Recovery of Companies introduced by Decree-law 53/2004, of 18 March 2004, as amended). Investors should see the *Insolvency of the Issuer* section.

9.2 Enforcement

(A) Following the approval of a Resolution as described in Condition 9.1 (*Insolvency Event*), the holders of the Covered Bonds (or the Common Representative on their behalf, provided it has been indemnified and/or secured to its satisfaction) may at any time after service of an Acceleration Notice, at its discretion and without further notice, take such proceedings against the Issuer, and/or any other person as it may deem fit to enforce the provisions of the Covered Bonds.

(B) In exercising any of its powers and discretions the Common Representative shall only have regard to the interests of the holders of Covered Bonds of all Series.

(C) No holder of Covered Bonds shall be entitled to proceed directly against the Issuer or to take any action with respect to the Common Representative Appointment Agreement, the Covered Bonds or any other Programme Document unless the Common Representative, having become bound so to proceed, fails so to do within a reasonable time and such failure shall be continuing.

10 AGENT AND PAYING AGENTS

(A) The names of the Agent and the Paying Agent and their initial specified offices are set out in Condition 17 (*Definitions*) below. In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint such other bank to act as such in its place.

(B) The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid. The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) there will at all times be an Agent;
- (ii) the Issuer will, so long as any of the Covered Bonds is outstanding, maintain a Paying Agent (which may be the Agent) having a specified office in a city approved by the Common Representative in continental Europe;
- (iii) so long as any of the Covered Bonds are listed on any Stock Exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant Stock Exchange or as the case may be, other relevant authority.

11 NOTICES

All notices regarding the Covered Bonds shall be published in a manner which complies with the

applicable listing rules of the Euronext Lisbon and also with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Covered Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication.

Notices to the holders of Covered Bonds shall, in respect of the Covered Bonds listed on Euronext Lisbon, be published on CMVM's information system (www.cmvm.pt). Furthermore, any such notice shall be disclosed by any further means required to allow a fast access by all holders of Covered Bonds throughout the EU and shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

All notices regarding the Covered Bonds shall comply with the applicable Portuguese law requirements, notably pursuant to the Portuguese Securities Code and CMVM Regulation 5/2008, as amended.

12 MEETINGS OF HOLDERS OF COVERED BONDS

- (A) The Portuguese Companies Code, which applies to Covered Bonds in accordance with Article 28 of the Covered Bonds Framework, contains provisions for convening meetings of the holders of Covered Bonds to consider any matter attributed to them by law and in their common interest (which provisions are described and supplemented in the Common Representative Appointment Agreement), including the modification by Resolution of these Terms and Conditions or the provisions of the Common Representative Appointment Agreement.
- (B) The quorum at any meeting convened to vote on: (i) a Resolution not regarding a Reserved Matter will be any person or persons holding or representing whatever the Principal Amount Outstanding of the Covered Bonds then outstanding; or (ii) a Resolution regarding a Reserved Matter of the Covered Bonds, will be any person or persons holding or representing at least 50 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented or, at any adjourned meeting, any person being or representing holders of Covered Bonds series holding, whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented. Each Covered Bond grants its holder one vote.
- (C) The majorities required to approve a Resolution at any meeting convened in accordance with the applicable rules shall be: (i) if in respect to a Resolution not regarding a Reserved Matter, the majority of the votes cast at the relevant meeting; (ii) if in respect to a Resolution regarding a Reserved Matter except for the one set out in (iii) below, at least 50 per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding or, at any adjourned meeting 2/3 of the votes cast at the relevant meeting or (iii) if in respect to a Resolution regarding an increase in the obligations of the holders of Covered Bonds, all holders of the relevant Series of Covered Bonds.

For the purposes of these Terms and Conditions, a "Reserved Matter" means any proposal: (i) to change any date fixed for payment of principal or interest in respect of the Covered Bonds of all or of a given Series, (ii) to reduce the amount of principal or interest due on any date in respect of the Covered Bonds of all or of a given Series or to alter the method of calculating the amount of any payment in respect of the Covered Bonds of all or of a given Series on redemption or maturity; (iii) to effect the exchange, conversion or substitution of the Covered Bonds of all or of a given Series into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iv) to change the currency in which amounts due in respect of the Covered Bonds of all or of a given Series are payable; (v) to alter the priority of payment of interest or principal in respect of the Covered Bonds of all or of a given Series; (vi) to amend this definition; and (vii) any other matter required by law to be approved by the majorities set out in Conditions 12(C)(ii) and 12(C)(iii);

A Resolution approved at any meeting of the holders of Covered Bonds of a Series shall, subject as provided below, be binding on all the holders of Covered Bonds of such Series, whether or not they are present at the meeting. Pursuant to the Common Representative Appointment Agreement, the Common Representative may convene a single meeting of the holders of Covered Bonds of

more than one Series if in the opinion of the Common Representative there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph (C) shall apply thereto *mutatis mutandis*.

- (D) Notwithstanding the provisions of the immediately preceding paragraph, any Resolution to direct the Common Representative to accelerate the Covered Bonds pursuant to Condition 9 (*Insolvency Event and Enforcement*) or to direct the Common Representative to take any enforcement action (each a “**Programme Resolution**”) shall only be capable of being passed at a single meeting of the holders of Covered Bonds of all Series then outstanding.
- (E) Any such meeting to consider a Programme Resolution may be convened by the Common Representative or, if it refuses to convene such a meeting, by the Chairman of the General Meeting of Shareholders of the Issuer; if both the Common Representative and the Chairman of the General Meeting of Shareholders of the Issuer refuses to convene the meeting, then 5 per cent. of the holders of Covered Bonds of any Series may petition the court to order a meeting to be convened.
- (F) A Programme Resolution passed at any meeting of the holders of Covered Bonds of all Series shall be binding on all holders of Covered Bonds of all Series, whether or not they are present at the meeting.
- (G) In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in euro, the nominal amount of the Covered Bonds of any Series not denominated in euro shall be converted into euro at the relevant exchange rate at the date of the meeting.

13 INDEMNIFICATION OF THE COMMON REPRESENTATIVE CONTRACTING WITH THE ISSUER

- (A) If, in connection with the exercise of its powers and discretions, the Common Representative is of the opinion that the interests of the holders of Covered Bonds of any one or more Series would be materially prejudiced thereby, the Common Representative shall not exercise such powers and discretions without the approval of such holders of Covered Bonds by a Resolution or by a written resolution of such holders of Covered Bonds of at least the majority of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.
- (B) The Common Representative shall not be required to expend its own funds or otherwise incur or risk incurring any liability in the performance of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has grounds for believing the repayment of such funds is not reasonably assured to it under the Covered Bonds Framework or if it has not been provided with adequate indemnity against or security for such risk or liability. Notwithstanding any Programme Resolution or any other Resolution approved at any meeting or any written resolution of any holders of Covered Bonds, the Common Representative may (i) to the extent permitted by law, refrain from taking any action until it has been provided with sufficient funds or adequate indemnity against or security for any liability it may incur as a result of any such actions and (ii) refrain from doing anything which might in its opinion be contrary to any law of any jurisdiction or which might otherwise render it liable to any person and (iii) do anything which is in its opinion necessary to comply with any such law, and in no circumstances shall be liable to the holders of Covered Bonds for any consequences of such actions or inaction. The Common Representative Appointment Agreement contains further provisions for the indemnification of the Common Representative and for its relief from responsibility.

14 OVERCOLLATERALISATION, LIQUIDITY BUFFER AND ISSUER COVENANTS

14.1 Maintenance of overcollateralisation

For so long as the Covered Bonds are outstanding, the value (determined in accordance with the Covered Bonds Framework and the CMVM Regulation) of the Cover Pool maintained by the Issuer shall at all times be a minimum of 105 per cent. of the aggregate value of all outstanding Covered Bonds issued under the Programme or such other percentage under such other conditions as may be selected by the Issuer from time to time and notified to the Cover Pool Monitor (the “**Overcollateralisation Percentage**”), provided that:

- (i) the Overcollateralisation Percentage shall not, for so long as there are Covered Bonds outstanding, be reduced by the Issuer below 105 per cent.;
- (ii) without prejudice to (i) above, the Issuer shall not at any time reduce the Overcollateralisation Percentage which applies for the purposes of this Condition 14 (*Overcollateralisation, Liquidity Buffer and Issuer Covenants*) if this could result in any credit rating then assigned to the Covered Bonds by any Rating Agency being reduced, removed, suspended or placed on credit watch; and
- (iii) assets contributing to the Overcollateralisation Percentage in excess of 100 per cent. of the aggregate value of all outstanding Covered Bonds issued the Programme shall not be subject to the limits on exposure size set out in accordance with Condition 14.3 (*Issuer Covenants*), paragraph (A), subparagraph (b) and shall not count towards those limits.

14.2 Liquidity Buffer

For so long as the Covered Bonds are outstanding, the Cover Pool shall include a Liquidity Buffer comprised by Liquidity Assets to cover the Net Liquidity Outflows accumulated over the next 180 days, provided that (i) uncollateralised claims from exposures considered in default pursuant to article 178 of the CRR cannot contribute to the Liquidity Buffer, and (ii) if an Extended Maturity Date is specified in the applicable Final Terms, principal repayments under the Covered Bonds shall be considered due for this purpose on the relevant Extended Maturity Date.

14.3 Issuer Covenants

For so long as any of the Covered Bonds are outstanding, the Issuer shall ensure that:

- (A) *Eligible Assets*: only assets listed in article 129(1) of the CRR (and provided that the requirements under paragraphs 1a to 3 of article 129 of the CRR are met) may be part of the Cover Pool (whether as Primary Assets, Substitution Assets or Liquidity Assets), provided that:
 - (a) the value of a Mortgage Credit may not exceed the lesser of (i) the principal amount of the respective Mortgage (combined with any prior mortgages, if they exist) and (ii) either 80 per cent. of the Current Property Value, in case of a Property intended primarily for residential purposes, or 60 per cent. (or 70 per cent., in the circumstances foreseen in article 129(1)(f) of the CRR) of the Current Property Value, in case of a Property intended primarily for commercial purposes; and
 - (b) (i) exposures to credit institutions that qualify for credit quality step 1 (as defined in the CRR) shall not exceed 15 per cent. of the aggregate nominal amount outstanding of the Covered Bonds; (ii) exposures to credit institutions that qualify for credit quality step 2 (as defined in the CRR) shall not exceed 10 per cent. of the aggregate nominal amount outstanding of the Covered Bonds; (iii) exposures to credit institutions that qualify for credit quality step 3 (as defined in the CRR) shall comply with the requirements set out under sub-paragraphs 1(c) and 1-A(c) of Article 129 of the CRR; (iv) the total exposure to credit institutions that qualify for credit quality step 1, 2 or 3 shall not exceed 15 per cent. of the aggregate nominal amount outstanding of the Covered Bonds; and (v) the total exposure to credit institutions that qualify for credit quality step 2 or 3 shall not exceed 10 per cent. of the aggregate nominal amount outstanding of the Covered Bonds;
- (B) *Primary Assets*: the Primary Assets shall be Mortgage Credits;
- (C) *Valuations*: all the required valuations of Covered Bonds, Mortgage Credits, Hedging Contracts, Properties or other Cover Pool assets will be made in compliance with the requirements of the Covered Bonds Framework and the CRR ;

- (D) Cover Pool Monitor: the Cover Pool Monitor will be provided with all necessary elements and information to monitor compliance by the Issuer of this Condition 14 (*Overcollateralisation, Valuation of Cover Pool and Issuer Covenants*) in accordance with the Covered Bonds Framework and under the terms set forth in the Cover Pool Monitor Agreement;
- (E) Mortgage Credits: the Mortgage Credits included in the Cover Pool are not Non-Performing Mortgage Credits; and
- (F) *Insurance*: the Properties are adequately insured against the risk of damage.

15 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the holders of Covered Bonds to create and issue further securities with the same terms and conditions of the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

16 GOVERNING LAW AND JURISDICTION

The Common Representative Appointment Agreement, the Set of Agency Procedures, the Covered Bonds, and the other Programme Documents (including any non-contractual obligations arising out of, or in connection with said documents), are governed by, and shall be construed in accordance with, Portuguese law unless specifically stated to the contrary.

The courts of Lisbon shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Covered Bonds and accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Covered Bonds (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Covered Bonds) may be brought in such courts, subject to mandatory applicable laws.

17 DEFINITIONS

In these Terms and Conditions, the following defined terms have the meanings set out below:

“**Acceleration Notice**” means a notice served on the Issuer pursuant to Condition 9 (*Insolvency Event and Enforcement*).

“**Agent**” means Novo Banco, S.A., in its capacity as Agent with head office at Avenida da Liberdade, 195, 1250-142 Lisbon, Portugal, or any successor Agent(s), in each case together with any additional Agent(s), appointed from time to time by the Issuer in connection with the Covered Bonds and under the Set of Agency Procedures.

“**Clearstream, Luxembourg**” means Clearstream Banking société anonyme, Luxembourg.

“**CMVM**” means the *Comissão do Mercado de Valores Mobiliários*, the Portuguese Securities Market Commission.

“**CMVM Regulation**” means the CMVM Regulation no. 2/2023, of 28 of July, regarding covered bonds. “**Common Representative**” means Bondholders, S.L., in its capacity as representative of the holders of the Covered Bonds pursuant to Article 28 of the Covered Bonds Framework in accordance with the Terms and Conditions and the terms of the Common Representative Appointment Agreement, having its registered office at Avenida de Francia 17, A, 1 46023 Valencia (Spain).

“**Common Representative Appointment Agreement**” means the agreement dated 23 October 2020 entered into between the Issuer and the Common Representative which sets out the terms and conditions for the appointment of, and provision of services by the Common Representative.

“**Cover Pool**” means the pool of assets maintained by the Issuer and allocated to the issue of Covered

Bonds under the Programme, held to the benefit of the holders of Covered Bonds and the Other Preferred Creditors, which comprises the Primary Assets, the Substitution Assets and the Liquidity Assets, as specified in the Register. The Cover Pool is autonomous from any other cover pool maintained by the Issuer in relation to any other programmes that it has or may establish in the future.

“**Cover Pool Monitor**” means Pricewaterhousecoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda, registered in the Portuguese Securities Market Commission (“**CMVM**”) under number 20161485 and in the Portuguese Institute of Statutory Auditors (“**OROC**”) under number 183 and with registered office at Palácio SottoMayor, Rua Sousa Martins, nº 1, 3º, 1050-217 Lisboa.

“**Covered Bond**” means any soft-bullet covered bond issued by the Issuer pursuant to the Covered Bonds Framework in the form specified in the applicable Final Terms and “**Covered Bonds**” shall be construed accordingly.

“**Covered Bonds Framework**” means the current Portuguese legal framework applicable to the issuance of covered bonds, enacted by Decree-Law number 31/2022, of 6 May, as amended from time to time;

“**Covered Bonds Law**” means the previous Portuguese legal framework applicable to the issuance of covered bonds, enacted by Decree-law 59/2006, of 20 March 2006, as amended from time to time and revoked by the Covered Bonds Framework.

“**CRR**” means Regulation (EU) no. 575/2013, of the European Parliament and of the Council, of 26 June 2013, as amended from time to time.

“**Current Property Value**” means, in relation to a Property securing a Mortgage Credit, the updated Property Valuation of such Property;

“**Dealers**” means Barclays Bank Ireland PLC, Novo Banco, S.A. and any other Dealer(s) appointed from time to time by the Issuer in accordance with the Programme Agreement.

“**EU**” means the European Union.

“**Euro**”, “**€**” or “**euro**” means the lawful currency of Member States of the European Union that adopt the single currency introduced in accordance with the Treaty.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Euronext**” means Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A..

“**Euronext Lisbon**” means the regulated market managed by Euronext.

“**Extended Maturity Date**” means the date so specified in the applicable Final Terms, extending the maturity of the relevant Series of Covered Bonds if the conditions foreseen in Condition 6.8 (*Extension of Maturity Date up to Extended Maturity Date*) are met.

“**Extension Cessation Date**” has the meaning given in Condition 6.8(F).

“**Extension Legal Requirements**” means the legal requirements applicable to an extension of maturity of covered bonds, as foreseen in article 21(1) and (2) of the Covered Bonds Framework.

“**Final Terms**” means, in relation to each Tranche, the final terms applicable to such Covered Bonds.

“**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

“**Hedging Contracts**” means the hedging contracts entered into by the Issuer in accordance with the Covered Bonds Framework for the purpose of hedging interest rate, exchange or liquidity risks in relation to the Cover Pool.

“**Interbolsa**” means Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., as operator of the Central de Valores Mobiliários.

“**Interbolsa Participant**” means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and

Clearstream, Luxembourg.

“**Interest Amount**” means, as applicable, the amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination, calculated by the Calculation Agent pursuant to Condition 4 (*Interest*).

“**Issue Date**” means the date so specified in the applicable Final Terms being, in respect of any Covered Bond, the date of issue and purchase of such Covered Bond pursuant to and in accordance with the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s).

“**Liquidity Assets**” means the assets which may compose the Liquidity Buffer in accordance with the Covered Bonds Framework, as described below:

- (a) Assets qualifying as level 1, level 2A or level 2B assets pursuant to the applicable delegated regulation adopted pursuant to article 460 of the CRR, that are valued in accordance with such regulation, and are not issued by the issuing credit institution itself, its parent undertaking, unless it is a public sector entity that is not a credit institution, its subsidiary or another subsidiary of its parent undertaking or by a securitisation special purpose entity with which the credit institution has close links; and
- (b) Short-term exposures to credit institutions that qualify for credit quality step 1 or 2 (as defined in the CRR), or claims, including deposits, that are short-term to credit institutions that qualify for credit quality step 1, 2 or 3 (as defined in the CRR), in accordance with article 129(1)(c) of the CRR, provided that any such assets comply with any applicable requirements under paragraph (A) (Eligible Assets) of Condition 14.3 (*Issuer Covenants*), subject to Condition 14.1(iii).

For the avoidance of doubt, and provided that the requirements under b) above are met, the assets under b) above can include short term deposits held with the Bank of Portugal or the Issuer, segregated and allocated to the Cover Pool as part of the Liquidity Assets.

“**Liquidity Buffer**” means the liquidity buffer included in the Cover Pool in accordance with article 19 of the Covered Bonds Framework, as detailed in Condition 14.2 (*Liquidity Buffer*).

“**Margin**” means the margin specified as such in the relevant Final Terms.

“**Maturity**” means the final legal maturity of any outstanding Covered Bonds, Mortgage Credits, Hedging Contracts or Other Assets, as applicable;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Minimum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Moody's**” means Moody's Investors Service España, S.A., and any of its successors and affiliates;

“**Mortgage**” means, in respect of any Mortgage Credit, the charge by way of legal mortgage over the relevant Property together with all other encumbrances or guarantees the benefit of which is vested in the Issuer as security for the repayment of that Mortgage Credit.

“**Mortgage Credit**” means the pecuniary credit receivables secured by a Mortgage which is registered as being comprised in the Cover Pool for the amount and with the characteristics required to be met pursuant to the Covered Bonds Framework, and which complies with the eligibility criteria established in the Covered Bonds Framework and Condition 14.3(A).

“**Net Liquidity Outflows**” means all payment outflows falling due on one day, including principal (if applicable, as it will only be considered due for this purposes on the relevant Extended Maturity Date) and interest payments under the Covered Bonds and payments under the Hedging Contracts, net of all payment inflows falling due on the same day for assets in the Cover Pool.

“**Non-Performing Mortgage Credits**” means, with respect to a Mortgage Credit, that such Mortgage Credit:

- (a) is in the course of being foreclosed or otherwise enforced; or
- (b) has one or more payments of principal or interest payable on the related credit in arrears and those payments are referable to a period of 90 days or more.

“**Other Preferred Creditors**” means the counterparties under the Hedging Contracts.

“**Overcollateralisation Percentage**” has the meaning given in Condition 14.1 (*Maintenance of overcollateralization*).

“**Paying Agents**” means the paying agents named in the Set of Agency Procedures together with any successor or additional paying agents appointed from time to time in connection with the Covered Bonds under the Set of Agency Procedures.

“**Portuguese Companies Code**” means Decree-Law number 262/86, of 2 September, as amended from time to time.

“**Portuguese Securities Code**” means Decree-Law number 486/99, of 13 November, as amended from time to time.

“**Primary Assets**” means the dominant cover assets that determine the nature of a cover pool of covered bonds, under the Covered Bonds Framework. In particular in respect of the Cover Pool, the Primary Assets are Mortgage Credits, corresponding to the type of assets foreseen in article 129(1), paragraphs (d) and (f) of the CRR.

“**Programme**” means the €10,000,000,000 covered bonds programme established for the issuance of Covered Bonds by the Issuer in accordance with the Covered Bonds Law for the issuance of Covered Bonds by the Issuer and as converted on [●] 2023 for the issuance of “European Covered Bond (Premium)” in compliance with the Covered Bonds Framework, and as updated from time to time.

“**Programme Agreement**” means the agreement entered into between the Issuer and the Dealers on [●], as amended from time to time.

“**Programme Resolution**” means any Resolution directing the Common Representative to accelerate the Covered Bonds pursuant to Condition 9 (*Insolvency Event and Enforcement*) or directing the Common Representative to take any enforcement action and which shall only be capable of being passed at a single meeting of the holders of Covered Bonds of all Series then outstanding.

“**Property**” means, in relation to any Mortgage Credit, the property upon which the repayment of such Mortgage Credit is secured by the corresponding Mortgage and “**Properties**” means all of them.

“**Property Valuation**” means, in relation to any Property the amount determined as such Property’s market value (which means, in accordance with point (76) of article 4(1) of the CRR, the estimated amount for which the Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion), in accordance with the most recent independent valuation of such Property, at the time or after the relevant Mortgage Credit was originated, in accordance with the Covered Bonds Framework and article 208 of the CRR, provided that, in accordance with the foregoing, the Issuer may use statistical methods to monitor the value of the Property and identify if it needs revaluation.

“**Rating Agency**” means Moody’s.

“**Register**” means the register of the Cover Pool and associated collateral maintained by the Issuer in accordance with the Covered Bonds Framework and the CMVM Regulation;

“**Relevant Date**” means the date on which a payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of Covered Bonds in accordance with Condition 11 (*Notices*).

“**Relevant Screen Page**” has the meaning ascribed to it in the Final Terms.

“**Reserved Matter**” means any proposal: (i) to change any date fixed for payment of principal or interest in respect of the Covered Bonds of all or of a given Series, (ii) to reduce the amount of principal or interest due on any date in respect of the Covered Bonds of all or of a given Series or to alter the method of calculating the amount of any payment in respect of the Covered Bonds of all or of a given Series on redemption or maturity; (iii) to effect the exchange, conversion or substitution of the Covered Bonds of all or of a given Series into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iv) to change the currency in which amounts due in respect of the Covered Bonds of all or of a given Series are payable; (v) to alter the priority of payment of interest or principal in respect of the Covered Bonds of all or of a given Series; (vi) to amend this definition; and (vii) any other matter required by law to be approved by the majorities set out in Conditions 12(C)(ii) and 12(C)(iii).

“**Resolution**” means a resolution adopted at a duly convened meeting of holders of Covered Bonds and approved in accordance with the applicable provisions.

“**RGICSF**” means the General Regime for Credit Institutions and Financial Companies, as enacted by the Decree-Law 298/92, of 31 December 1992, as amended.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates, interest rates and/or Issue Prices.

“**Set of Agency Procedures**” means the set of agency procedures (such set of agency procedures as amended and/or supplemented and/or restated from time to time) dated 5 October 2015 and made and agreed by Novo Banco, S.A., in its capacity as Agent, Paying Agent and the Issuer and agreed to by any subsequent agent, paying agent, transfer agent, agent bank and/or registrar appointed by the Issuer.

“**Stock Exchange**” means Euronext Lisbon or any other stock exchange where Covered Bonds may be listed as per the relevant Final Terms.

“**Substitution Assets**” means the cover assets that contribute to the coverage requirements in relation to covered bonds other than Primary Assets, under the Covered Bonds Framework, provided that they comply with the relevant requirements foreseen in article 129 of the CRR.

“**T2 System**” means the real time gross settlement system operated by the Eurosystem, or any successor system.

“**Tax**” shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority and “**Taxes**”, “**taxation**”, “**taxable**” and comparable expressions shall be construed accordingly.

“**Tax Authority**” means any government, state, municipal, local, federal or other tax, revenue, customs or excise authority, body or official anywhere in the world exercising a tax, revenue, customs or excise function.

“**Tax Deduction**” means any deduction or withholding on account of Tax.

“**Terms and Conditions**” means in relation to the Covered Bonds, the terms and conditions applicable to the Covered Bonds and any reference to a particular numbered Condition shall be construed in relation to the Covered Bonds accordingly.

“**Treaty**” means the treaty establishing the European Communities, as amended by the Treaty on European Union.