

**Terms of Reference of the General and Supervisory Board of
Novo Banco, S.A. (the "Bank")**

(Date of last update: 26th September 2024)

§ 1

General Provisions

The General and Supervisory Board shall conduct its affairs in accordance with the applicable laws, the Bank's Articles of Association and these Terms of Reference.

§ 2

Chairman and Vice Chairman

- (1) The General Meeting shall elect the members of the General and Supervisory Board, including a Chairman (the "**Chairman**") and a Vice Chairman (the "**Vice Chairman**").
- (2) Unless expressly stipulated otherwise in these Terms of Reference, the Vice Chairman has the rights and duties of the Chairman in the event that the latter is unavailable. The Chairman will be considered as unavailable when, for any reason, he/she is temporarily unable to perform his/her duties.

§ 3

Convening and Attendance

- (1) The General and Supervisory Board shall meet at least once a month, with the exception of August, and whenever is deemed necessary. To the extent feasible, the dates for the monthly meetings of each year, as well as the general agenda for each of them, shall be approved for each year.
- (2) The meetings of the General and Supervisory Board are convened by the Chairman, or, if he/she is unavailable, by the Vice Chairman in writing or through suitable means of communication (including electronic means such as emailed pdf and email), with a notice period of at least 14 (fourteen) days. In calculating this period, the date of issue of the convening notice and the date of the meeting are not taken into account. The convening notice shall state the date and venue as well as the prospective duration of the meeting. It shall further set out the agenda of the meeting, precisising which items require a resolution.

- (3) In urgent cases, to be determined by the Chairman, the Chairman may shorten the notice period appropriately and also convene a meeting verbally or through suitable means of communication (including electronic means such as emailed pdf and email). In such cases, though, there must be a notice period of at least 2 (two) days, section (2) above of this paragraph (3) applying *mutatis mutandis*.
- (4) Each member of the General and Supervisory Board may, or the Executive Board of Directors may, while stating the purpose and reason for such request, request that the Chairman promptly convene a meeting of the General and Supervisory Board. The meeting must be held within 15 (fifteen) days from the date of convening notice, section 2 above of this paragraph (3) applying *mutatis mutandis*. If the Chairman does not comply with such convocation request, the respective group of General and Supervisory Board members may, or the Executive Board of Directors may, convene the meeting themselves. Section 2 above of this paragraph (3) applies *mutatis mutandis*.
- (5) Motions filed by any member of the General and Supervisory Board with the Chairman by no later than ten days before the meeting shall be added to the agenda. The Chairman shall inform all members of the General and Supervisory Board of such motions without undue delay.
- (6) Where an item is not on the agenda, a resolution on such item may only be adopted if no member of the General and Supervisory Board objects. Absent members of the General and Supervisory Board must be granted an opportunity to cast their vote in writing within an adequate period to be set by the Chairman.
- (7) To the extent permitted by applicable law, no specific notice of convening notice or notification of agenda is required for the constitutive General and Supervisory Board meeting.
- (8) All meetings will be chaired by the Chairman or by the Vice Chairman. The Chairman determines the order in which the items on the agenda are addressed. He/she may defer the addressing of individual items on the agenda to the next meeting. If both the Chairman and the Vice Chairman are absent, one of the other members, designated by a simple majority of votes cast by the members present at the meeting, shall preside, without any casting vote.
- (9) The Chairman determines the language of the resolutions. Where a member of the General and Supervisory Board is not proficient in the language of the resolution, a simultaneous interpreter shall be called in.

- (10) The members of the General and Supervisory Board shall generally attend the General and Supervisory Board meetings physically, via videoconference or by telephone (such modes of attendance hereinafter referred to as "**Attending**") and shall participate throughout the entire duration of the meeting.
- (11) If so requested by the Chairman of the General and Supervisory Board, the Chairman of the Executive Board of Directors participates in and assists the meetings of the General and Supervisory Board.
- (12) The Chairman can allow other guests, who are not members of the Executive Board of Directors or of the General and Supervisory Board, to participate during the discussion of individual agenda items. The external auditor must attend the annual accounts review meeting. If required for the fulfillment of their tasks and legally admissible, the Bank's heads of internal control functions can attend, or may be requested to attend, to the General and Supervisory Board meetings.
- (13) Documents or any other materials shall be provided to the members of the General and Supervisory Board (and as required to other meeting participants) as a rule together with the convening notice, in any event at 2 (two) business days, before the meeting. The Chairman may reasonably determine to provide such information on shorter notice, in particular, in urgent cases pursuant to section (3) above. If documents or other information on an agenda item are not provided to the General and Supervisory Board members in due time and an urgent and immediate decision or handling of the agenda item is not required, the agenda item will be removed from the agenda, unless all the General and Supervisory Board members that are present agree that there are conditions to proceed with the discussion of such item.
- (14) The Chairman shall contribute to the existence of an efficient flow of information between the members of the General and Supervisory Board, in order to allow them to constructively contribute to discussions and to cast their votes on a sound and well-informed basis.

§ 4

Quorum and Resolutions

- (1) The General and Supervisory Board is quorate if the members have been called in writing or through suitable means of communication (including electronic means such as emailed pdf and email) at their last given address (or e-mail address, as applicable) and not less than the simple majority of its members take part in the voting

by Attending (pursuant to paragraph 3, section (10) above), by written vote (pursuant to section (4) below) or by being represented by another member (pursuant to section (5) below). For the avoidance of doubt, such quorum applies independent of what mode of Attending is applied (physical, via videoconference or by telephone). An abstention from voting does not affect the quorum. The Chairman shall determine the manner of voting.

- (2) Resolutions of the General and Supervisory Board may also be taken without a meeting being called, in writing, by telephone or with the help of other electronic media or in combination of such means of communication as the Chairman may determine from case to case.
- (3) Resolutions of the General and Supervisory Board are adopted with a simple majority of the votes cast unless otherwise stipulated by mandatory law. In case of a tie vote the Chairman, or the Vice Chairman if the Chairman is unavailable, has the casting vote.
- (4) Absent members of the General and Supervisory Board may participate in the passing of resolutions by arranging for their written votes to be submitted by other members of the General and Supervisory Board. If not all the members of the General and Supervisory Board are Attending to vote on a resolution and if absent members have not submitted written votes or are being represented (pursuant to section (5)), the voting shall be postponed at the request of at least two members of the General and Supervisory Board who are Attending. In the event of such postponement, the new vote shall be taken at the next regular General and Supervisory Board meeting if no extraordinary meeting is called. At the new vote, a further minority call for postponement is not permitted.
- (5) Any member of the General and Supervisory Board may arrange to be represented by another member by means of a letter addressed to the Chairman which may be used only once.
- (6) The Chairman is authorized to issue on behalf of the General and Supervisory Board the declarations and take measures necessary for implementation of the resolutions. The General and Supervisory Board is entitled to authorize other of its members on an individual basis.
- (7) Minutes are taken by the Company Secretary of the meetings of the General and Supervisory Board and its committees as well as of resolutions taken without a meeting pursuant to section (2). Generally, minutes of a meeting, or of resolutions taken without a meeting, shall have been prepared before the subsequent meeting,

at the start of which they shall be discussed and voted. The minutes are signed by the Chairman or the person chairing the respective meeting and by the members of the General and Supervisory Board attending the meetings, either physically, by videoconference or by telephone, in the terms set forth in the previous paragraph 3 section (10), and by the Company Secretary or its alternate, and archived in the office of the Company Secretary. Each member of the General and Supervisory Board receives a copy of the minutes; each member may have his/her vote recorded in the minutes. The minutes of the meetings, or of resolutions taken without a meeting, shall include:

- a. date, location and duration of the meeting;
- b. Name, function and signature of all members of the GSB participants in the meeting;
- c. Reference to absent members or participants;
- d. Support documentation to each item of the agenda;
- e. Reference the material points of discussion, resolutions taken, including references to the voting process and identification of all voters, in absence of which it is considered that all members present voted favorably, mentioning any dissenting votes or opinions; and
- f. Full description of any recommendations adopted by the General and Supervisory Board.

§ 5

Confidentiality Obligations

- (1) Irrespective of the requirements under criminal law, law on administrative offences and other applicable rules and also after leaving their office as a member of the General and Supervisory Board, each member of the General and Supervisory Board is obliged to maintain the confidentiality of matters that are subject to bank secrecy, as well as of other confidential matters and information disclosed in his capacity as a member of the General and Supervisory Board. The confidentiality obligations under this paragraph 5 do not restrict the members of the General and Supervisory Board from disclosing information to the extent any such disclosure is required pursuant to applicable law or regulatory requirements, or binding judgment, order or requirement of any court or other competent authority.
- (2) If, in accordance with applicable law, the General and Supervisory Board or any of its members determines the support of internal or external advisors, the General

and Supervisory Board or the respective member, as applicable, is responsible for ensuring that such advisors adhere or are subject (which can be the case due to the nature of their functions) to equivalent obligations of confidentiality. The Chairman keeps a record of all the advisors of the General and Supervisory Board and of its individual members. For this purpose, all General and Supervisory Board members must notify the Chairman of the name, the subject of the work commissioned and the order documentation as well as documentation on how confidentiality is ensured.

- (3) If a member of the General and Supervisory Board wishes to pass on to third parties' information which has come to his/her attention in his capacity as a member of the General and Supervisory Board, he/she shall inform the Chairman in advance if it is not permissible to pass on such information and should obtain his/her permission. Each member of the General and Supervisory Board shall only be entitled to disclose information relating to the Bank to the shareholder(s) to the extent permitted by law and if such information is not confidential (namely, it is not covered by the banking secrecy regime) or is information to which the shareholder is entitled to receive pursuant to the rules of the Companies Code or other applicable law.
- (4) The audit reports of any external auditor mandated by the General and Supervisory Board shall be disclosed to each member of the General and Supervisory Board.

§ 6

Functions of the General and Supervisory Board

- (1) The function of the General and Supervisory Board is to regularly advise and supervise the Executive Board of Directors in the management of the Bank and its Group companies, namely by constructively challenging and critically reviewing proposals and information provided by members of the Executive Board of Directors, as well as its decisions. The General and Supervisory Board supervises the Executive Board of Directors also with regard to compliance with the relevant banking regulatory requirements. The General and Supervisory Board may perform its functions directly or through its relevant committees. The General and Supervisory Board has the functions that are granted to it by law and by the Bank's Articles of Association, including the ultimate and overall responsibility for the oversight of the institution and being accountable for the implementation of the governance arrangements that ensure effective and prudent management, overseeing all matters

related to risk management, compliance and internal audit. The General and Supervisory Board shall, in particular, besides what is foreseen in paragraphs (7) and (8), subject to the Article 15 of the Articles of Association, and to the extent permitted by law:

- a. Elect or remove the members of the Executive Board of Directors, including the appointment of the Chief Executive Officer ("CEO") and supervise the performance of the Executive Board of Directors;
- b. Appoint the Chairman and, in so decided, one Vice-Chairman of the Executive Board of Directors;
- c. Provide constant monitoring and assessment of the Bank's performance, especially in regard to the institution's strategy and general policies, the group's business structure and the decisions deemed strategic, owing to the sum or risk involved or their special nature, including compliance with capital requirements;
- d. Ensure the Executive Board of Directors takes, in good time, any corrective action required to fulfil all recommendations and warnings made by the internal and external auditors;
- e. Monitor that the risk culture and corporate values of the institution are implemented consistently;
- f. Oversee and monitor that the institution's strategic objectives, organizational structure and risk strategy, its risk appetite and risk management framework, as well as other policies (e.g. remuneration policy) and the disclosure framework are implemented consistently, and take into account all relevant risk factors, including the sustainability risks.
- g. Control any breaches of the law, the Articles of Association and the policies (except for those policies which are exclusively being supervised by the Financial Affairs (Audit) Committee pursuant to mandatory law) set;
- h. Ensure any failings and recommendations identified by the supervisory authorities are corrected in good time;
- i. Approve and oversee the implementation of an adequate and effective internal governance and internal control framework, that includes a clear organizational structure and well-functioning independent internal risk management, compliance and audit functions that have sufficient authority, stature and resources to perform their functions, and that ensures compliance with applicable regulatory requirements in the context of the

prevention of money laundering and terrorism financing and prevention of corruption and related infractions;

- j. Periodically assess the effectiveness of Bank's risk management framework and take appropriate steps to address any identified deficiencies;
 - k. Periodically assess the Bank's organizational structure, namely in order to ensure that it is both suitable and transparent and that the "know your organization" principle is fully followed across the Bank;
 - l. Monitor financial performance and budgetary control;
 - m. Oversee the integrity of financial information and reporting and of efficiency of the financial and operational risks reporting;
 - n. Oversee the process of disclosure and communications with the external auditor, external stakeholders and competent authorities, including the communications of the heads of internal control functions with the external auditor and supervision authorities; and
 - o. Periodically assess its composition and organizational needs and, through the Nomination Committee defining strategies and policies to timely address those needs, including setting up an adequate succession policy.
- (2) The General and Supervisory Board shall have the right to appoint and/or remove and/or replace an observer to physically attend and speak (but not vote) at all meetings of the Monitoring Committee from time to time (the "MC Observer"). The General and Supervisory Board shall have the right to appoint and/or remove and/or replace one or more observers as the General and Supervisory Board may determine from time to time to attend and speak (but not vote) at all meetings of the Executive Board of Directors (and its committees) from time to time (each an "EBD Observer").
- (3) The General and Supervisory Board shall submit its report annually to the General Meeting, to be considered along with the financial statements, and that report shall be published on the Bank's website along with those documents.
- (4) The General and Supervisory Board shall ensure that the Executive Board of Directors performs its reporting duties provided by law or administrative guidelines. Further details on this are set forth in the Terms of Reference for the Executive Board of Directors as amended from time to time.
- (5) Each member of the General and Supervisory Board is entitled to request from the Executive Board of Directors, that the General and Supervisory Board be provided in writing with all documents and information (in each case translated into in the English language, if such documents or information have been written or presented

in a language other than English) that the members of the Executive Board of Directors or its committees have received or generated in the course of their conduct of business.

- (6) Between meetings, the Chairman, and, to the extent relating to the responsibilities of the respective committees of the General and Supervisory Board, the Chairman of the relevant committee, shall maintain regular contact with the Executive Board of Directors, especially with the Chairman of the Executive Board of Directors, and discuss with him on matters of the Bank's strategy, planning, the development of its business, its risk situation, its risk management, governance, compliance and material litigation cases, in each case also on a group-wide basis. The Chairman, and – within their respective field of responsibility – the Chairman of the relevant committee, are informed without undue delay by the Chairman of the Executive Board of Directors about important events of material significance for the assessment of the situation and the development as well as for the management of Novo Banco Group. The Chairman then notifies the General and Supervisory Board in the appropriate way and, if necessary, convenes an extraordinary General and Supervisory Board meeting; this applies mutatis mutandis to the Chairman of the respective committee of the General and Supervisory Board.

§7

Supervision and Oversight of the Internal Control Functions

- (1) The General and Supervisory Board retains the ultimate responsibility for the supervision and oversight over the internal control functions and shall ensure the independence and effectiveness of the internal control functions.
- (2) In particular, the General and Supervisory Board shall ensure that the heads of the internal control functions are able to act independently and, regardless the responsibility to report to other internal bodies, including its Committees, can raise concerns and warn the General and Supervisory Board directly, where necessary, when adverse risk developments affect or may affect the Bank.
- (3) The appointment, replacement or dismissal of the heads of the internal control functions is subject to the approval of the General and Supervisory Board following a proposal of the Nomination Committee.
- (4) The General and Supervisory Board may assign related responsibilities to its internal committees, as reflected in the Committees' Terms of Reference.

- (5) The control functions shall functionally report ultimately to the General and Supervisory Board, and administratively to the Executive Board of Directors, through the respective member in charge of the area of responsibility.
- (6) The General and Supervisory Board approves the whistleblowing annual report as required under article 115.º-X of the RGICSF and article 35.º, no. 4 of Notice 3/2020 of the Banco de Portugal;
- (7) The General and Supervisory Board assesses and evaluates the reports required under articles 27.º/2, 28.º/2 and 32.º/3 of Notice 3/2020 from the Bank of Portugal.
- (8) The heads of the internal control function shall have free and unrestricted access to the General and Supervisory Board, including the right to participate in its meetings (as foreseen in paragraph (3) section (12), to any of its Committees and to its members.
- (9) In particular, regarding the internal audit function, the General and Supervisory Board shall be responsible for the actions below, which will, in general, be preceded by an assessment by the Financial Affairs (Audit) Committee:
 - a. Approve the annual plan of activities, ensuring that it is commensurate with an appropriate budget and resources to support its implementation;
 - b. Assess the multi-year plan of activities, including the forward-looking human resources needs (staffing and training);
 - c. Approve the internal audit policies and procedures;
 - d. Keep informed and express opinion whenever necessary, regarding the results of the internal audit activities (including Investigations) and the implementation of the annual plan, as well as the follow up of the action plans, resulting from its recommendations.

§ 8

Consent Requirement

- (1) Notwithstanding section (4) below, the consent of the General and Supervisory Board or of its committees, when the matter is delegated, is required for the measures as set forth in Article 15 of the Articles of Association which as of today include the following decisions to be adopted by the Executive Board of Directors:
 - a. any proposals of the Executive Board of Directors in relation to the approval or any material changes to the credit, risk and accounting policies;

- b. any proposals of the Executive Board of Directors in relation to the Bank's business plan, annual budget, the activities' program and any new lines of business that were not previously pursued;
- c. any proposals of the Executive Board of Directors of relocating the Bank's registered office to any other place within the national territory;
- d. any proposals of the Executive Board of Directors in relation to the Bank incurring any capital expenditure (new investments, i.e. for the avoidance of doubt, excluding capital charges) exceeding EUR 10,000,000 in aggregate, with the exception of expenditure within the approved business plan or the budget for the relevant financial year or within the ordinary course of business;
- e. any proposals of the Executive Board of Directors in relation to the Bank incurring or agreeing to incur any new:
 - (i) indebtedness in excess of an aggregate amount of EUR 250,000,000; and/or
 - (ii) unsecured indebtedness in excess of an aggregate amount of EUR 100,000,000.

except operations covered in the approved funding plan, business plan or annual budget of the Bank, treasury operations, including money market operations, secured financing, securities lending, repos or repurchase operations and issuance of covered bonds.

For this purpose, new indebtedness (whether secured or unsecured) shall not include (i) any refinancing by any means of existing indebtedness, renewal or extension of maturity, in any case in a manner substantially in accordance with the previous financing agreement and (ii) term deposits with maturity of less than one year;

- f. any proposals of the Executive Board of Directors in relation to disposals by the Bank or granting of any option or right of pre-emption or encumbrance in respect of any interest in any company, business or material part of its assets exceeding EUR 10,000,000 except:
 - (i) entered into on arm's length terms in the ordinary course business, provided that if the value of such transaction is greater than EUR 250,000,000 or if such transaction generates a loss in excess of EUR 25,000,000 this exception shall not apply; or

- (ii) in the ordinary course of treasury operations of the Bank's group, provided that if such transaction generates a loss in excess of EUR 25,000,000 this exception shall not apply.
- g. any proposals of the Executive Board of Directors aiming at the Bank creating, issuing, purchasing or redeeming any encumbrance over any shares in a member of the Bank's Group exceeding EUR 5,000,000, except on arm's length terms and either (i) in the ordinary course of business; (ii) trading activities; (iii) to fulfil mandatory or legal requirements; (iv) collateral for European Central Bank or Banco de Portugal funding or wholesale funding; (v) collateral for derivative operations under a credit support annex or similar agreement; or (vi) funding through repurchase or reverse repurchase transactions or similar transactions;
- h. any proposals of the Executive Board of Directors to grant or agreeing to grant any new credit transaction (or series of related credit transactions with the same or related borrowers) or an increase of an existing credit facility (or series of related credit facilities with the same or related borrowers) if the new credit or the increase of the exposure is :
 - i. Above EUR 100,000,000;
 - ii. Above EUR 25,000,000 if the respective client group's exposure (at the time of such granting or agreeing to grant new credit) is equal or above EUR 250,000,000;
 - iii. Below EUR 100,000,000 if the respective client group' exposure is (at the time of such granting or agreeing to grant new credit together with the new credit exceeds the limit of EUR 250,000,00;

provided that this article is not applicable to renewal of an existing credit facility (such renewal to include any refinancing, extension of maturity or provision of new money under such existing credit facility to the extent that said renewal is made substantially in accordance with the previous terms) nor to sovereign debt operations, collateralized operations between banks, including repurchase operations;

- i. any proposals of the Executive Board of Directors aiming at the Bank creating, issuing, increasing, splitting, combining, reclassifying, purchasing,

- reduction or redeeming share capital or any type of regulatory capital;
issuance of subordinated debt or securities that are eligible as Tier 2;
- j. any proposals of the Executive Board of Directors aiming at the Bank acquiring any interest in any company, business or material assets where the value of such transaction is greater than EUR 25,000,000, other than pre-existing commitments and capital already subscribed and not called or any other commitment to subscribe, on investments funds;
 - k. any proposals of the Executive Board of Directors aiming at the Bank commencing, settling or compromising any litigation, arbitration or other dispute (or series of related litigations, arbitrations or disputes arising out of the same or similar facts and circumstances) where the value of such litigation, arbitration or other dispute pending or threatened (or series of related litigations, arbitrations or disputes arising out of the same or similar facts and circumstances) is greater than EUR 10,000,000. This article does not apply to commencing, settling or compromising any litigation, arbitration or other dispute (or series of related litigations, arbitrations or disputes arising out of the same or similar facts and circumstances) in connection with a credit recovery operation;
 - l. any proposals of the Executive Board of Directors aiming to establish, change or close, subsidiaries, branches, offices, and any other form of representation, abroad;
 - m. any proposals of the Executive Board of Directors aiming the taking or omitting to take any material action in connection with the Contingent Capital Agreement entered into between the Bank and Fundo de Resolução or any servicing agreement entered into in connection therewith, including without limitation any decision: (a) to amend or terminate any such agreement; (b) to waive or fail to enforce any of the Bank's rights under any such agreement; or (c) which could reasonably be expected to have a value of greater than EUR 10,000,000; or
 - n. any proposals of the Executive Board of Directors aiming at the Bank hiring any employees with a total annual compensation higher than EUR 200,000.
- (2) The General and Supervisory Board shall be consulted by the Executive Board of Directors with regard to, and prior to the Executive Board of Directors making, any proposal related to the appointment of one Secretary of Novo Banco and one Alternate Secretary.

- (3) The General and Supervisory Board will prior consent any related party transaction, irrespective of its amount, to be entered into by the Bank with shareholders of the Bank or their related parties (as defined in the Related Parties Transactions' Policy), if permitted under the Contingent Capital Agreement entered into between the Bank and Fundo de Resolução, by a resolution adopted by the simple majority of the members who are entitled to vote, or any other majority set forth by the applicable law. The decision regarding the above-mentioned consent cannot be delegated in the Compliance or other committee set by the General and Supervisory Board.
- (4) Any other decision regarding related party transactions should either be directly consented by the General and Supervisory Board or ratified by it, the only exception being those transactions below the minimum amount threshold (if any) set in the Related Parties Transactions' Policy, which shall only be acknowledged by the General and Supervisory Board in the next meeting following such transactions.

§ 9

Suitability of the General and Supervisory Board members

- (1) Applicable statutory laws and regulations must be observed in determining the composition of the General and Supervisory Board and in appointing its members as well as in assessing their suitability. In particular, the members of the General and Supervisory Board must be reliable and possess the necessary expertise to properly perform their supervisory function and to assess and monitor the business conducted by the Bank and the Novo Banco Group, and they must commit sufficient time to the performance of their tasks. The General and Supervisory Board in its entirety must have the knowledge, skills and experience which are required to perform the supervisory function and to assess and supervise the Executive Board of Directors and Novo Banco Group.
- (2) The General and Supervisory Board shall include a sufficient number of independent members as further specified by applicable law.
- (3) The General and Supervisory Board shall include members with the knowledge, skills and experience that meet the requirements (if any) demanded by the applicable law and guidelines, to the members of the Financial Affairs, Risk, Compliance, Remuneration and Nomination Committees.
- (4) All members of the General and Supervisory Board should have independence of mind, namely being capable of raising questions, having critical discussion, making

their own sound, objective and independent decisions and judgments and, if so required, having the courage, conviction and strength to express dissenting views and challenging proposed decisions.

- (5) There is a general maximum age limit of 75 years for members of the General and Supervisory Board. In exceptional cases, a General and Supervisory Board member can be elected or appointed for a period that extends no longer than until the end of the third ordinary General Meeting that takes place after he has turned the age of 75. The regular aggregate term of office of each member of the General and Supervisory Board should not exceed 15 years.
- (6) The members of the General and Supervisory Board are required to disclose to the General and Supervisory Board and to the Fit & Proper Officer, in order that the Bank so informs the Bank of Portugal, their intent to be appointed for memberships or other positions in the senior management or supervisory bodies of companies or of other type of legal entities outside of Novo Banco Group.
- (7) The General and Supervisory Board respects the diversity guidelines of the Bank, in particular, when appointing members to the Executive Board of Directors and the General and Supervisory Board. For its composition, the General and Supervisory Board specifies its own guidelines, which are used as the basis for its election proposals to the General Meeting. These guidelines shall promote the diversity of skills, knowledge and experience, as well as be compatible with the strategy for achieving the objective set by the Bank to promote the representation of the under-represented gender on the Banks' Executive Board of Directors or the General and Supervisory Board.
- (8) The members of the General and Supervisory Board on their own responsibility shall complete the training and further education measures required for their tasks and for maintaining the necessary expertise. The Bank provides the members of the General and Supervisory Board with adequate human and financial resources to facilitate their induction into office and to facilitate the training required for their tasks and for maintaining the necessary expertise.

§ 10

Conflict of Interests

- (1) Each member of the General and Supervisory Board must safeguard the interests of the Bank. Members of the General and Supervisory Board must not pursue any personal interests within the framework of their General and Supervisory Board or

relevant committees work or use business opportunities of the Bank or the Novo Banco Group for themselves.

- (2) Without undue delay each General and Supervisory Board member shall disclose to the Chairman circumstances that could lead, or have already led to, a conflict of interest. The Chairman shall then inform the General and Supervisory Board accordingly. This obligation applies in a like manner to the Chairman. In this case, disclosure is to be made to the Vice Chairman, who then informs the General and Supervisory Board accordingly. Conflicts of interest can arise, in particular, when a General and Supervisory Board member performs an advisory or directorship function for clients, suppliers or other business partners of the Bank or a Novo Bank Group company. Material and not just temporary conflicts of interest in the person of a member of the General and Supervisory Board should lead to the termination of the General and Supervisory Board mandate.
- (3) All business transactions between the Bank or a Group company and any members of the General and Supervisory Board as well as persons or companies they are close to must comply with standards customary in the business sector.
- (4) Sections 85 and following of the Portuguese Banking Act (Decree-Law no. 298/92 dated of 31 December, as amended) shall apply to loans by the Bank to members of the General and Supervisory Board or persons and companies they are close to.
- (5) The members of the General and Supervisory Board will not, in connection with their activity on the General and Supervisory Board, ask for or accept payments or other advantages for themselves or for third parties, if this may detrimentally affect the interests of the Bank and/or Novo Banco Group, or of customers. Any payment or another advantage must be compliant with the Bank's internal policies, namely the Code of Conduct, the Conflicts of Interest Policy and Anti-bribery & corruption Policy.
- (6) Advisory and other service agreements between a member of the General and Supervisory Board and the Bank or a group company controlled by the Bank require the approval of the General and Supervisory Board and of the Financial Affairs Committee.

§ 11

Compliance with sanctions related to Venezuela

The General and Supervisory Board will resolve, to the extent required, upon a procedure applicable to the deliberations and the taking of resolutions of the General and Supervisory Board on matters falling within the scope of application, and taking into account the requirements, of the "Executive Order imposing additional sanctions with respect to the situation in Venezuela" of the President of the United States, dated August 25, 2017, 12:01am EST as may be amended from time to time.

§ 12

Remuneration of the Management and Supervisory Bodies and Staff Members

- (1) The General and Supervisory Board is responsible to ensure the compliance with the relevant remuneration principles and rules set out by applicable regulations and legislation, maintaining the Remuneration Policies and overseeing their implementation.
- (2) The General and Supervisory Board has the responsibilities assigned under the internal Remuneration Policies, in particular is responsible for:
 - a. approve the Remuneration Policy for Management and Supervisory Bodies of the Bank and any amendments thereto, following a recommendation from the Remuneration Committee and propose the approval of the Policy and any amendments to the Shareholder's Meeting;
 - b. approval of the Remuneration Policy for Staff Members of the Bank and any amendments after approval by the Executive Board of Directors, following a recommendation from the Remuneration Committee;
 - c. approve the remuneration of the Executive Board of Directors, including its variable component, following a proposal of the Remuneration Committee, and the application of ex-post adjustment mechanisms to their remuneration through mechanisms of malus and claw back.

§ 13

External Advisors

In its due discretion, the General and Supervisory Board, or any of its committees, in performing their respective tasks, may call in auditors, legal and other internal or external advisors. Such calling in of internal and external advisors shall be limited in time and limited to the respective matter raised in the individual case. The costs are borne by the Bank.

§ 14

Specialized Committees

- (1) The General and Supervisory Board will put in place, appoint the respective members and agree on the organizational rules of the following committees: Financial Affairs (Audit) Committee (*Comissão para as Matérias Financeiras*), Risk Committee, Nomination Committee, Remuneration Committee and the Compliance Committee.
- (2) The General and Supervisory Board may approve the creation of additional committees, with or without the presence of its members, to follow certain specific matters on an ongoing basis, defining their functions and duties.
- (3) Committees that are not required by law or the Articles of Association can be dissolved at any time by the General and Supervisory Board. At any time, the General and Supervisory Board can re-assume to the General and Supervisory Board any tasks assigned to a committee if such tasks do not need to be performed by the respective committee on the basis of mandatory statutory requirements.
- (4) Each committee comprises at least three members and has a Chairman, who is an independent member according to applicable regulation and who has a casting vote in case of a tie vote. The committee members and the Chairman are elected by the General and Supervisory Board. If a member leaves a committee during the term of office as a member of the General and Supervisory Board, a replacement member must be elected without undue delay.
- (5) Notwithstanding (4) above), the Chairman of the General and Supervisory Board and its members, as well as the Chairman of the Committees and their members, may be members of more than one Committee. However, no Committee may be composed of the same group of members that forms another committee.
- (6) Unless provisions of law or these Terms of Reference stipulate otherwise, the responsibilities, composition and working procedures of each committee are set out in their own Terms of Reference, which are approved by the General and Supervisory Board. Amendments to a committee's Terms of Reference must be also approved by the General and Supervisory Board. In relation to any matter that is not governed by the respective Terms of Reference, the general provisions foreseen in these Terms of Reference shall apply.

- (7) The Terms of Reference of each committee shall establish the competences of each committee.
- (8) Each committee shall keep the General and Supervisory Board informed of its activities and decisions in accordance with the rules established for each committee in respect of information duties. The committees work closely together and coordinate their activities with each other and with the Chairman. The Chairman of each committee shall liaise between the committee and the other committees and their respective Chairman, the General and Supervisory Board and the Chairman. To increase efficiency and enhance the exchange of information, several committees may hold joint meetings. Every committee can, if necessary, access and consult the documents of the other committees, and one committee can prepare topics for another committee if this prevents duplication of efforts. If overlaps arise in the topics covered, the committees should, as necessary, hold joint meetings or have members of the respective other committee participate in its meetings.
- (9) The committees are convened by the respective committee Chairman. Each member of the General and Supervisory Board can, upon request, take part in the meetings of a committee, even if he/she is not a member, unless the Chairman determines otherwise.
- (10) Without prejudice to the incorporation and activities of the General and Supervisory Board committees, the General and Supervisory Board and its members retain their own responsibility for the decisions they take on the basis of proper information and advice provided by a committee. If tasks and decisions are assigned to a committee, the General and Supervisory Board and its members are responsible for monitoring the work and decisions of the committee.

§ 15

Financial Affairs (Audit) Committee

The Financial Affairs (Audit) Committee shall have the functions and responsibilities as set out in applicable mandatory law and in the Terms of Reference of the Financial Affairs (Audit) Committee.

§ 16

Functions of the Chairman of the General and Supervisory Board

- (1) The General and Supervisory Board has a Chairman and a Vice Chairman, who shall be independent.
- (2) The Chairman has a leadership role in ensuring the proper functioning of the General and Supervisory Board. The Chairman has the authority to issue internal guidelines and principles concerning the General and Supervisory Board's internal organization and communications, the coordination of the work within the General and Supervisory Board and its interaction with the Executive Board of Directors. He/she shall ensure the General and Supervisory Board's effective overall functioning and a cooperative relationship of trust between the members of the General and Supervisory Board and the members of the Executive Board of Directors.
- (3) The Chairman informs the General Meeting of the main features of the remuneration system for the Executive Board of Directors and/or any changes thereto. He/she is at all times authorized to obtain information about the Bank's remuneration systems from the Chairman of the Executive Board of Directors.
- (4) The Chairman is authorized to make inquiries directly to the Head of Internal Audit, the Head of the Risk function and the Head of Compliance.
- (5) The Chairman should ensure that decisions of the General and Supervisory Board are taken on a sound and well-informed basis in accordance with the needs of the General and Supervisory Board. He/she encourages and promotes the members of the General and Supervisory Board in raising questions and initiating open and critical discussion and ensures that dissenting views can be expressed and discussed in the decision-making process and before voting on a respective resolution.
- (6) The Chairman engages in discussions with shareholders on General and Supervisory Board-related topics and regularly informs the General and Supervisory Board of the substance of such discussions.
- (7) To the extent permitted by law, the Chairman represents the General and Supervisory Board vis-à-vis third parties in executing its resolutions. The other members of the General and Supervisory Board shall consult with the Chairman in advance on all communications with third parties relating to General and Supervisory Board matters.
- (8) The Chairman regularly monitors the costs of the General and Supervisory Board.

§ 17

Responsibilities of the Company Secretary

- (1) The Company Secretary shall assist the General and Supervisory Board and its members as provided for herein in performing their tasks, in order to contribute to increasing the efficiency of the General and Supervisory Board's work. All General and Supervisory Board members, also in their function as members of a committee shall have access to the advice and services of the Company Secretary.
- (2) The Company Secretary shall see to it that the correct procedures are followed according to these Terms of Reference. The Company Secretary shall assist the Chairman in organizing the affairs of the General and Supervisory Board (information, agenda, evaluation, etc.). The Company Secretary shall ensure the disclosure on the Bank's corporate website of the information which qualifies for such disclosure pursuant to the law, the Articles of Association or to the corporate governance practices applied by the Bank.
- (3) The duties of the Company Secretary under these Terms of Reference, or parts thereof, may be delegated to an Alternate Secretary to be appointed in accordance with Article 15, subsection 5 (j) and Article 22, subsection 2 (o) of the Articles of Association.

§ 18

Efficiency of the General and Supervisory Board's activities

- (1) The General and Supervisory Board regularly reviews the efficiency of its activities and that of its committees and these committees also review its own efficiency.
- (2) For this purpose, the General and Supervisory Board reviews:
 - a. regularly, at least annually, the structure, size and composition of its committees as well as the coordination and cooperation among the committees;
 - b. regularly – either separately or together with the reviews specified above – the efficiency of its own working procedures and processes including the efficiency of the flow of information between the General and Supervisory Board and the Executive Board of Directors, while determining which improvements are required.
- (3) The General and Supervisory Board shall consider from time to time and at least at the beginning of each mandate the rotation of Chairs and members of committees,

taking into account the specific experience, knowledge and skills that are individually or collectively required for such Committees.

§ 19

English language documents, information

- (1) A Portuguese version of these Terms of Reference will be prepared. In the event of any discrepancy between the English and Portuguese versions, the English version shall prevail.
- (2) Any documents, information, notices, motions, minutes, reports and any other communication issued by or to the General and Supervisory Board, its Chairman, its committees and their respective Chairman, and/or any or all of the General and Supervisory Board's or of the committees' members, shall be produced in the English language, and, if so required by law or requested by an addressee of such communication, by a member of a corporate body of the Bank, by its auditor or by a supervisory authority, in the Portuguese language.
- (3) The minutes of the General and Supervisory Board and of its Committees shall comply with the procedures defined for the remaining corporate bodies and committees of the Bank to ensure compliance with the applicable law.

§ 20

Changes to the Terms of Reference

- (1) These Terms of Reference shall be revisited by the General and Supervisory Board on an yearly basis. Every two years, a formal review process of these Terms of Reference shall be carried out. This formal review process shall be concluded by a General and Supervisory Board's resolution approving the relevant amendments to the Terms of Reference or concluding that no amendments are required.
- (2) Any changes to these Terms of Reference or to the Terms of Reference of the committees are subject to the prior approval of the General and Supervisory Board through a resolution taken by the majority of the votes cast.
