

**ARTICLES OF ASSOCIATION**  
**of**  
**NOVO BANCO, S.A.**

*[Date of last approval: 9th December, 2024 ]*

## INDEX

<b>CHAPTER I NAME, REGISTERED OFFICE AND CORPORATE PURPOSE .....</b>	<b>3</b>
Article 1 (Name and Regime) .....	3
Article 2 (Registered office, subsidiaries, branches and other forms of representation) 3	
Article 3 (Corporate Purpose).....	3
<b>CHAPTER II SHARE CAPITAL AND ISSUE OF SECURITIES.....</b>	<b>3</b>
Article 4 (Share Capital and Shares).....	3
Article 5 (Other Securities and Own Shares).....	4
<b>CHAPTER III CORPORATE BODIES .....</b>	<b>4</b>
<b>SECTION I – General Rules .....</b>	<b>4</b>
Article 6 (Corporate Bodies) .....	4
Article 7 (Duration of the terms of office).....	5
Article 8 (Minutes of Meetings) .....	5
<b>SECTION II – General Meeting.....</b>	<b>6</b>
Article 9 (Composition) .....	6
Article 10 (Board of the General Meeting).....	6
Article 11 (Annual General Meeting).....	7
Article 12 (Powers) .....	7
Article 13 (Quorum).....	7
Article 14 (Majorities).....	8
<b>SECTION III – General and Supervisory Board.....</b>	<b>8</b>
Article 15 (Composition and Powers of the General and Supervisory Board).....	8
Article 16 (Special Committees).....	13
<b>SECTION IV – Executive Board of Directors .....</b>	<b>13</b>
Article 17 (Composition).....	13
Article 18 (Chairman and Vice-Chairman).....	13
Article 19 (Suspensions and Replacements) .....	14
Article 20 (Meetings) .....	14
Article 21 (Resolutions).....	15
Article 22 (Management of the Bank and Powers).....	15
Article 23 (Binding) .....	17
<b>SECTION V – Statutory Auditor .....</b>	<b>17</b>
Article 24 (Appointment and Functions).....	17
<b>SECTION VI – Company Secretary.....</b>	<b>18</b>
Article 25 (Appointment and Functions).....	18
<b>CHAPTER IV PROFITS .....</b>	<b>18</b>
Article 26 (Financial Year and Appropriations of Profits) .....	18
<b>CHAPTER V GENERAL PROVISIONS.....</b>	<b>19</b>
Article 27 (Winding-up) .....	19
Article 28 (Arbitration).....	19

**CHAPTER I**  
**NAME, REGISTERED OFFICE AND CORPORATE PURPOSE**

**Article 1**  
**(Name and Regime)**

The company adopts the legal form of sociedade anónima and the name Novo Banco, S.A. (hereinafter “Novo Banco” “Bank” or “Company”).

**Article 2**  
**(Registered office, subsidiaries, branches and other forms of representation)**

1. Novo Banco has its registered office at Campus do Novobanco, Avenida Doutor Mário Soares, Taguspark, Edifício 1, 2740-119 Porto Salvo.
2. The registered office can be relocated to any other place within the national territory following a decision by the Executive Board of Directors, subject to the consent of the General and Supervisory Board.
3. To the extent that it does not determine any change to the ordinary course of business of the Bank, and subject to the provisions of this Articles of Association including article 15, no. 5, subsection (x), the Executive Board of Directors may establish, change or close, subsidiaries, branches, offices, and any other form of representation, in Portugal or abroad, subject to the consent or approval from any relevant regulators, as required.

**Article 3**  
**(Corporate Purpose)**

1. The corporate purpose of Novo Banco is to engage in banking activities, including any additional, related or similar transactions compatible with said activities, with such latitude permitted by law.
2. To the extent permitted by applicable law, Novo Banco may acquire stock shares and membership interests in all types of companies and partnerships, as long as subject to limited liability, whatever their purpose and even if subject to special laws.

**CHAPTER II**  
**SHARE CAPITAL AND ISSUE OF SECURITIES**

**Article 4**  
**(Share Capital and Shares)**

1. The share capital of Novo Banco is of EUR 3,345,000,000.30 (three billion three hundred

and forty-five million and thirty cents), represented by 500,000,000 (five hundred million) nominative and dematerialised shares with no nominal value, fully subscribed and paid up.

2. Novo Banco may issue ordinary shares with or without premium, preferential shares with voting rights and other preferential shares, redeemable or not.
3. In case of share capital increases, the shareholders shall have pre-emption rights, to be exercised *pro rata*.
4. The Bank's assets or capital may be strengthened or increased by any type of shareholder's contributions, under the terms agreed among the shareholders or with the bank.

**Article 5**  
**(Other Securities and Own Shares)**

1. The Company may issue any type of debt permitted by law, including bonds convertible into shares and bonds carrying subscription rights.
2. Pursuant to article 22, no. 2, subsection (e) of these Articles of Association, it is the responsibility of the Executive Board of Directors to decide on the issue of securities, except in respect of shares, securities convertible into shares and securities granting subscription rights, these issues being the sole prerogative of the General Meeting.
3. The Company may issue autonomous warrants on own securities, under the terms of the law and in the conditions set by resolution of the General Meeting.
4. All corporate rights attaching to own shares shall be suspended as long as they are held by the Company, except for the right to receive new shares in case of capital increase by means of capitalization of reserves and profits, unless otherwise decided by the General Meeting.

**CHAPTER III**  
**CORPORATE BODIES**  
**SECTION I – General Rules**

**Article 6**  
**(Corporate Bodies)**

1. The corporate and statutory bodies of Novo Banco are:
  - a) the General Meeting;
  - b) the General and Supervisory Board;
  - c) the Executive Board of Directors;

- d) the Registered Chartered Accountant; and
  - e) the Company's Secretary.
2. The General and Supervisory Board will maintain, at least, the following committees:
- a) Financial Affairs Committee (*Comité para as Matérias Financeiras*);
  - b) Risk Committee;
  - c) Remuneration Committee;
  - d) Nomination Committee; and
  - e) Compliance Committee.
3. Each of the committees referred to in the preceding number will be composed of members of the General and Supervisory Board. The number of members, proceedings and responsibilities are the ones set out in the applicable law, regulation and in the respective organization rules of the Committees, as approved by the General and Supervisory Board.
4. The General and Supervisory Board may also appoint consultants and experts to provide assistance to its members.

#### **Article 7**

##### **(Duration of the terms of office)**

- 1. The members of the corporate bodies are appointed for 4 year terms of office and can be re-elected one or several times, without prejudice to article 24 of the Articles of Association concerning the mandate of the Statutory Auditor.
- 2. Any member appointed in replacement of other member of a corporate body, or in addition to the existing members of the corporate bodies, shall be deemed to have been appointed for the term of office of the relevant corporate body in force at the date of the appointment.

#### **Article 8**

##### **(Minutes of Meetings)**

Minutes of all meetings of the various corporate bodies shall be written, and signed by the respective members of the corporate bodies attending such meetings, except for the minutes of the General Meeting of Shareholders that shall be signed by the Chairman and the Secretary of the meetings, and clearly include, in addition to the identification details, the resolutions passed and the votes casted in relation to the same.

## **SECTION II – General Meeting**

### **Article 9 (Composition)**

1. The General Meeting is made up of all shareholders.
2. Shareholders may be represented by any natural or legal person they may appoint for such purpose.
3. The proxies set forth in the foregoing paragraph shall be reported to the Chairman of the General Meeting in a written and signed document to be delivered at the registered office of Novo Banco until the day scheduled for the General Meeting to convene.
4. To each share corresponds one vote.
5. Voting by correspondence or by electronic means are not allowed.
6. Abstentions are not counted.

### **Article 10 (Board of the General Meeting)**

1. The Board of the General Meeting of Shareholders consists of a Chairman, a Vice-Chairman and a Secretary.
2. The Chairman, the Vice-Chairman and the Secretary are elected by the General Meeting.
3. It is the responsibility of the Chairman of the General Meeting of Shareholders to call the General Meeting to be held according to the law which shall decide on all matters which are the responsibility of the annual General Meeting and, also, to deal with any other matters of interest to the Company, expressly included in its notice of meeting.
4. The Chairman of the General Meeting of Shareholders shall call extraordinary General Meetings upon request of the General and Supervisory Board or any shareholders holding shares corresponding to a minimum number prescribed by law, in a written and signed document specifying all items on the agenda.
5. Shareholders meeting the requirements set forth in the foregoing paragraph and wishing to include matters on the agenda of a meeting already convened, shall give notice of their intention within five days from the date the last notice is deemed to have been served, in a written and signed document addressed to the Chairman of the Meeting, specifying the items to be added to the agenda.
6. The Chairman of the General Meeting of Shareholders may authorize other persons who are not shareholders, including experts to assist on the works and clarify matters subject to discussion during meetings.

7. The Shareholders that intent to be represented in the Shareholders Meeting should deliver to the Chairman of the Shareholders Meeting, at the registered office of Novo Banco, the representation instruments until the 11 a.m. of the day of the Shareholders Meeting, together with the blocking statement of the shares.

**Article 11**  
**(Annual General Meeting)**

An Annual General Meeting shall be held each year until the end of May to:

- a) Adopt resolutions on the Annual Report and the Accounts for the previous financial year;
- b) Adopt resolutions on the proposal of allocation of yearly financial results;
- c) Undertake a general assessment of the performance of the institution's management and supervision;
- d) Elect the members of the Corporate Bodies, as applicable.

**Article 12**  
**(Powers)**

The General Meeting of the Company has the powers that are granted to it by law and by these Articles of Association, and shall, in particular:

- a) Elect or remove the members of the Board of the General Meeting;
- b) Elect or remove the members of the General and Supervisory Board including its Chairman;
- c) Designate and replace the Bank's Registered Chartered Accountant upon a proposal of the General and Supervisory Board;
- d) Authorise Novo Banco to sue members of its corporate bodies;
- e) Resolve on matters that are the power of the Executive Board of Directors or of the General and Supervisory Board upon request of the Executive Board of Directors or of the General and Supervisory Board respectively.

**Article 13**  
**(Quorum)**

1. The General Meeting shall resolve, on first call, when shareholders holding more than one third of the share capital are either present or represented, without prejudice to the established in the following paragraph.
2. On second call, the General Meeting may resolve regardless of the number of shareholders

present or represented and of the amount of share capital they hold.

3. Voting by correspondence or by electronic means are not allowed.
4. Abstentions are not counted.

**Article 14**  
**(Majorities)**

1. The General Meeting of the Company shall resolve by a majority of votes validly cast, save if a qualified majority is required by law or by these Articles of Association.
2. Abstentions shall not be counted.
3. Resolutions concerning the amendment of these Articles of Association shall be approved by votes representing two thirds of the subscribed share capital of the Company, both on first and on second call and regardless of the number of shareholders present or represented at either.

**SECTION III – General and Supervisory Board**

**Article 15**  
**(Composition and Powers of the General and Supervisory Board)**

1. The General and Supervisory Board shall be comprised of at least 8 (eight) and at a maximum 12 (twelve) members, one of which as Chairman (the number of members always being higher than the number of members of the Executive Board of Directors), who shall be elected by the General Meeting of Shareholders. The Chairman (if and for so long as there is a tie in relation to any resolution) shall have casting vote.
2. The majority of the members of the General and Supervisory Board, including the President, shall be independent in accordance with applicable law, particularly article 31-A(4) of the Legal Framework of Credit Institutions and Financial Companies, article 3 (2)(c) of Law no. 148/2015, dated 9 September 2015 and article 414(5) of the Portuguese Companies Code, all as may be amended from time to time.
3. The meetings of the General and Supervisory Board are subject to a quorum of the majority of its members.
4. The General and Supervisory Board shall meet whenever convened by the Chairman or by two other members and shall meet, in principle, at least once a month.
5. The General and Supervisory Board of the Bank has the powers that are granted to it by law and by these Articles of Association, including overseeing all matters related to risk management, compliance and internal audit, and to the extent permitted by law:
  - a) Elect or remove the members of the Executive Board of Directors, including the



appointment of the CEO and supervise the performance of the Executive Board of Directors;

- b) 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;
- c) Review the financial reports and the minutes of Executive Board of Directors meetings;
- d) Ensure the Executive Board of Directors establishes and maintains suitable, independent and effective internal control, especially as regards the reporting of financial and operational risks, compliance with the law, regulations and internal policies, operational efficiency and asset safety;
- e) Control and ensure the effectiveness of risk management, compliance and internal auditing, the respective action plan and budget, as well as their reports and relationships with external auditors and the supervisory authorities;
- f) Review and discuss external auditors' reports;
- g) 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;
- h) Control any breaches of the law, the Articles of Association, the policies set and any decisions capable of affecting any commitments assumed, directly or indirectly, by the Bank;
- i) Ensure any failings and recommendations identified by the supervisory authorities are corrected in good time;
- j) Prior consultation on any proposal of the Executive Board of Directors related to the appointment of one Secretary of Novo Banco and one Alternate Secretary;
- k) Consent any proposals of the Executive Board of Directors in relation to the approval or any material changes to the credit, risk and accounting policies;
- l) Monitor compliance with credit, risk and accounting policies;
- m) Consent any proposals of the Executive Board of Directors in relation to the Bank's business plan, annual budget, the activities' programme and any new lines of business that were not previously pursued;
- n) Monitor financial performance and budgetary control;
- o) Consent any proposals of the Executive Board of Directors of relocating the Bank's registered office to any other place within the national territory;

- p) Consent 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 budget for the relevant financial year or within the ordinary course of business;
- q) Consent 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;

- r) Consent 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 of 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.
- s) Consent 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;

- t) Consent 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's group exposure (at the time of such granting or agreeing to grant new credit) is equal or above EUR 250,000,000,00;
  - iii. Below EUR 100,000,000 if the respective client group' exposure (at the time of such granting or agreeing to grant new credit) together with the new credit exceeds the limit of EUR 250,000,000.

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;

- u) Consent 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 contributions and bonds or securities (except covered bonds) and securitization operations;
- v) Consent 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; or
- w) Consent 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;

- x) Consent any proposals of the Executive Board of Directors aiming to establish, change or close, subsidiaries, branches, offices, and any other form of representation, abroad.
  - y) Consent 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.
6. The General and Supervisory Board will grant consent before any related party transaction will be entered into by the Bank with shareholders or any other parties related to the shareholders as defined in the Policy on Related Party Transactions of the Bank, regardless of its amount. The resolutions of the General and Supervisory Board will be adopted by the simple majority of the members who are entitled to vote, or any other majority set forth by the applicable law.
  7. With the exception of the transactions referred to in previous paragraph 6, and except if otherwise provided by law at any time in effect, the General and Supervisory Board may delegate in the Compliance Committee of the General and Supervisory Board all powers for consenting and approving any other related party transactions. All transactions consented and approved by the Compliance Committee under the delegation of powers shall be submitted for ratification to the whole General and Supervisory Board at its next meeting 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.
  8. To the extent permitted by law, the Policy on Related Party Transactions may determine for the transactions referred to in previous paragraph 7 a minimum threshold below which the opinion from the Compliance Committee of the General and Supervisory Board is exempted. All transactions entered into by the Bank below the minimum threshold shall be submitted for acknowledgement to the General and Supervisory Board at its next meeting.
  9. The Chairman of the Executive Board of Directors may assist to meetings of the General and Supervisory Board upon invitation by the General and Supervisory Board.
  10. The General and Supervisory Board shall summon to its working sessions any persons belonging to Novo Banco structure, as well as any external experts, whenever it deems appropriate.
  11. 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 Novo Banco website along with those documents.
  12. The meeting of the General and Supervisory Board shall be convened in writing and electronic means may be used for such purpose.
  13. 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.

14. The meetings may be held through electronic means, if the authenticity of the statements, their security and confidentiality, as well as the recording of their content is insured.
15. The General and Supervisory Board shall approve its internal regulations as well as those of its committees.

**Article 16**  
**(Special 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 Committee (Comité 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 powers and duties.
3. The General and Supervisory Board may delegate any of the matters described in Article 15 in any of the committees it may create under the terms of the previous paragraphs and to the extent permitted by law. The delegation of powers in a committee may be made through the internal regulation of such committee or through ad-hoc delegations, as resolved by the General and Supervisory Board.

**SECTION IV – Executive Board of Directors**

**Article 17**  
**(Composition)**

The Executive Board of Directors is composed by a minimum of 5 (five) and a maximum of 9 (nine) members, elected by the General and Supervisory Board.

**Article 18**  
**(Chairman and Vice-Chairman)**

1. The Chairman of the Executive Board of Directors is appointed by the General and Supervisory Board that carries out the election of the remaining members of this corporate body.
2. The General and Supervisory Board may appoint 1 (one) Vice-Chairman, who shall replace

the Chairman when the latter is unavailable.

3. In the absence of appointment by the General and Supervisory Board or in the absence of whoever the General and Supervisory Board has appointed, the Executive Board of Directors may choose, from amongst its members and depending on the case, a new Chairman or new Vice-Chairman, submitting such appointment to the next General and Supervisory Board meeting for ratification.

**Article 19**  
**(Suspensions and Replacements)**

1. If duly justified, the General and Supervisory Board may suspend any member of the Executive Board of Directors from office or accept suspension requests made by him/her and establish his/her status for the duration of the suspension
2. The director who, having been called and in the absence of a justification accepted by the General and Supervisory Board, is absent and not represented in meetings of the Executive Board of Directors for 4 consecutive times or 7 non-consecutive times may be dismissed. The dismissal is declared by the General and Supervisory Board.
3. In case of dismissal, in accordance with the previous paragraph or for any other reasons, or in case of a justified temporary unavailability, such director shall be replaced in accordance with article 15, no. 5, subsection (a), article 17 of the Articles of Association and the law.

**Article 20**  
**(Meetings)**

1. The Executive Board of Directors shall meet whenever convened by the Chairman or by two other members and, in principle, at least, once every week.
2. The meeting shall be convened in writing and electronic means may be used for such purpose.
3. Any member of the Executive Board of Directors may arrange to be represented by another member by means of a letter addressed to the Chairman which may be used only once.
4. Each member of the Executive Board of Directors is entitled to represent up to three members.
5. The meetings may be held through electronic means, if the authenticity of the statements, their security and confidentiality, as well as the recording of their content is insured.
6. The Executive Board of Directors shall approve its internal regulations as well as those of its committees, when existing.

**Article 21**  
**(Resolutions)**

1. The Executive Board of Directors shall only adopt resolutions if the majority of its members are either present or represented, directly or by electronic means.
2. Resolutions are adopted by majority.

**Article 22**  
**(Management of the Bank and Powers)**

1. The Executive Board of Directors is the corporate management body of the Bank and it is responsible, according to the law and these Articles of Association and respecting the powers of other corporate bodies, for defining the general policies and strategic objectives of the Bank and of the Group and for ensuring all operational activity not attributed to other bodies, in compliance with the rules and standards of good banking practice.
2. Without prejudice to the established in these Articles of Association (including the powers of the General and Supervisory Board to consent to certain decisions of the Executive Board of Directors (as set forth in these Articles of Association, including the subsections of article 15, no. 5 above, in accordance with article 442 of the Portugueses Companies Code) and in the law, the Executive Board of Directors is responsible in particular for:
  - a) Managing the Bank, carrying out, in its name and on its behalf, all acts and operations permitted by law;
  - b) Acquiring, encumbering or selling any rights or assets, both movable and immovable assets, whenever deemed to be in the interest of the Bank;
  - c) Deciding on the acquisition of stock shares and membership interests in all types of companies and partnerships, whatever their purpose and even if subject to special laws;
  - d) Mobilising financial resources and carrying out all credit operations not prohibited by law;
  - e) Resolving on the issuance of covered bonds and proposing the issuance of shares, bonds and other securities, according with the law and these Articles of Association, establishing its conditions, as well as carrying out all operations permitted by law, respecting any limits set by the General Meeting or by the General and Supervisory Board, as well as powers to amend the terms and conditions of issuances of bonds and financial instruments issued, including extension of maturity, and the exercise of call options or early redemption of securities that are not considered as regulatory capital;

- f) Hiring the Bank's employees, setting their salaries, social benefits and other benefits, and exercising management and disciplinary powers;
  - g) Appointing attorneys, with or without the power to sub-delegate, to carry out specific acts or categories of acts, and defining the extent of the respective powers;
  - h) Representing the Bank in and out of court, as plaintiff or defendant, with the power to take on obligations, institute and pursue lawsuits, desist from or settle legal actions both in or outside court, engage in arbitrations and sign affidavits;
  - i) Delegating, to any one or more of its members, management and representation powers, for isolated acts or for categories of acts;
  - j) Establishing the organization and the work methods of the Bank, preparing regulations and determining the instructions it may deem convenient;
  - k) Preparing the provisional documents concerning the activity of the Bank and the corresponding execution reports, as well as all financial statements;
  - l) Closely cooperating with all the other governance bodies of the Bank, in particular with the General and Supervisory Board, in light of good corporate governance practices;
  - m) Complying and ensuring compliance with the applicable legal provisions and applicable provisions of the Articles of Association, as well as with the resolutions of the General Meeting;
  - n) Establishing all applicable internal policies;
  - o) Appointing one Secretary of Novo Banco and one Alternate Secretary;
  - p) Relocating the Bank's registered office to any other place within the national territory
3. In addition to the Chairman of the General and Supervisory Board and the members of the Financial Affairs Committee who are entitled to attend meetings of the Executive Board of Directors as a matter of applicable law, to the extent set forth or otherwise permitted by applicable law, the Executive Board of Directors shall:
- a) Permit such member(s) of the General and Supervisory Board as the General and Supervisory Board may determine from time to time (the "Observer(s)") to attend and speak (but not vote) at all meetings of the Executive Board of Directors (and its committees) from time to time. For this purpose, the Executive Board of Directors shall provide the Observer(s) with the same notice, documents (including minutes) and information concerning each meeting of the Executive Board of Directors as the members of the Executive Board of Directors receive and shall provide the Observer(s) with the option to attend and speak at meetings of the Executive Board of Directors by telephone if they are not able to attend in person; and



- b) Promptly procure that there is prepared and provided to the General and Supervisory Board such documents, reports and other information concerning the Bank and/or its subsidiaries as the General and Supervisory Board may request from time to time.
4. The Executive Board of Directors will put in place, appoint the respective members and agree on the organizational rules of, inter alia, a Credit Committee and may approve the creation of additional committees, defining their powers and duties.

**Article 23**  
**(Binding)**

1. The Bank shall be bound before third parties by the signature of:
- a) Two members of the Executive Board of Directors;
  - b) One member of the Executive Board of Directors on whom powers for the act have been delegated, within the limits set in the respective delegation of powers by the Executive Board of Directors;
  - c) One or more authorised attorneys, within the limits set in the respective proxy;
  - d) Two members of the General and Supervisory Board, where the law prescribes that the members of the General and Supervisory Board may exercise powers to represent the Bank.
  - e) One member of the Executive Board of Directors and one attorney of the Bank, to whom the powers have been delegated and within the limits set.
2. Regarding the day-to-day management, the Bank shall be bound by the signature of any member of the Executive Board of Directors or of an attorney with sufficient powers.

**SECTION V – Statutory Auditor**

**Article 24**  
**(Appointment and Functions)**

- 1. The Statutory Auditor of the Bank and its substitute are elected by the General Meeting, under proposal of the General and Supervisory Board.
- 2. The Statutory Auditor shall exercise the functions foreseen by law and in the Articles of Association, and may also be heard on any matters, at the request of the Chairman of the General and Supervisory Board or of the Chairman of the Executive Board of Directors.
- 3. The Statutory Auditor shall make such inquiries and undertake such examinations as deemed necessary to review and certify the accounts.
- 4. Considering the maximum period legally foreseen for the exercise of the functions of the

statutory auditor, the General Meeting, under the proposal of the General and Supervisory Board, may decide to appoint the statutory auditor for a minimum of two years up to a maximum of four years terms of office. Subject to the limits legally established, the statutory auditor may be re-elected one or more times for mandates of different or identical duration.

## **SECTION VI – Company Secretary**

### **Article 25**

#### **(Appointment and Functions)**

1. Novo Banco shall have a Secretary and an Alternate Secretary, to be appointed in accordance with Article 15, subsection 5 (j) and Article 22, subsection 2 (o).
2. The term of office of the Secretary shall coincide with that of the Executive Board of Directors.

## **CHAPTER IV**

### **PROFITS**

#### **Article 26**

#### **(Financial Year and Appropriations of Profits)**

1. The financial year shall coincide with the calendar year.
2. The net income returned for the financial year shall be appropriated as determined at the General Meeting, following deduction of the sums that special law requires to be set aside to constitute or increase reserve and guarantee funds.
3. The General Meeting may freely adopt resolutions by simple majority in matters concerning the appropriation of the net income for the financial year, without being subject to any minimum distribution of the yearly profits.
4. The General Meeting may set a percentage of net income to be distributed among the employees, the Executive Board of Directors being responsible for the criteria of such distribution.
5. Throughout each year the Bank may distribute interim dividends to its shareholders, always in compliance with the applicable law, notably the requisites set forth by Article 297 of the Portuguese Code of Companies, as amended from time to time.
6. Distributions other than in cash are authorised provided that such payment complies with the conditions established by applicable laws and regulations.

**CHAPTER V**  
**GENERAL PROVISIONS**

**Article 27**  
**(Winding-up)**

The Bank shall be wound up in those cases foreseen by law or by means of a resolution of the General Meeting, adopted by a qualified majority of 2/3 of the votes representing the subscribed share capital, following compliance with legal requirements.

**Article 28**  
**(Arbitration)**

In case of conflict between the Bank and one or more of the members of its corporate bodies, such conflict shall be resolved by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce, by one or more arbitrators appointed in accordance with said Rules.

\*\*\*