

COMMON REPRESENTATIVE APPOINTMENT AGREEMENT

NOVO BANCO, S.A.
as Issuer

and

BONDHOLDERS, S.L.
as Common Representative

in relation to a

€10,000,000,000.00
Conditional pass-through Covered Bonds Programme

THIS AGREEMENT is made on 23 October 2020.

BETWEEN:

- (1) **NOVO BANCO, S.A.**, a limited liability company (*sociedade anónima*), with its corporate seat at Avenida da Liberdade, no. 195, 1250-142 Lisbon, registered with the Commercial Registry Office with the single commercial and tax identification number 513 204 016, and a share capital of €5,900,000,000.00 (the “**Issuer**”);
- (2) **BONDHOLDERS, S.L.**, with its registered office at Avenida De Francia 17, A, 1, 46023 Valencia (Spain), registered in the Commercial Registry of Valencia with the number B98604986, and a share capital of €19,196.00 (the “**Common Representative**” which expression includes any additional or successor common representative appointed from time to time pursuant to this Agreement).

WHEREAS:

- (A) The Issuer has entered into a Programme Agreement (as defined below) dated 5 October 2015, as amended and restated on 18 July 2019 and as amended and restated on 28 September 2020 (the “**Programme Agreement**”) with the Dealers named therein, pursuant to which the Issuer may issue conditional pass-through covered bonds (as defined below) in an aggregate nominal amount of up to €10,000,000,000.00 (or its equivalent in other currencies).
- (B) The Covered Bonds Law (as defined below) requires that the common representative be an entity authorized to perform investor representation services in a Member State of the European Union. Under the terms of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2019/C 384 I/01), the United Kingdom is, since 1 February 2020, no longer a Member State of the European Union. However, during a transition period which will last until 31 December 2020, most EU rules and regulations will continue to apply in the United Kingdom. In this context, at the end of the abovementioned transition period, the initial common representative will no longer qualify under the Covered Bonds Law to act as the common representative of the holders of the Covered Bonds. Therefore, it is necessary to convene meeting(s) of the holders of the currently outstanding Covered Bonds to replace the initial common representative. As a consequence, it is intended to appoint BONDHOLDERS, S.L. to act as the Common Representative under the Programme, subject to its appointment in the aforementioned meeting(s) of holders of the currently outstanding Covered Bonds.
- (C) The Common Representative has agreed to act as common representative of the holders of Covered Bonds in accordance with the terms and conditions of the Covered Bonds and the provisions of this Agreement. Any Covered Bonds issued under the Programme on or after the date hereof shall be issued pursuant to this Agreement and any Covered Bonds outstanding for which the Common Representative has been appointed as common representative by the holders of the Covered Bonds shall be governed by this Agreement. This Common Representative Appointment Agreement does not affect any Covered Bonds issued under the Programme prior to the date hereof, except to the extent the Common Representative has been appointed by the holders of such Covered

Bonds issued under the Programme prior to the date hereof as common representative of the respective holders.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Words and expressions defined in the Base Prospectus, the Programme Agreement, the Terms and Conditions or used in the applicable Final Terms (all terms as defined below) shall have the same meanings in this Agreement, except where the context requires otherwise or unless otherwise stated.

For the purposes of this Agreement:

“**Base Prospectus**” means the base prospectus, as revised, supplemented, amended or replaced from time to time by the Issuer, prepared in connection with the Programme;

“**Covered Bond**” means any conditional pass-through mortgage 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 Law**” means the Portuguese legal framework applicable to the issuance of covered bonds, enacted by Decree-law no. 59/2006, of 20 March 2006, as amended from time to time;

“**Euronext Dublin**” means the Irish Stock Exchange plc trading as Euronext Dublin;

“**Final Terms**” means the final terms issued in relation to each Tranche of Covered Bonds (substantially in the form of Annex B to the Procedures Memorandum) and giving details of that Tranche and, in relation to any particular Tranche of Covered Bonds, applicable Final Terms means the Final Terms applicable to that Tranche;

“**Liabilities**” means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any VAT or other taxes charged or chargeable in respect of any of the sums referred to in this definition;

“**Programme**” means the €10,000,000,000.00 Conditional pass-through Covered Bonds Programme established for the issuance of Covered Bonds by the Issuer as described in the Base Prospectus;

“**Programme Agreement**” means the agreement, dated 5 October 2015 entered into between the Issuer, the Arranger and the Dealers named therein, as amended and restated on 18 July 2019 and as amended and restated on 28 September 2020 and as may be amended from time to time;

“**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;

“**Voter**” means, in relation to any meeting of the holders of Covered Bonds, the bearer of a Voting Certificate or a proxy; and

“**Written Resolution**” means a unanimous resolution in writing signed by or on behalf of all holders of Covered Bonds of the relevant Series then outstanding, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Covered Bonds.

- 1.2 In this Agreement, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement.
- 1.3 All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted.
- 1.4 All references in this Agreement to an agreement, instrument or other document shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied, supplemented, replaced or novated from time to time.
- 1.5 All references in this Agreement to either Interbolsa or Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include references to any additional or alternative clearing system approved by the Issuer and the Agent.
- 1.6 All references in this Agreement to any party to this Agreement or to any other Programme Document shall be deemed to include reference to any subsequent successor and permitted transferee and to any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under this Agreement or such other Programme Document.
- 1.7 As used herein, in relation to any Covered Bonds which are to have a “listing” or to be “listed” (i) on Euronext Dublin, “listing” and “listed” shall be construed to mean that such Covered Bonds have been admitted to the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin and (ii) on any other Stock Exchange in a jurisdiction within the European Economic Area, “listing” and “listed” shall be construed to mean that the Covered Bonds have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended from time to time).
- 1.8 All references in this Agreement to a Directive include any relevant implementing measure of each Member State of the European Economic Area which has implemented such Directive.
- 1.9 Unless stated otherwise elsewhere, until the end of the transition period under the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, references in this Agreement to the European Union and European Economic Area shall include the United Kingdom, and Member State is to be interpreted accordingly.

2. THE COMMON REPRESENTATIVE

2.1 *Appointment:* Subject to the appointment of Bondholders, S.L. as the common representative of the holders of the outstanding covered bonds issued under the Programme until 31 December 2020 and further to the Issuer's Board resolution of 16 September 2020, Bondholders, S.L. is appointed and hereby accepts to act as representative of the holders of the Covered Bonds issued from time to time by the Issuer, pursuant to Article 14 of the Covered Bonds Law and in accordance with the terms and conditions of the Covered Bonds and the provisions of this Agreement. For the avoidance of doubt, if Bondholders, S.L. has not been appointed as the common representative of the holders of the outstanding Covered Bonds issued under the Programme until 31 December 2020, this Agreement shall be automatically terminated.

2.2 *Powers:* Without limitation, the Common Representative shall have the power to:

- (a) exercise in name and on behalf of the holders of Covered Bonds from time to time outstanding all the rights, powers, authorities and discretions vested in the holders of Covered Bonds (in its capacity as the common representative of the holders of Covered Bonds pursuant to Article 14 of the Covered Bonds Law) by law, under this Agreement, or under the terms of the Terms and Conditions of the Covered Bonds or under any other Programme Document;
- (b) represent the holders of Covered Bonds in court in any kind of legal proceeding; and
- (c) implement the Resolutions of the meeting of the holders of Covered Bonds or any Written Resolution, including any Resolution deciding on the early redemption of the Covered Bonds.

2.3 The Common Representative represents and warrants that it complies with the eligibility criteria foreseen in the Covered Bond Law and the Portuguese Companies Code and shall exercise all its rights, powers, authorities and discretions and shall perform all of its obligations hereunder in accordance with the terms of this Agreement, the Terms and Conditions, the Covered Bonds Law the Portuguese Companies Code, and any other applicable laws or regulations.

2.4 *Meetings:* Subject to subclause 2.5 below, in the exercise of all its rights, powers, authorities and discretions and the performance of all of its obligations hereunder, under the Terms and Conditions and under the Covered Bonds Law, the Common Representative:

- (i) may in any circumstances convene a meeting of the holders of the Covered Bonds of any relevant series to:
 - (1) request instructions as to such exercise or performance or to request any clarification in relation to any instruction previously received; and

- (2) request to be provided with all means (including sufficient funds or any other appropriate financial indemnity or security) which, in its sole opinion (acting reasonably), are required to exercise such rights, powers, authorities and discretions or to perform such obligations;

and shall be entitled not to take any actions until (a) properly instructed by a Written Resolution or Resolution of the relevant holders of Covered Bonds, except in the situations not foreseen in clause 6.1(k) (“**Material Prejudice**”), and (b) provided with any such necessary financial or other means, and shall not be liable to any holder of Covered Bonds, to the Issuer or to any other person for any delay resulting from obtaining such instructions and/or means;

- (ii) shall act in accordance with any instructions contained in a Written Resolution or a Resolution validly passed by the holders of Covered Bonds of any relevant Series, provided that it has been provided with all means (including sufficient funds or any other appropriate financial indemnity or security) which, in its sole opinion (acting reasonably), are required to implement such Written Resolution or Resolution; and
- (iii) is under no obligation to act unless and until it has received instructions from the holders of the Covered Bonds (whether or not such instructions were requested by it and whether or not urgent action is required).

2.5 *Illegality*: Notwithstanding anything else contained in this Agreement, the Terms and Conditions or the other Programme Documents, the Common Representative may refrain from:

- (i) doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person and may do anything which is, in its opinion (acting reasonably), necessary to comply with any such law, directive or regulation; and
- (ii) taking any action in the name and on behalf of the holders of the Covered Bonds or exercising any rights, powers, authorities and discretions vested in it under this Agreement, the Terms and Conditions or under the Covered Bonds Law which would require the Common Representative to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder, under the Terms and Conditions and under the Covered Bonds Law (a) if it has not been provided with the necessary sufficient funds therefore or (b) if it has grounds to believe that the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it, and the Common Representative shall not be liable to any holder of Covered Bonds, the Issuer or any other person for doing so.

2.6 *Action on an invalid resolution*: Should the Common Representative be sued by any holder of Covered Bonds or any other person in an action brought to invalidate or to set aside a Resolution or Written Resolution pursuant to Article 356 of the Portuguese Companies Code, it should be under no obligation to take any action to defend such suit or otherwise unless and until it is instructed so to do by a

Resolution or Written Resolution of the holders of the Covered Bonds of the relevant Series and provided it is also indemnified and/or secured to its satisfaction.

- 2.7 *Holders of the Covered Bonds:* Whilst the Covered Bonds are held through Interbolsa, any reference in this Agreement and in the Terms and Conditions to the “holder” of a Covered Bond is to the owners of the Covered Bonds as specified in the individual securities ownership accounts held with any Interbolsa Participant and includes the beneficial owners of those Covered Bonds as specified in the accounts with Euroclear or Clearstream, Luxembourg holding their interest through any Interbolsa Participant.
- 2.8 *Common Representative Appointment Agreement is part of the Terms and Conditions:* Pursuant to and in accordance with Article 14.4 of the Covered Bonds Law this Agreement forms part of the Terms and Conditions.

3. REPRESENTATIONS AND COVENANTS UNDER THE PROGRAMME DOCUMENTS

- 3.1 *Representations and Warranties:* The Issuer gives certain representations and warranties to the holders of the Covered Bonds and to the Common Representative (in its capacity as common representative of the holders of Covered Bonds) on the terms set out in clause 4 of the Programme Agreement with reference to the “Dealers” being understood as references to the holders of the Covered Bonds and/or to the Common Representative (as the case may be).
- 3.2 *Covenants:* The Issuer covenants with the Common Representative (in its capacity as common representative of the holders of Covered Bonds) on the terms set out in clause 5 of the Programme Agreement with references to the “Dealers” being understood as references to the holders of Covered Bonds and/or to the Common Representative (as the case may be) and agrees to comply with those provisions of the Terms and Conditions and the other Programme Documents that are expressed to be binding on it and to perform and observe the same.

4. ENTITLEMENT TO TREAT HOLDER AS OWNER

- 4.1 *Deemed absolute owner:* The Issuer, the Common Representative, the Agent and any Paying Agent may deem and treat the holder of any valid certificate issued pursuant to Article 78 of the Portuguese Securities Code by an Interbolsa Participant as the absolute owner of such Covered Bond (whether or not such Covered Bond shall be overdue) for all purposes. Except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Common Representative, the Agent and the Paying Agents shall not be affected by any notice to the contrary and shall make payments thereon accordingly.
- 4.2 *Payments valid:* All payments made to a holder of any Covered Bond treated as an owner of such Covered Bonds in accordance with clause 4.1 shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the monies payable upon the Covered Bonds.

5. DELIVERY OF AN ACCELERATION NOTICE AND PROCEEDINGS

- 5.1 *Acceleration Notice*: The circumstances in which the Common Representative shall deliver an Acceleration Notice, the conditions applicable to delivery of an Acceleration Notice and the consequences of delivery of an Acceleration Notice are set out in Condition 9 in the Terms and Conditions.
- 5.2 *Proceedings*: The circumstances in which the Common Representative may initiate proceedings to enforce (i) its rights in its capacity as common representative of the holders of Covered Bonds pursuant to Article 14 of the Covered Bonds Law and under this Agreement and/or (ii) the rights of the holders of the Covered Bonds in respect of the Covered Bonds and under the other Programme Documents are set out in Condition 9.2 in the Terms and Conditions.
- 5.3 *Directions to the Common Representative*: Subject to clause 2 above, the Common Representative shall be bound to act or shall not be bound to act in accordance with directions from the holders of Covered Bonds in accordance with the provisions of Condition 9.2 in the Terms and Conditions.
- 5.4 *No action by holders of Covered Bonds*: The Common Representative shall be entitled to act as provided in Condition 9 in the Terms and Conditions and the holders of Covered Bonds shall have their rights to act limited in accordance with the provisions of such Condition.

6. RIGHTS OF THE COMMON REPRESENTATIVE

6.1 Reliance on information

- (a) *Advice*: The Common Representative may seek and may act on the opinion or advice of, or a certificate or any information obtained from, any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert of good standing and reputation (whether obtained by or addressed to the Common Representative, the Issuer, the Agent or a Paying Agent) and for the purposes of bringing or defending any action it can instruct any reputable law firm authorised to practice in the relevant jurisdiction and shall not be responsible (subject to the terms set out in clause 6.6 of this Agreement) for any liabilities resulting from it so acting, provided that the Common Representative has used reasonable care in the selection of the before mentioned entities.
- (b) *Transmission of Advice*: Any opinion, advice, certificate or information referred to in subclause 6.1(a) above may be sent or obtained by letter, e-mail or fax transmission and the Common Representative shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic, unless such error or non-authenticity is, in the opinion of the Common Representative (acting reasonably), manifest.
- (c) *Certificate of Directors or Authorised Signatories*: The Common Representative may call for (on reasonable grounds), and shall be at liberty to accept (on reasonable grounds), a certificate signed by two directors

and/or two authorised signatories of the Issuer or of any party to any Programme Document (or other person duly authorised on its behalf):

- (i) as to any fact or matter *prima facie* within the knowledge of the Issuer; and
- (ii) to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, reasonably necessary to the Issuer,

as sufficient evidence that such is the case, and the Common Representative shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by its failure to do so and in any event (without limitation) shall be entitled to assume the truth and accuracy of any such certificate without being required to make any further investigation in respect thereof.

- (d) *Resolution or direction of holders of Covered Bonds:* The Common Representative shall not be responsible for acting upon (i) any Written Resolution or (ii) any resolution purporting to be a Resolution passed at any meeting of holders of Covered Bonds in respect of which minutes have been made and signed or (iii) a direction or request of the required percentage of holders of Covered Bonds, even though it may subsequently be found that there was some defect in the calling of the meeting of holders of Covered Bonds or that for any reason the Resolution purporting to have been passed at any meeting of holders of Covered Bonds or Written Resolution was not valid or binding upon the holders of Covered Bonds.
- (e) *Reliance on certification of clearing system:* The Common Representative may call for and shall be at liberty to accept and place full reliance on the facts stated in a certificate or letter of confirmation purporting to be signed on behalf of either Interbolsa, Euroclear, Clearstream, Luxembourg or any other relevant clearing system in relation to any matter, and the Common Representative shall not be liable to the Issuer or any holder of Covered Bonds by reason only of such acceptance or reliance.
- (f) *Certificates of other parties:* The Common Representative shall be entitled to call for and rely upon a certificate, reasonably believed by it to be genuine, of:
 - (i) any of the parties to the Programme Documents, in respect of every matter and circumstance for which a certificate is expressly provided for under this Agreement, the Terms and Conditions or the other Programme Documents;
 - (ii) the Cover Pool Monitor as to the compliance by the Issuer of the requirements established in the Covered Bonds Law in relation to the Cover Pool;
 - (iii) the Auditor(s) or, if applicable, the liquidator (if any) of the Issuer as to the amounts to be paid to the holders of Covered Bonds; and

- (iv) the Issuer, as to the Issuer having sufficient funds to make an optional redemption under the Terms and Conditions,

as sufficient evidence thereof, and the Common Representative shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failing to do so.

- (g) *Covered Bonds purchased, redeemed or held by or for the benefit of the Issuer:* In the absence of knowledge or express notice to the contrary, the Common Representative may assume without enquiry (other than requesting a certificate of the Issuer) that no Covered Bonds have been purchased or redeemed, or are otherwise for the time being held by or for the benefit of the Issuer.
- (h) *Common Representative not responsible for investigations:* The Common Representative shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Agreement, the other Programme Documents, the Covered Bonds or any other agreement or document relating to the transactions herein or therein contemplated or any document received from the Issuer (including pursuant to Article 359(1) of the Portuguese Companies Code) or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof and shall assume the accuracy and correctness thereof, nor shall the Common Representative, by execution of this Agreement or any other Programme Document, be deemed to make any representation as to the validity, sufficiency or enforceability of either the whole or any part of this Agreement or any other Programme Document.
- (i) *Information:* except where otherwise expressly provided for in the Programme Documents, any information provided to the Common Representative under the terms of this Agreement, the Programme Documents and Article 359.1(d) of Portuguese Companies Code shall be considered as received for information purposes only and, accordingly, the Common Representative is not and will not be expected to routinely review or monitor such information, subject to its duty to comply with the mandatory provisions of Portuguese Law.
- (j) *Cover Pool Monitor and Servicing:* the Common Representative has no obligation to monitor or supervise the Cover Pool Monitor or to appoint any substitute to a Cover Pool Monitor and, after the delivery of an Acceleration Notice, has no obligation to assume the role or the responsibilities of the Substitute Credit Institution that may be appointed pursuant to Article 5(3) of the Covered Bonds Law to manage and liquidate the receivables of the Cover Pool.
- (k) *Material Prejudice:* 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.

- (1) *Modification and Waiver:* The Common Representative may concur with the Issuer and the other parties to the Programme Documents to a correction or modification to such Programme Documents or waive or authorise any breach or proposed breach of any Programme Document in the name and on behalf of the holders of the Covered Bonds provided that any such modification, waiver or authorisation (i) has been approved by a Resolution or Written Resolution of the holders of the Covered Bonds of the relevant Series; (ii) is, in the opinion of the Common Representative (acting reasonably), of a formal, minor or technical nature; (iii) is, in the opinion of the Common Representative (acting reasonably), made to correct a manifest error, or (iv) is, in the opinion of the Common Representative (acting reasonably), not materially prejudicial to the interests of the holders of the Covered Bonds of any Series.

6.2 Common Representative's powers and duties

- (a) *Insolvency Event:* The Common Representative shall not be bound to give notice to any person of the execution of this Agreement or the other Programme Documents or to take any steps to ascertain whether any Insolvency Event or a default under the other Programme Documents has occurred and, until it shall have actual knowledge or express notice to the contrary, the Common Representative shall be entitled to assume that no Insolvency Event or a default under the Programme Documents has occurred and that the Issuer is observing and performing all the obligations on its part contained in the Covered Bonds, the other Programme Documents and under this Agreement and no event has occurred as a consequence of which any of the Covered Bonds may become repayable.
- (b) *Consideration of the interests of the holders of Covered Bonds:* In the exercise of its rights, powers, authorities and discretions under the Terms and Conditions, this Agreement and any other Programme Document or under the law, the Common Representative will have regard to the interests of the holders of Covered Bonds of any Series as a class and will not be obliged to have regard nor will be responsible for any consequence for individual holders of Covered Bonds, in particular as a result of such holders being connected in any way with a particular territory or the taxing jurisdiction of any authority. Whenever the Terms and Conditions, this Agreement or any other Programme Document or the Final Terms of any Series of Covered Bonds give the Common Representative a right to take any action or to omit to take any action where it determines that a particular matter is or is not materially prejudicial to the interests of the holders of Covered Bonds of any given Series, in determining whether any matter is or is not materially prejudicial to the interests of the holders of Covered Bonds of any Series, the Common Representative shall be entitled to assume that the matter will not be materially prejudicial to the interests of the holders of Covered Bonds of any given Series if it does not adversely affect the rating of the Covered Bonds of such Series then outstanding.

- (c) *Common Representative's discretion:* Save as expressly otherwise provided herein or in the other Programme Documents, the Common Representative shall have absolute discretion as to the exercise or non-exercise as regards all the powers, authorities and discretions vested in it by this Agreement, the other Programme Documents or by operation of law subject to its compliance with the mandatory provisions of law and the obligations under this Agreement. The Common Representative shall not be responsible for any liability that may result from the exercise or non-exercise of any discretion vested in it by this Agreement, the Terms and Conditions, the Programme Documents or the law. Whenever the Common Representative is, under the provisions of this Agreement or the other Programme Documents, bound to act at the request or direction of the holders of Covered Bonds or upon a Written Resolution or a Resolution passed at a meeting of the holders of the Covered Bonds, the Common Representative shall nevertheless not be so bound, unless first indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all Liabilities which it may incur by so doing.
- (d) *Common Representative's consent:* Any consent given by the Common Representative for the purposes of this Agreement, the Covered Bonds and the other Programme Documents may be given on such terms and subject to such conditions (if any) as the Common Representative may require in its absolute discretion and may be given retrospectively.
- (e) *Application of proceeds:* The Common Representative shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Covered Bonds.
- (f) *No obligation to monitor performance:* The Common Representative shall be under no obligation to monitor or supervise the performance by the Issuer or any other party to any Programme Document of its respective obligations under the Programme Documents or under the Covered Bonds or any other Programme Document and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.
- (g) *Maintenance of Rating:* The Common Representative shall not be responsible for the maintenance of any ratings attributed to any Series of Covered Bonds.
- (h) *Determination of questions:* The Common Representative as between itself and the holders of Covered Bonds (if any) shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Agreement and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Common Representative, shall be conclusive and shall bind the Common Representative, the holders of the Covered Bonds (if any).
- (i) *Replacement of Transaction Parties:* The Common Representative shall have no obligation to take any action to terminate the appointment of, or

to identify a replacement for, any of the parties to any of the Programme Documents.

6.3 Financial matters

- (a) *Expenditure by the Common Representative:* The Common Representative may refrain from taking any action or exercising any right, power, authority or discretion vested in it under this Agreement, any other Programme Document or from taking any action on behalf of the holders of Covered Bonds until it has been indemnified and/or secured to its satisfaction against any and all liabilities which might be brought, made or conferred against or suffered, incurred or sustained by it as a result (which may include payment on account). Nothing contained in this Agreement or the other Programme Documents shall require the Common Representative to expend or risk its own funds or otherwise incur any Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;
- (b) *Deductions and withholdings:* Notwithstanding anything contained in this Agreement, to the extent required by applicable law, if the Common Representative is required to make any deduction or withholding from any distribution or payment made by it under this Agreement (other than in connection with its remuneration as provided for herein) or if the Common Representative is otherwise charged to, or may become liable to, tax as a consequence of performing its duties under this Agreement or the other Programme Documents, then the Common Representative shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Common Representative to tax from the funds held by the Common Representative on the terms of this Agreement.
- (c) *Holder of Covered Bonds appraisal of financial condition:* Each holder of Covered Bonds shall be solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, affairs, status and nature of the Issuer and the Common Representative shall not at any time have any responsibility for any such appraisal or investigation and no holder of Covered Bonds shall rely on the Common Representative in respect thereof.

6.4 Matters relating to the Cover Pool

- (a) *Reliance on title to the Cover Pool:* The Common Representative may accept without investigation or objection such right and title as the Issuer may have to any of the Cover Pool and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Cover Pool whether such defect or failure was known to the Common Representative or might have been

discovered upon examination or enquiry and whether capable of remedy or not.

- (b) *Adequacy and compliance of the Cover Pool:* The Common Representative shall not be responsible for any unsuitability, inadequacy or unfitness of the Cover Pool to comply with the requirements set forth in the Covered Bonds Law or to meet the obligations of the Issuer under the Covered Bonds and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of the Cover Pool to comply with the requirements set forth in the Covered Bonds Law or to meet the obligations of the Issuer under the Covered Bonds.
- (c) *Monitoring:* The Common Representative shall not be responsible for investigating, monitoring or supervising the observance or performance by any person in respect of the Cover Pool.
- (d) *Insurance:* Without prejudice to the provisions of any Programme Document relating to insurance, the Common Representative shall not be under any obligation to insure any of the assets comprised in the Cover Pool or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any liability which may be suffered by any person as a result of the lack of or inadequacy of any such insurance.

6.5 Other rights

- (a) *Common Representative may enter into financial transactions:* The Common Representative shall not, by reason of the representative position assumed hereunder, be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any person or corporate body directly or indirectly associated with the Issuer or any other person, or from accepting the position of Common Representative of any other securities of the Issuer or such other party or any person or corporate body directly or indirectly associated with the Issuer or such other person. The Common Representative shall not be accountable to the holders of Covered Bonds, the Issuer, any person or body corporate directly or indirectly associated with the Issuer or any such other party to a Programme Document for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Common Representative shall be at liberty to retain the same for its or his own benefit;
- (b) *Agents:* To the extent permitted by applicable laws, the Common Representative may, in exercising the powers granted pursuant to this Agreement, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Common Representative (including the receipt and payment of money) without prejudice of any liability of the Common Representative for the compliance with this Agreement and the Covered Bonds Law and of the

obligation to supervise the proceedings or acts of any such agent. For the sake of clarity, any fees or other costs properly incurred arising from employing any such agent shall be borne by the Common Representative.

- (c) *Delegation:* To the extent permitted by applicable laws, the Common Representative may, in the execution and exercise of all or any of the powers, authorities and discretions vested in it by this Agreement, the Terms and Conditions or any other Programme Document, act by responsible officers or a responsible officer for the time being of the Common Representative and the Common Representative may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons all or any of the powers, authorities and discretions vested in it by the Programme Documents. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Common Representative) as the Common Representative may think fit in the interests of the holders of Covered Bonds and will be without prejudice of any liability of the Common Representative for the compliance with this Agreement and the Covered Bonds Law and of the obligation to supervise the proceedings or acts of any such delegate or sub-delegate. For the sake of clarity, any fees or other costs properly incurred arising from any such delegation (or sub-delegation) shall be borne by the Common Representative.

6.6 Common Representative liability

Notwithstanding anything to the contrary in the Programme Documents or in the law, the Common Representative shall not be liable to any person for any matter or thing done or omitted to be done in any way in connection with or in relation to the Programme Documents save in relation to its own negligence (“*negligência*”), wilful default (“*dolo*”) or fraud (“*fraude*”) in the performance of its duties. Nothing in this clause shall have the Common Representative liable for minor errors (arithmetical, operational, among others) that are not essential to the performance of its services as Common Representative or, being essential, the Common Representative makes its best efforts to correct them.

7. REMUNERATION

7.1 *Normal Remuneration:* Subject to Clause 2.1, the Issuer shall pay to the Common Representative, if so agreed between the Issuer and the Common Representative, a remuneration for its services as Common Representative, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Common Representative. Any payments in respect of remuneration made by the Issuer or by a Substitute Credit Institution to the Common Representative will be made using the Cover Pool. For the avoidance of doubt, any remuneration or fees set forth in this Agreement shall only be due and payable as from the date on which Bondholders, S.L. is appointed as the common representative of the holders of the outstanding covered bonds issued under the Programme.

7.2 *Extra Remuneration:* In the event of the occurrence of an Insolvency Event or the Common Representative considering it expedient or necessary or being requested by the Issuer (or, if applicable, by any Substitute Credit Institution) to undertake

duties which the Common Representative and the Issuer (or, if applicable, any Substitute Credit Institution) agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Common Representative under this Agreement, the Issuer (or if applicable, any such Substitute Credit Institution) shall pay to the Common Representative such additional remuneration as shall be agreed between them.

7.3 *Failure to agree:* In the event of the Common Representative and the Issuer failing to agree:

- (a) under subclause 7.1, upon the amount of the remuneration; or
- (b) under subclause 7.2, upon whether duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Common Representative under this Agreement or upon any consequent additional remuneration,

such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Common Representative and approved by the Issuer or, failing such approval, nominated (on the application of the Common Representative) by an independent accountant, being a partner in the Lisbon office of a major international accounting firm (the expenses involved in such nomination and the fees of such investment bank being payable by the Issuer) and the determination of any such investment bank shall be final and binding upon the Common Representative and the Issuer.

7.4 *Expenses:* Save as otherwise agreed between the Parties or as otherwise set forth in this Agreement or in the Schedules hereto, the Issuer shall also pay or discharge, on demand, all costs, charges and expenses documented and properly incurred by the Common Representative in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Agreement, the Terms and Conditions and the other Programme Documents, including but not limited to reasonable legal expenses, expenses pertaining to the translation of documents into English language and their disclosure to the holders of the Covered Bonds, expenses due to or connected with the attendance of shareholders meetings, and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Common Representative in connection with any action taken or contemplated by or on behalf of the Common Representative for enforcing, or reasonable expenses incurred in order to resolve any doubt concerning, or for any other purpose in relation to, this Agreement, the Terms and Conditions or the other Programme Documents. To the extent that any information, communication or notice provided to the Common Representative is not in English, or English translations thereof have not been provided, the Common Representative shall be entitled to obtain translation thereof, the cost of such translation to be borne by the Issuer.

7.5 *Indemnity:* The Issuer covenants with and undertakes to the Common Representative to indemnify the Common Representative on demand against any Liabilities which are properly incurred in the exercise of its role (other than those Liabilities which have resulted from the Common Representative's liability in the performance of its duties on the terms set out in clause 6.6 of this Agreement) and are duly documented by the Common Representative or any other person appointed by the Common Representative under this Agreement to whom any power, authority or discretion may be delegated by the Common Representative in the execution, or

the purported execution, of the powers, authorities and discretions vested in it by this Agreement, in, or in connection with:

- (a) the performance of the terms of this Agreement;
- (b) anything done by the Common Representative (or any other person appointed by the Common Representative) under this Agreement, the Terms and Conditions or any other Programme Document;
- (c) the exercise or attempted exercise by or on the behalf of the Common Representative (or any other person appointed by the Common Representative) of any of the powers of the Common Representative or any other action taken by or on behalf of the Common Representative with a view to or in connection with enforcing any obligations of the Issuer under this Agreement, the Terms and Conditions or any other Programme Document.

7.6 Payment of amounts due: All amounts due and payable pursuant to Clauses 7.4 (*Expenses*) and 7.8 (*Priority of Indemnity*) shall be payable by the Issuer on the date specified in a demand by the Common Representative, such demand not to be unreasonably withheld or delayed.

7.7 Discharges: Unless otherwise specifically stated in any discharge of this Agreement, the provisions of Clause 7 (*Remuneration*) shall continue in full force and effect notwithstanding such discharge and whether or not the Common Representative is then the Common Representative of this Agreement.

7.8 Priority of Indemnity: Pursuant to Article 14.6 of the Covered Bonds Law, the Common Representative shall also benefit from the special creditor's privilege over the Cover Pool in respect of all payments due under subclauses 7.1 to 7.6. If the funds comprised in the Cover Pool are insufficient to meet all the payments due to the Common Representative under subclauses 7.1 to 7.6, the Issuer shall in any event be liable to make such payments and the Common Representative will have recourse against the Issuer in relation to any such payments.

8. APPOINTMENT OF A COMMON REPRESENTATIVE

In accordance with Article 14.5 of the Covered Bonds Law, the power of appointing a new common representative shall be vested in the holders of Covered Bonds and no person shall be appointed who shall not previously have been approved by a Resolution or Written Resolution of the holders of Covered Bonds. The holders of Covered Bonds may at any time, by means of a Resolution or Written Resolution, remove the Common Representative with cause and appoint a new common representative in accordance with this clause and the applicable laws. The removal of any Common Representative shall not become effective unless there shall be a Common Representative hereof in office after such removal. Without prejudice to the possibility of substitution or replacement, only one person or entity may hold office as Common Representative under this Agreement at any one time.

9. NOTICE OF A NEW COMMON REPRESENTATIVE

Upon becoming aware of any appointment of a new Common Representative, the Issuer shall, as soon as practicable thereafter, notify the Agent, the Paying Agents and the holders of Covered Bonds in accordance with the Terms and Conditions.

10. RETIREMENT OF COMMON REPRESENTATIVE

Any Common Representative for the time being appointed in accordance with this Agreement may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer and the holders of Covered Bonds without assigning any reason therefor and without being responsible for any liabilities occasioned to the Issuer and the holders of Covered Bonds by such retirement. In the event of the Common Representative giving notice under this clause, the Issuer shall use its commercial reasonable endeavours to procure a new common representative to be appointed in accordance with clause 8. If a substitute has not been promptly appointed prior to the expiry of the three calendar months' notice period, the Common Representative shall convene a meeting of the holders of Covered Bonds for appointing a person as the new Common Representative and the retiring Common Representative shall be discharged from its obligations under this Agreement upon the date of such meeting.

11. MERGER

Any legal entity into which the Common Representative is merged or converted or any legal entity resulting from any merger with or conversion of the Common Representative shall, to the extent permitted by applicable law, be the successor to the Common Representative without any further formality.

12. POWERS ADDITIONAL

The powers conferred by this Agreement upon the Common Representative shall be in addition to any powers which may from time to time be vested in it by general law or by the holder of any of the Covered Bonds.

13. COMMUNICATIONS

- 13.1 *Methods of Communication:* All communications shall be e-mail, letter delivered by hand or by registered mail. Each communication shall be made to the relevant party at the e-mail address or address or telephone number and, in the case of a communication e-mail or letter, marked for the attention of the person(s) or department from time to time specified in writing by that party to the other for such purpose. The initial telephone number, telex number, fax number and person(s) or department so specified by each party are the following:

The Issuer:

Novo Banco, S.A.

Avenida da Liberdade, 195, 9th floor

1250-142 Lisboa

Portugal

Att.: Head of Funding (Treasury and Financial Department)

Tel: (+351) 213 109 595

Fax: (+351) 21 501 179

E-mail: dtf.fundingmlt@novobanco.pt

The Common Representative:

Bondholders, S.L.

Avenida de Francia, 17 A 1

46023 Valencia (Spain)

Att.: Common Representative Services

Tel: +34 960 045 591

E-mail: trustee@bondholders.com

- 13.2 *Deemed Receipt:* A communication shall be deemed received (if by e-mail) when an acknowledgement of receipt is received, or (if by letter) when delivered, in each case in the manner required by this clause. Every communication shall be irrevocable save in respect of any manifest error therein.
- 13.3 Any notice given under or in connection with this Agreement shall be in English. All other documents provided under or in connection with this Agreement shall be:
- (a) in English; or
 - (b) if not in English, accompanied by an English translation (except that, for official documents, a certified translation shall be provided) and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

14. GOVERNING LAW

This Agreement, as well as any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, the laws of Portugal.

15. JURISDICTION

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

SCHEDULE 1
PROVISIONS FOR MEETINGS OF HOLDERS OF THE COVERED BONDS

The provisions for meeting of holders of Covered Bonds are provided for (a) in the Portuguese Companies Code and (b) the provisions of this schedule.

1. CONVENING OF MEETING

- 1.1 *Convening of meeting:* A meeting of holders of Covered Bonds (of a given Series or of all Series) may be convened by the Common Representative, at any time, or, if the Common Representative refuses to convene such a meeting or the meeting fails to be convened because the Common Representative is not appointed, by the chairman of the general meeting of the shareholders of the Issuer in accordance with Article 355 of the Portuguese Companies Code.
- 1.2 *Convening of meeting by holders of Covered Bonds:* If the Common Representative and the chairman of the general meeting of the shareholders of the Issuer refuse to convene a meeting, the holders of Covered Bonds holding not less than five per cent. of the aggregate principal amount of the Covered Bonds of a series may require that the meeting of holders of Covered Bonds be judicially convened, in accordance with Article 355.3 of the Portuguese Companies Code.
- 1.3 *Convening of meeting by the Common Representative:* The Common Representative may convene a meeting of holders of Covered Bonds at any time and the Common Representative shall be obliged to do so, subject to it being indemnified and/or secured to its satisfaction, upon the request in writing of holders of Covered Bonds representing not less than five per cent. of the aggregate principal amount of the Covered Bonds of a series then outstanding. Every meeting of holders of Covered Bonds shall be held on the date, and at the time and place, approved by the Common Representative in the notice for such meeting of holders of Covered Bonds.

2. NOTICE

- 2.1 *Notice period and notice details:* For the purposes of convening a meeting of holders of Covered Bonds, the Common Representative or the chairman of the general meeting of shareholders of the Issuer shall give all holders of Covered Bonds a call notice at least 30 days (as per Article 377.4 of the Portuguese Companies Code, applicable ex vi Article 355.2 of the same Code) prior to the date of such meeting of holders of Covered Bonds, in accordance with the applicable laws and regulations and, for as long as the Covered Bonds are held through Interbolsa and/or Euroclear or Clearstream, Luxembourg, in accordance with the applicable procedures of Interbolsa and/or Euroclear or Clearstream, Luxembourg (as applicable). Such notice shall contain the full identification details of the Issuer, shall specify the date, time, place and agenda of the meeting of holders of Covered Bonds and be disclosed in accordance with the provisions of article 167 of the Portuguese Companies Code and/or the legal or regulatory provisions that may substitute or supplement it.
- 2.2 *Notice of proposed resolutions:* A notice calling for a meeting of holders of Covered Bonds shall set out the full text of any Resolutions to be approved unless the Common

Representative agrees that such notice shall instead specify the nature of the Resolutions without including the full text. Such notice shall make reference, in relation to the Issuer, to the matters set out in Article 171 of the Portuguese Companies Code including the place, date and the time for the meeting as well as the nature of the meeting (of joint or separate series) and any requirements for the exercise of voting rights.

2.3 *Operational Procedures*: In the notice of relevant meeting of holders of Covered Bonds, the Common Representative shall, in addition to other legally required items, provide information on the procedures that the holders of Covered Bonds need to comply with in order to be represented and participate at the holders of Covered Bonds meeting, notably, in relation to voting by proxy, by stating where the form of mandate letter is available, or by including said form of mandate letter as an attachment to the notice. The Common Representative may determine the applicable operational procedures, which shall prevail over any other general applicable operational procedure established in this Agreement, provided that they (i) do not breach any mandatory legal provision or any of the Terms and Conditions, (ii) promote the participation in the meeting of holders of Covered Bonds and (iii) are in accordance with the market practices. As such, where a meeting of holders of Covered Bonds requires operational systems and procedures which are not offered by the Common Representative such as the role of the tabulation agent for clearing system instructions relating to a noteholder meeting, tender or exchange process, the Common Representative, without prejudice of its rights and obligations under this Agreement, may submit a reasonably justified request to the Issuer to, with prior written consent of the Issuer, whose acceptance or rejection shall not be unreasonably withheld, and at Issuer's cost, resort to the support of third-party entities specialised in providing operational services in connection with meetings of stakeholders or similar activities.

3. CHAIRMAN

The Common Representative (or any duly authorised representative thereof) will take the chair at any 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 such meeting of the holders of the Covered Bonds. The Chairman of an adjourned meeting of holders of Covered Bonds need not be the same person as was the Chairman of the original meeting.

4. QUORUM AND MAJORITIES

4.1 *Quorum*: The quorum at any meeting of holders of Covered Bonds convened to vote on:

4.1.1 a Resolution not regarding a Reserved Matter will be any person or persons holding, or representing holders of the Covered Bonds of the relevant series holding, whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented in such series; or

4.1.2 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 of the relevant series then outstanding or, at any adjourned meeting, any person being or representing holders of Covered Bonds of the relevant series, whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented in such series.

4.2 *Majorities:* The majorities required to approve a Resolution at any meeting convened in accordance with these rules shall be:

4.2.1 if in respect of a Resolution not regarding a Reserved Matter, the majority of the votes cast at the relevant meeting of holders of Covered Bonds; or

4.2.2 if in respect of a Resolution regarding a Reserved Matter except for the one set out in 4.2.3 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 of holders of Covered Bonds; or

4.2.3 if in respect of a Resolution regarding an increase in the obligations of the holders of Covered Bonds, all holders of the relevant Series of Covered Bonds.

5. ADJOURNED MEETING

The chairman may, and if directed by the majority of the votes cast at the relevant meeting of holders of Covered Bonds, shall adjourn such meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

6. PARTICIPATION

The following may attend and speak at a meeting of holders of Covered Bonds: (a) Voters; (b) representatives of the Issuer and the Common Representative; (c) the financial advisers of the Issuer and the Common Representative; (d) the legal counsel to the Issuer and the Common Representative; and (e) any other person approved by those present at the meeting of holders of Covered Bonds or by the Common Representative and any other person authorised by law.

7. VOTES

Every Voter shall have one vote in respect of each holding of one Covered Bond, provided that where 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.

8. VOTING CERTIFICATES AND PROXIES

8.1 *Voting certificates*: Voting certificates may be obtained by each holder of a Covered Bond in accordance with the procedures and regulations of the Clearing System through which the Covered Bonds are held. So long as a voting certificate is valid, the bearer thereof or any proxy named in accordance with paragraph 8.2 below shall be deemed to be the holder of the Covered Bonds to which it relates for all purposes in connection with the meeting of holders of Covered Bonds.

8.2 *Voting by proxies*: Any holder of a Covered Bond may vote by proxy by issuing a mandate letter for such purpose addressed to the chairman of the relevant meeting of holders of Covered Bonds. Unless revoked and save as set out below, any appointment of a proxy in relation to a meeting of holders of Covered Bonds as described in paragraph 8.1 above shall remain in force in relation to any resumption of such meeting following an adjournment. No such appointment of a proxy in relation to a meeting originally convened which has been adjourned for the lack of quorum shall remain in force in relation to such meeting when it is resumed, unless otherwise stated in the mandate letter. Any person appointed to vote at such a meeting must be re-appointed to vote at the meeting when it is resumed.

9. POWERS

9.1 *Power of a meeting of holders of Covered Bonds*: Subject to paragraph 9.2, the holders of Covered Bonds present at any meeting of holders of Covered Bonds shall have the power (exercisable only by Resolution), without prejudice to any other powers conferred on it or any other person to:

- (a) approve any Reserved Matter;
- (b) approve any proposal by the Issuer or the Common Representative for any modification, abrogation, variation or compromise of any provisions of this Agreement or the Terms and Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds;
- (c) waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of this Agreement, the Covered Bonds or the other Programme Documents or any act or omission which might otherwise constitute an Insolvency Event under the Covered Bonds;
- (d) remove any common representative;
- (e) approve the appointment of a new common representative;
- (f) authorise any common representative (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Resolution;
- (g) discharge or exonerate any common representative from any liability in respect of any act or omission for which it may become responsible under this Agreement or the Covered Bonds;

- (h) give any other authorisation or approval which under this Agreement or the Covered Bonds is required to be given by Resolution;
- (i) appoint any persons as a committee to represent the interests of the holders of Covered Bonds and to confer upon such committee any powers which the holders of Covered Bonds could themselves exercise by Resolution; and
- (j) any matter reserved by law.

9.2 *Reserved Matters*: For the purposes of this schedule, “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; or (vii) in relation to any matter required by law to be approved by the majorities set out in 4.2.2 and 4.2.3.

10. RESOLUTION BINDS ALL HOLDERS

10.1 *Binding nature*: Subject to paragraph 10.2 below, any Resolution passed at a meeting of holders of Covered Bonds duly convened and held in accordance with this *Agreement* shall be binding upon all holders of Covered Bonds (if applicable) of such Series, whether or not such holders are present at such meeting and whether or not such holders are voting at that meeting.

10.2 *Notice of voting results*: Notice of the result of every vote on a Resolution duly considered by the holders of Covered Bonds shall be published (at the expense of the Issuer) in accordance with the Terms and Conditions and given to the Agent and the Paying Agents (with a copy to the Issuer and the Common Representative) within 14 days of the conclusion of the meeting of holders of Covered Bonds.

11. MINUTES

Minutes of all Resolutions and proceedings at each meeting of holders of Covered Bonds shall be made. The chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting of holders of Covered Bonds in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all Resolutions passed or proceedings transacted at it to have been duly passed and transacted.

12. WRITTEN RESOLUTION

A resolution of holders of Covered Bonds may also be approved in the form of a Written Resolution.

13. JOINT MEETINGS

Subject to the provisions of this Agreement, of Condition 12 in the Terms and Conditions and the other provisions of the Terms and Conditions, joint meetings of the holders of Covered Bonds of different Series may be held to consider the same Resolution and the provisions of this Schedule 1 shall apply *mutatis mutandis* thereto.

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.

14. SEPARATE AND COMBINED MEETINGS OF SERIES OF HOLDERS OF THE COVERED BONDS

The Common Representative shall have certain discretions regarding the constitution of meetings of holders of the Covered Bonds as set out below:

- 14.1 a Resolution which in the opinion of the Common Representative affects the Covered Bonds of only one Series shall be transacted at a separate meeting of the holders of the Covered Bonds of that Series;
- 14.2 a Resolution which in the opinion of the Common Representative affects the holders of Covered Bonds of more than one Series of Covered Bonds but does not give rise to an actual or potential conflict of interest between the holders of Covered Bonds of one Series of Covered Bonds and the holders of another Series of Covered Bonds may be transacted either at separate meetings of the holders of Covered Bonds of each such Series or at a single meeting of the holders of Covered Bonds of all such Covered Bonds as the Common Representative shall determine in its absolute discretion; and
- 14.3 a Resolution which in the opinion of the Common Representative affects the holders of Covered Bonds of more than one Series and gives rise to any actual or potential conflict of interest between the holders of Covered Bonds of one Series of Covered Bonds and the holders of Covered Bonds of any other Series of Covered Bonds shall be transacted at separate meetings of the holders of Covered Bonds of each such Series.

Notwithstanding the provisions of the preceding paragraphs, any Resolution to direct the Common Representative to accelerate the Covered Bonds pursuant to Condition 9 (Insolvency Event and Enforcement) in the Terms and Conditions or to direct the Common Representative to take any enforcement action shall only be capable of being

passed at a single meeting of the holders of Covered Bonds of all Series then outstanding.

15. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any meeting a quorum is not present, then:

- (i) in the case of a meeting judicially convened by the holders of the Covered Bonds, it shall be dissolved; and
- (ii) in the case of any other meeting (unless the Issuer and the Common Representative otherwise agree), it shall be adjourned for such period as the Chairman decides (which shall be not less than 15 days and not more than 42 days) and to the Issuer's head office, provided that no meeting may be adjourned more than once for want of a quorum.

16. NOTICE FOLLOWING ADJOURNMENT

Paragraph 2 (*Notice*) shall apply to any meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 15 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements that will apply when the meeting resumes.

It shall not be necessary to give notice of the resumption of a meeting that has been adjourned for any other reason.

17. NO OBLIGATION TO EXERCISE

Unless applicable law and the procedures and regulations of Interbolsa or other applicable Clearing System require otherwise, a Voter shall not be obliged to vote at a meeting in respect of its whole holding of Covered Bonds, but if it participates or is represented at such meeting it shall be obliged to cast all the votes which it exercises in the same way.

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**EXECUTION PAGE OF THE COMMON REPRESENTATIVE APPOINTMENT
AGREEMENT**

The Issuer

NOVO BANCO, S.A.

By: _____

The Common Representative

BONDHOLDERS, S.L.

By: _____
Mr. Juan Carlos Perlaza

Each by its duly authorised signatory