

**Terms of Reference of the Nomination Committee  
of the General and Supervisory Board of Novo Banco, S.A.**

(Date of last update: 30<sup>th</sup> of March 2023)

The Nomination Committee and the General and Supervisory Board have approved the present Terms of Reference.

**§ 1**

**Composition and Chairman**

- (1) The Nomination Committee (the "**Committee**") consists of at least three members each of whom (including the **Chairman**) is elected by the General and Supervisory Board from among its members.
- (2) The Committee should include a majority of members who are independent and be chaired by an independent member ("**Chairman**"), as defined in the articles of association of Novo Banco, S.A. (the "**Bank**").
- (3) Members of the Committee should have, individually and collectively, appropriate knowledge, skills and expertise concerning the selection process and suitability requirements applicable to members of the management and supervisory bodies of the Bank.
- (4) Members of the Committee should have independence of mind, namely being capable of raising questions, having critical discussion, making their own sound, objective and independent decisions and judgments and, if so required, expressing dissenting views and challenging proposed decisions.

**§ 2**

**Functions**

- (1) The Committee shall have the functions set out in these Terms of Reference alongside with any others provided for by applicable law or regulation.
- (2) The Committee supports the General and Supervisory Board in supervising the Executive Board of Directors in the establishment of, and in ensuring adherence to, consistent and well-integrated nomination policies of Novo Banco, S.A., which will comprise the Bank and also, in accordance with applicable regulations, any of the following financial subsidiaries: BEST – Banco Electrónico de Serviço Total, S.A., Novo Banco dos Açores, S.A., GNB Gestão de Patrimónios – Empresa de Investimento S.A., GNB Fundos Mobiliários - Sociedade Gestora

de Organismos de Investimento Coletivo, S.A., GNB Real Estate - Sociedade Gestora de Organismos de Investimento Coletivo, S.A., GNB - Sociedade Gestora de Fundos de Pensões, S.A., GNB – Gestão de Ativos, SGPS, S.A.. Therefore, the matters and competences foreseen herein shall be exercised considering the Bank and the above-mentioned entities, in accordance with the applicable law and regulations and without prejudice to the responsibilities and competences of the relevant corporate bodies and committees of the entities.

- (3) The Committee supports the General and Supervisory Board with the following functions with regard to the Bank:
- a) identifying and recommending candidates to fill a position in the Executive Board of Directors and in the General and Supervisory Board and in preparing election recommendations or proposals for such purpose, and approving proposals of the Executive Board of Directors regarding any position of key function holder in accordance with the Policy for Selection and Evaluation of Management and Supervisory Bodies and Key Function Holders. In doing so, the Committee shall evaluate the balance of knowledge, skills, diversity and experience of all members of the respective corporate body, prepare a description of the roles and capabilities for a particular position, and assess the time commitment associated with the tasks;
  - b) in connection with the task above mentioned in a), identify the candidate to be the Chief Executive Officer of the Executive Board of Directors (“CEO”);
  - c) drawing up an objective to promote the representation of the under-represented gender on the Banks’ Executive Board of Directors or on the General and Supervisory Board, as well as a strategy for achieving this, which shall be published as per Article no. 435 (2) (c) of Regulation (EU) 575/2013, of the European Parliament and of the Council, of 26 June, as amended;
  - d) assessing regularly, and at least annually, the structure, size, composition and performance of the Executive Board of Directors and of the General and Supervisory Board of the Bank, drafting a detailed description of the functions and responsibilities to be assigned to each member and skills and experience required for each of them, and making recommendations regarding this to the General and Supervisory Board or to the Executive Board of Directors, as appropriate. The Committee shall assess and give

its opinion to the General Supervisory Board for it to opine and give its prior approval in respect of any prospective changes that the Executive Board of Directors decides to do in the organization structure, individual responsibilities and roles of the members of the Executive Board of Directors and assess and be timely informed of any prospective changes to senior management reporting lines, and shall take into account the need to ensure that the decision-making process in such body is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the Bank as a whole;

- e) assessing regularly, and at least annually, the knowledge, skills and experience (fit and proper) of the individual members of the Executive Board of Directors and of the General and Supervisory Board, and report the results to them accordingly. These results should include an updated and detailed description of the role and tasks that each of those members should have, as well as the corresponding skills and experience. The members of the Committee shall not be permitted to vote in their individual assessment;
- f) approval of any proposal from the Executive Board of Directors of dismissal of any of the heads of the internal control functions;
- g) selecting, appointing and establishing overall guidelines for the activity of the Fit and Proper Officer, including the functions at the Group's level;
- h) reviewing the Executive Board of Directors' principles for selection and appointment of top management and making recommendations to the Executive Board of Directors in this respect;
- i) take the necessary actions to achieve a consistent implementation of the nomination policies and procedures across the Group;
- j) reviewing and, if appropriate, submitting to the General and Supervisory Board amendment proposals to the Policy for Selection and Evaluation of Management and Supervisory Bodies and Key Function Holders and monitoring its application;
- k) preparing and monitoring succession planning of the members of the Executive Board of Directors and of the General and Supervisory Board;
- l) monitoring, reviewing and approving any changes, as applicable, once a year, regarding mandates held by members of the Executive Board of Directors in other companies; and

- m) monitor the decision nomination process of the financial subsidiaries' management and supervisory bodies and key function holders and inform, in advance, the General Supervisory Board of the decisions to be taken, for its acknowledgment.
- (4) If the Executive Board of Directors decides, within its competence, not to follow or implement a recommendation made by the Committee in the exercise of the Committee's monitoring and review functions, in relation to the matters referred above, it shall forthwith inform the Committee accordingly and provide it with the grounds for not following such recommendation.
- (5) In performing its tasks, the Committee may draw on all resources which it deems appropriate and appoint and engage external advisors for advice or support on nomination related matters.

### **§ 3**

#### **Meeting procedures**

- (1) The Committee shall approve an annual calendar of meetings, which shall provide for at least 2 (two) meetings and an annual work program.
- (2) The Committee shall meet as additional times as necessary, being called upon by a resolution adopted by the Committee itself or by the Chair thereof.
- (3) The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the Committee members, at least 2 (two) business days in advance of the meeting date, unless such deadline cannot be met due to reasons of urgency, duly approved by the Chairman, in which case the information shall be delivered to the directors as promptly as possible.

### **§ 4**

#### **Meetings and voting**

- (1) Meetings of the Committee are convened by its Chairman or if he/she is unavailable – by the Chairman of the General and Supervisory Board with an advance notice period of at least 14 (fourteen) days.
- (2) Unless otherwise expressly stipulated herein or in applicable law, the provisions in the Articles of Association and the Terms of Reference of the General and Supervisory Board shall apply accordingly to the Committee.
- (3) The Committee is quorate if at least three of its members participate in the

meetings.

- (4) In case of a tie vote, the Chairman has a casting vote.
- (5) Unless otherwise determined by the Chairman, the Head of Human Capital Department shall attend the Committee's meetings.

## **§ 5**

### **Representation**

The Chairman or, if he/she is unavailable, the Chairman of the General and Supervisory Board, acts on behalf of the Committee.

## **§ 6**

### **Right to information**

The Committee is authorized to obtain, through its Chairman, information directly from the auditor of the Bank, the Executive Board of Directors and from senior managers of the Bank reporting directly to the Executive Board of Directors, in particular the Head of Risk and the Head of Human Capital departments.

## **§ 7**

### **Reporting to the Supervisory Board**

The Chairman reports regularly to the General and Supervisory Board on the work performed and decisions taken by the Committee and provide it with any appropriate information request by such Board. In any case, it will immediately report to the General and Supervisory Board any important and / or urgent matter.

## **§ 8**

### **Final provisions**

- (1) The matters that are not regulated in the current Terms of Reference are governed by the general provisions foreseen in the General and Supervisory Board's Terms of Reference, as applicable.
- (2) A Portuguese version of these Terms of Reference will be prepared. In the event of any discrepancy between the English and Portuguese versions, the English version shall prevail.
- (3) These Terms of Reference shall be revisited on a yearly basis. Every two years, a formal review process of these Terms of Reference shall be carried out. This formal review process shall be concluded by a resolution of the General and

Supervisory Board and of the Committee approving the relevant amendments to the Terms of Reference or concluding that no amendments are required.

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