

**REGULATION OF THE  
EXECUTIVE BOARD OF DIRECTORS OF NOVO BANCO, S.A.  
(hereinafter “Bank”)**

(Date of the last update: 24<sup>th</sup> May 2023)

**Article 1  
(Scope)**

The Executive Board of Directors of Novo Banco, S.A. shall conduct its activity in accordance with the applicable laws, the Bank's Articles of Association and the present Regulation.

**Article 2  
(Composition and Performance of Duties)**

1. The Executive Board of Directors is composed by a minimum of five and a maximum of nine members as set out in the Articles of Association, who are appointed by the General and Supervisory Board.
2. The term of office has a duration of four (4) years and the acceptance of the position by the Director is expressly stated through the subscription of a declaration of acceptance as foreseen in the article 391 of the Commercial Companies Code.
3. The beginning of the functions of each Director is subject, pursuant to the law, to the authorization of the European Central Bank.
4. In cases of reappointment, Directors shall continue to perform their duties without interruption, unless the European Central Bank communicates its opposition decision.
5. Except in those cases of permanent incapacity, dismissal or resignation, Directors are re-elected and shall continue to perform their duties until the appointment of the new member(s) for the Executive Board of Directors.

**Article 3  
(Duties of the Chairman)**

1. Without prejudice of other duties foreseen in the law and in the Articles of Association, the Chairman of the Executive Board of Directors, or whoever replaces him/her, is competent specially to:
  - a) Represent the Executive Board of Directors in the General and Supervisory Board and attend its meetings whenever requested to do so;

- b) Coordinate the activity of the Executive Board of Directors and convene and chair its meetings;
- c) Ensure the correct execution of the Executive Board of Directors resolutions;
- d) Represent the Executive Board of Directors and promote communication between the Bank, its shareholders, regulatory and supervisory authorities and other relevant stakeholders.

#### **Article 4** **(Suspension and Dismissal)**

1. If duly justified, the General and Supervisory Board may suspend any member of the Executive Board of Directors or accept the suspension requests made by its members establishing, therefore, their situation during the suspension period.
2. If a Director has been summoned and does not present a justification accepted by the General and Supervisory Board, and is absent and is not represented in meetings of the Executive Board of Directors for four consecutive times or seven non-consecutive times, may be dismissed. The dismissal is deliberated by the General and Supervisory Board.
3. In case of dismissal, in accordance with the previous paragraph or for any other reason or in case of a justified impediment, such Director shall be replaced by another Director appointed by the General and Supervisory Board.

#### **Article 5** **(Duties of the Executive Board of Directors)**

1. The Executive Board of Directors is the management body of the Bank that is responsible, according to the law, the Articles of Association and respecting the powers of the other governing bodies, for defining the general policies and strategic objectives of the Bank and of the Group and for ensuring all operational activity not assigned to other governing bodies of the Company, in compliance with the rules and standards of good banking practice.
2. Pursuant to article 22 of the Articles of Association, 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 shares and stakes in all types of companies and

- partnerships, whatever their purpose and even if subject to special laws;
- d) Mobilizing financial resources and carrying out all credit operations not prohibited by law;
  - e) Resolving or proposing the issue of shares, bonds and other securities, according to the law and the Articles of Association, establishing its conditions and carrying out, with them, all operations permitted by law, respecting any limits set by the General Meeting;
  - 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 out of court, engage in arbitrations and sign affidavits;
  - i) Delegating, to any one or more than one 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 and with the Monitoring Committee, in case of the latter in relation to the Contingent Capital Agreement and in accordance with the terms and conditions of the Contingent Capital Agreement entered into between the Company and the *Fundo de Resolução*, in light of good corporate governance practices;
  - m) Complying and ensuring compliance with the applicable legal provisions and the provisions of the Articles of Association, as well as with the resolutions of the General Meeting;
  - n) Establishing all applicable internal policies;
  - o) Appointing the Bank's Secretary and Alternate Secretary;
  - p) Relocating the Bank's registered office to any other place within the national territory;
  - q) In the absence of appointment by the General and Supervisory Board or in the absence or impediment of whoever the General and Supervisory Board has appointed, to appoint from amongst its members a new Chairman or new Vice-Chairman.

## **Article 6**

### **(Resolutions subject to prior consent by the General and Supervisory Board)**

The resolutions of the Executive Board of Directors shall require the prior consent or approval of the General and Supervisory Board in the cases foreseen in Article 15 of the Articles of Association.

## **Article 7**

### **(Convening Notice and Participation)**

1. The Executive Board of Directors shall meet whenever convened by the Chairman or by any two other members but, at least, once every week.
2. 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 ensured.
3. The final agenda, specifying the matters to be discussed and the identification of the respective sponsor, together with the preparatory documents for the resolutions, shall be made available to the Directors and to the Observers appointed by the General and Supervisory Board pursuant to Article 22, paragraph 3 (a) of the Articles of Association up to the limit of 24 hours prior to the day of the meeting. The Chairman may, within the reasonable, and depending on the matters and on the information, allow that such information or matters may be made available with a shortest pre notice, notably in urgent and/or exceptional situations.
4. When unanimously approved by its members, the Executive Board of Directors may deliberate on matters not included in the agenda.
5. The Chairman sets the language to be used at meetings. If any member of the Executive Board of Directors is not fluent in that language, English should be used by definition.
6. The Company Secretary is responsible to prepare and to circulate the agenda and the respective preparatory documents, in accordance with what has been decided by the Chairman.

## **Article 8**

### **(Quorum and Resolutions)**

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

2. Resolutions shall be approved by the majority of the members present or represented.
3. The Executive Board of Directors may also take decisions without convening a meeting in writing, by telephone or with the help of other electronic means or through a combination of means of communication that the Chairman may determine in each case.
4. Directors are not allowed to vote on matters in which they have, for their own benefit or that of a third party, directly or indirectly, an interest that may conflict with that of the Bank.
5. Should any Director consider that he/she is inhibited from voting due to a conflict of interest, he/she shall inform the Chairman of such impediment beforehand and make a statement concerning this situation to be registered in the meeting minutes.
6. Directors may be represented by other Directors by means of a letter addressed to the Chairman of the Executive Board of Directors, which may be used only once.
7. Each Director can only represent one other Director.
8. Directors who cannot attend or be represented at a meeting must justify their absence to the Chairman or to whomever replaces him/her, if possible, with at least 48 hours prior to the date set for the meeting.
9. When the Executive Board of Directors is composed by an even number of Directors, its Chairman has a casting vote in the event of a tie.

## **Article 9**

### **(Attendance of the Executive Board of Directors' meetings)**

Apart from the Chairman of the General and Supervisory Board and the members of the Financial Affairs Committee, any member(s) of the General and Supervisory Board that has been appointed as Observer(s) may attend and speak at the Executive Board of Directors meetings, including by telephone if they cannot be present in person, but they shall not have the right to vote.

## **Article 10**

### **(Committees)**

1. The Executive Board of Directors may approve the creation of Committees and Subcommittees to monitor specific matters of the Bank's activity and define and approve their responsibilities, duties and functioning.
2. The following Committees and Subcommittees have already been set up by the Executive Board of Directors:

- a) Risk Committee;
- b) Capital, Assets and Liabilities Committee (CALCO);
- c) Financial Committee;
- d) Compliance and Product Committee;
- e) Internal Control System Committee;
- f) Costs and Investment Committee (CCI);
- g) Digital Transformation Committee;
- h) Extended Impairment Committee;
- i) Non-Performing Assets Sub-committee;
- j) Extended Model Risk Sub-committee;
- k) Operational Risk Sub-committee.

3. The occasional rotation of the Chairperson and members of each Committee will take into account the experience, knowledge and skills that are individually and collectively necessary for the proper functioning of each Committee.

## **Article 11**

### **(Minutes)**

1. The draft minutes of each meeting of the Executive Board of Directors shall be drawn up by the Company Secretary, who shall after prior validation by the participants, send them to the Directors who have attended the meeting, for appraisal and introduction of any amendments deemed applicable. As a rule, the meeting minutes shall be formally approved as the first item on the agenda and in the following meeting of the Executive Board of Directors meeting, except for those situations that may require a longer period.
2. In case both the Company Secretary and the Alternate Secretary are absent, the Chairman of the Executive Board of Directors or whoever replaces him/her, shall appoint a Director to pass on to the Company Secretary the information and documents required to draw up the meeting minutes.
3. The minutes of the meetings, or of resolutions taken without a meeting, shall include:
  - a. Date, location and duration of the meeting;
  - b. Name, function and signature of all members of the Executive Board of Directors participants in the meeting;
  - c. Reference to absent members or participants;
  - d. Support documentation to each item of the agenda;
  - e. Reference the material points of discussion, resolutions taken, including references to the voting process and identification of all voters, in absence of

- which it is considered that all members present voted favorably, mentioning any dissenting votes or opinions; and
- f. Full description of any recommendations adopted by the Executive Board of Directors.

## **Article 12**

### **(Duty of secrecy)**

1. Without prejudice to the banking secrecy obligations laid down in the General Law on Credit Institutions and Financial Companies ("*Regime Geral das Instituições de Crédito e Sociedades Financeiras*"), Directors are bound to secrecy with respect to the matters or facts that may have come to their knowledge through the performance of their duties, which are only disclosed in conditions set forth in the law. The obligation of secrecy will remain after the termination of their functions.
2. Directors may not use information and/or the knowledge obtained through the performance of their duties for purposes other than the Bank's corporate interest.
3. The Observer(s) appointed by the General and Supervisory Board to participate in the meetings are subject to the same duties set forth in the preceding paragraphs.

## **Article 13**

### **(Duty of diligence)**

In the performance of their duties, each member of the Executive Board of Directors must guide their actions in compliance with the duties of care, loyalty and suitability, with the diligence of a judicious, prudent and responsible manager in favor of the interests of the Bank, shareholders, customers and other stakeholders, dedicating for this purpose the necessary time and efforts for the performance of their duties and obligations. To this end, and merely as an example:

- a) Be informed and prepare with diligence the meetings of the Executive Board of Directors and of the Committees and Subcommittees of which he/she is a member;
- b) Attend the meetings of the Executive Board of Directors and of the Committees and Subcommittees of which he/she is a member, actively intervening in them so that their participation contributes to the discussion and to the decision-making process;
- c) Comply with the rules that have been approved by the Executive Board of Directors with regard to the distribution of functions and the delegation of powers;
- d) Practice and exercise, in a diligent and timely manner, all acts and mandates entrusted to him/her by the Executive Board of Directors;

- e) Comply and ensure that their subordinates comply with the internal rules in force at any time;
- f) Promote the existence of an organizational culture that observes the ethical standards and principles contained in the Code of Conduct and, consequently, reinforces the levels of reputation and trust deposited by employees, customers, investors and other relevant stakeholders.

#### **Article 14 (Amendments)**

1. A Portuguese version of present Regulation will be prepared. In the event of any discrepancy between the English and Portuguese versions, the English version shall prevail.
2. This Regulation shall be revisited on a yearly basis. Every two years, a formal review process of this Regulation shall be carried out. This formal review process shall be concluded by a resolution of the Executive Board of Directors approving the relevant amendments or concluding that no amendments are required. The General and Supervisory Board will be informed of any amendments that may occur to the present Regulation.

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