

**Rules of Procedure for the Nomination Committee
of the General and Supervisory Board of Novo Banco, S.A.**

(date of last update: 22 October 2020)

§ 1

Composition and Chairman

- (1) The Nomination Committee (the "**Committee**") consists of at least three members each of whom (including election as chairman of the Committee) 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**").

§ 2

Tasks

- (1) Notwithstanding any assignment by law or administrative order, the Committee has the tasks which are set out in these Rules of Procedure.
- (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, which will comprise the Bank and any of the following financial subsidiaries: BEST – Banco Electrónico de Serviço Total, S.A., Novo Banco dos Açores, S.A., GNB - Sociedade Gestora de Fundos de Investimento Mobiliário, S.A., GNB - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A., GNB - Sociedade Gestora de Fundos de Pensões, S.A., GNB – Gestão de Ativos, SGPS, S.A. and GNB – Sociedade Gestora de Patrimónios, S.A.. Therefore, the matters and competences foreseen herein shall be exercised considering the Bank and the above mentioned entities, without prejudice to the responsibilities and competences of the relevant corporate bodies and committees of such entities held by the Bank.
- (3) The Committee supports the General and Supervisory Board with the following tasks 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 approve proposals of the Executive Board of Directors regarding any position of key function holder in accordance with Policy for Selection and Evaluation of Management and Supervisory Bodies and Key Function Holders. In so doing, 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;
- c) drawing up an objective to promote the representation of the under-represented gender on the Banks' Executive Board of Directors or the General and Supervisory Board, as well as a strategy for achieving this, which shall be published as per Article 435 (2) (c) of Regulation (EU) 575/2013, of the European Parliament and of the Council, of 26 June;
- 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, 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 to the organisation structure, individual responsibilities and roles of 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 account of 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. The members of the Committee shall not

- be permitted to vote in their individual assessment;
- f) selecting, appointing and establishing overall guidelines for the activity of the Fit and Proper Officer, including the functions at the group's level;
 - g) reviewing the Executive Board of Directors' principles for selection and appointment of upper management and making recommendations to the Executive Board of Directors in this respect;
 - h) issuing reports and recommendations to the Executive Board of Directors advising on the implementation within the group of equivalent nomination policies and procedures as the ones adopted in the Bank;
 - i) 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;
 - j) preparing and monitoring succession planning of the members of the Executive Board of Directors and of the General and Supervisory Board;
 - k) 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
 - l) 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) In case 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 may also enlist the services of external advisors.

§ 3

Meetings and voting

- (1) Meetings of the Committee are convened by its Chairman with an advance notice period of at least 14 days.

- (2) Unless otherwise expressly stipulated herein or in applicable law, the provisions in the Articles of Association and the Rules of Procedure pertaining to 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 adoption of resolutions.
- (4) In case of a tie vote, the Chairman has a casting vote.

§4

Declarations

The Chairman or, if he is unavailable, the chairman of the General and Supervisory Board, acts on behalf of the Committee if declarations have to be issued or received to implement the resolutions of the Committee.

§ 5

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.

§ 6

Reporting to the Supervisory Board

The Chairman reports regularly to the General and Supervisory Board on the work and decisions of the Committee and provide it with any appropriate information requested by such board.

§ 7

Final provision

The matters that are not regulated in the current Rules of Procedures are governed by the general provisions foreseen in the General and Supervisory Board's Rules of Procedures, as applicable.