

**REGULATIONS  
OF THE  
EXECUTIVE BOARD OF DIRECTORS  
OF  
NOVO BANCO, S.A.**

**Article 1**

**(Scope)**

These Regulations govern the functioning of the Executive Board of Directors of Novo Banco, S.A. ("Bank" or "Company"), complementing the Bank's Articles of Association and the Code of Conduct of Novo Banco, S.A.

**Article 2**

**(Composition and Conditions of Office)**

1. The Executive Board of Directors is composed of the number of members set out in the Articles of Association, who are appointed by the General and Supervisory Board.
2. The term of office is four (4) years and the acceptance of the position of Director by the person appointed is tacitly manifested.
3. The taking office of each Director is dependent on the authorisation of Banco de Portugal.
4. In cases of reappointment, Directors shall remain in office without interruption unless the European Central Bank delivers its decision of opposition.
5. Save in cases of permanent incapacity, dismissal or resignation, directors are re-eligible and shall remain in office until the appointment of the new members of the Executive Board of Directors.

**Article 3**

**(Chairman and Vice-Chairman)**

1. The General and Supervisory Board shall appoint a Chairman and a Vice-Chairman,

who shall replace the Chairman of the Board of Directors in case of absence or impediment of the latter.

2. In the absence of appointment by the General and Supervisory Board or in the absence or impediment of whomever the General and Supervisory Board has appointed, the Executive Board of Directors shall appoint from amongst its members and as applicable, a new Chairman or new Vice-Chairman, submitting such appointment to the next General and Supervisory Board meeting for ratification.

3. In particular, it shall be the duty of the Chairman of the Executive Board of Directors or whoever replaces him/her 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.

#### **Article 4**

##### **(Suspension and Dismissal)**

1. If duly justified, the General and Supervisory Board may suspend any member of the Executive Board of Directors from office or accept suspension requests made by him/her and establish his/her status for the duration of the suspension.

2. The director who, having been called and in the absence of a justification accepted by the General and Supervisory Board, is absent and not represented in meetings of the Executive Board of Directors for four consecutive times or seven non-consecutive times may be dismissed. The dismissal is declared by the General and Supervisory Board.

3. In case of dismissal, in accordance with the previous paragraph or for any other 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**

### **(Powers and duties of the Executive Board of Directors)**

1. The Executive Board of Directors is the corporate management body of the Bank and it is responsible, according to the law and the Articles of Association and respecting the powers of the other corporate bodies, for defining the general policies and strategic objectives of the Bank and of the Group and for ensuring all operational activity not attributed to other bodies 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 such is deemed to be in the interest of the Bank;
  - c) Deciding on the acquisition of stock shares and membership interests in all types of companies and partnerships, whatever their purpose and even if subject to special laws;
  - d) Mobilising financial resources and carrying out all credit operations not prohibited by law;
  - e) Resolving 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, appointing from amongst its members a new Chairman or new Vice-Chairman.

## **Article 6**

### **(Powers of the Executive Board of Directors subject to prior consent by the General and Supervisory Board)**

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

**Article 7**  
**(Proceedings)**

1. The Executive Board of Directors shall meet whenever convened by the Chairman or by any two other members and, 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 of the works, specifying the matters to be discussed and the identification of the respective proposer, 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 on the 24h00 prior to the day of the meeting.
4. It is the responsibility of the Company Secretary to prepare and distribute the agenda and respective preparatory documents, in accordance with the matters that have been dealt with by the Chairman.

**Article 8**  
**(Constitutive and Deliberative Quorum)**

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. Directors are not allowed to vote on matters in which they have, for their own account or that of a third party, an interest that may conflict with that of the Bank.
4. Should any Director consider that he/she is inhibited from voting by virtue of some incompatibility or conflict of interest, he/she shall inform the Chairman of such impediment beforehand and dictate a statement concerning this situation to be registered in the minutes.
5. 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.

6. Each Director can only represent one other Director.

7. 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 at least 48 hours prior to the date set for the meeting.

8. When the Executive Board of Directors is composed of an even number of directors, its Chairman has a casting vote in the event of a tie.

### **Article 9**

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

In addition to 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 appointed by it (the "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)**

The Executive Board of Directors will set up, appoint the respective members and agree on the organizational rules of, inter alia, a Credit Committee, and may approve the creation of additional committees, defining their powers and duties.

2. The following committees have already been set up by the Executive Board of Directors:

- a) Risk Committee;
- b) Capital, Assets and Liabilities Committee (CALCO);
- c) Financial and Credit Committee;
- d) Product Committee;
- e) Internal Control System Committee;
- f) Non Performing Assets Committee;
- g) Costs and Investment Committee (CIC).

## **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 subsequently hand them out to the directors who attended the meeting, for appraisal and introduction of any amendments deemed fit. As a rule, the minutes should be formally approved in the next Board meeting.
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 minutes.
3. The minutes shall be written and transcribed to the minutes book in Portuguese, with a translation into English being prepared for consultation by the General and Supervisory Board in the exercise of its functions.
4. Whenever Portuguese is not the native language of a member of the Executive Board of Directors, an English version of the minutes shall be drawn up and filed in a specific book opened for the purpose. However, for all legal purposes the minutes in Portuguese language shall prevail.

## **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 dealt with at Executive Board of Directors meetings or matters which come to their knowledge through the performance of their duties, except when the Executive Board of Directors finds it necessary to disclose the meeting's resolutions, publicly or internally. This duty of secrecy persists beyond the termination of Directors' terms of office.

2. Directors may not use information or knowledge obtained through the performance of their duties for purposes other than the Bank's corporate interest.

3. The observers appointed by the General and Supervisory Board are subject to the same duties set forth in the preceding paragraphs.

### **Article 13**

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

In the exercise of their functions, it is the duty of each of the members of the Executive Board of Directors to:

- a) Be informed and prepare with diligence the meetings of the Executive Board of Directors and of the Committees of which he/she is a member;
- b) Attend the meetings of the Executive Board of Directors and of the Committees of which he/she is a member, actively intervening in them so that their participation contributes 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 it by the Executive Board of Directors;
- e) Comply and ensure that their subordinates comply with the internal rules in force at any time.

### **Article 14**

#### **(Amendments)**

Any amendment to these Regulations, which were approved by resolution of the Executive Board of Directors of the 22<sup>th</sup> November 2017, requires the approval of the Executive Board of Directors, taken by a majority of its members.