

NOTICE AND EXTRAORDINARY RESOLUTION

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF SECURITYHOLDERS. IF SECURITYHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL, TAX OR LEGAL ADVISER.

NOVO BANCO S.A.

(incorporated with limited liability in Portugal)

(the “**Bank**”)

NOTICE OF ADJOURNED MEETING

to the holders of each series of outstanding senior securities listed below
(each referred to as a “**Series**” and together, the “**Securities**”)

each issued by the relevant Issuer and, if applicable, guaranteed by Novo Banco S.A., acting through its London Branch, as set out below
pursuant to the Euro Medium Term Note Programme of the Bank and NB Finance Ltd.

ISIN	Issuer¹/ Guarantor²	Description of Security	Nominal Amount Outstanding³	Amortised Face Amount Outstanding⁴	Applicable Trust Deed	Applicable Time⁵ (Lisbon/ London)
XS0760009729	Novo Banco S.A., acting through its London branch	€200,000,000 Fixed Rate Notes due April 2019 (Series 7)	€175,267,000	Not Applicable	14th Supplemental Trust Deed	9:00 a.m.
XS0772553037	Novo Banco S.A., acting through its London branch	€750,000,000 Fixed Rate Notes due April 2019 (Series 10)	€592,919,000	Not Applicable	14th Supplemental Trust Deed	9:05 a.m.
XS0782021140	Novo Banco S.A., acting through its London branch	€450,000,000 Fixed Rate Notes due May 2019 (Series 12)	€382,769,000	Not Applicable	14th Supplemental Trust Deed	9:10 a.m.

¹ The Securities issued by NB Finance Ltd. were originally issued by BES Finance Ltd. Following the resolution measure applied to Banco Espírito Santo, S.A. on 3 August 2014, the holders of each Series of such Securities approved by extraordinary resolution the substitution of NB Finance Ltd. as issuer in place of BES Finance Ltd.

² Where applicable. Only Series designated as issued by NB Finance Ltd. are guaranteed.

³ The nominal amount outstanding of the relevant Securities as at the date of this Notice. Securities of any Series which are held by or on behalf of the relevant Issuer, the Bank, any other subsidiary of the Bank, any holding company of the Bank or any other subsidiary of any such holding company, in each case as beneficial owner, are deemed not to be outstanding.

⁴ The amortised face amount outstanding of the relevant zero coupon Securities as at the date of this Notice. Securities of any Series which are held by or on behalf of the relevant Issuer, the Bank, any other subsidiary of the Bank, any holding company of the Bank or any other subsidiary of any such holding company, in each case as beneficial owner, are deemed not to be outstanding.

⁵ The Applicable Time will be as set out in this column or as soon as possible thereafter as the immediately preceding Adjourned Meeting of holders of the Securities shall have been concluded or adjourned.

ISIN	Issuer ¹ / Guarantor ²	Description of Security	Nominal Amount Outstanding ³	Amortised Face Amount Outstanding ⁴	Applicable Trust Deed	Applicable Time ⁵ (Lisbon/ London)
XS0782220007	Novo Banco S.A., acting through its London branch	€450,000,000 Fixed Rate Notes due May 2019 (Series 13)	€255,508,000	Not Applicable	14th Supplemental Trust Deed	9:15 a.m.
XS0782220189	Novo Banco S.A., acting through its London branch	€450,000,000 Fixed Rate Notes due May 2019 (Series 14)	€240,665,000	Not Applicable	14th Supplemental Trust Deed	9:20 a.m.
XS0712907863	NB Finance Ltd./Novo Banco S.A., acting through its London branch	€76,311,000 Credit Linked Notes Portugal due 2021 (Series 113)	€14,239,000	Not Applicable	14th Supplemental Trust Deed	9:25 a.m.
XS0794405588	Novo Banco S.A., acting through its Luxembourg branch	U.S.\$200,000,000 Fixed Rate Notes due June 2022 (Series 2)	U.S.\$83,808,000	Not Applicable	15th Supplemental Trust Deed	9:30 a.m.
XS0210172721	NB Finance Ltd./Novo Banco S.A., acting through its London branch	€250,000,000 CMS Linked Notes due February 2035 (Series 40)	€231,851,000	Not Applicable	7th Supplemental Trust Deed	9:35 a.m.
XS0877741479	Novo Banco S.A., acting through its Luxembourg branch	€150,000,000 Fixed Rate Notes due January 2043 (Series 4)	€150,000,000	Not Applicable	15th Supplemental Trust Deed	9:40 a.m.
XS0442126925	NB Finance Ltd./Novo Banco S.A., acting through its London branch	€300,000,000 Zero Coupon Notes due July 2040 (Series 60)	€61,987,000	€13,423,737	12th Supplemental Trust Deed	9:45 a.m.
XS0439639617	NB Finance Ltd./Novo Banco S.A., acting through its London branch	€300,000,000 Zero Coupon Notes due July 2045 (Series 58)	€93,080,000	€13,928,143	12th Supplemental Trust Deed	9:50 a.m.
XS1034421419	Novo Banco S.A., acting through its Luxembourg branch	€400,000,000 Zero Coupon Notes due February 2049 (Series 12)	€400,000,000	€47,672,393	16th Supplemental Trust Deed	9:55 a.m.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 of the Applicable Trust Deed in respect of each Series of Securities (as set out in the table above), separate adjourned meetings (each, an “**Adjourned Meeting**”) of the holders of each Series of Securities (the “**Securityholders**”) convened by the Bank will be held on 29 September 2017 at Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom at the Applicable Time in respect of each Series of Securities (as set out in the table above) for the purpose of considering and, if thought fit, passing the following extraordinary resolution (each, an “**Extraordinary Resolution**”) which will be proposed as a resolution at each Adjourned Meeting in accordance with the provisions for meetings of holders of Securities set out in Schedule 3 of the Applicable Trust Deed.

Extraordinary Resolution

“THAT THIS MEETING (the “**Meeting**”) of the holders of [*details of relevant Series of Securities to be inserted*] (the “**Notes**”) pursuant to the trust deed dated [*date*] in relation to the Securities (the “**Trust Deed**”) by Extraordinary Resolution HEREBY:

- 1 assents to the modification of the terms and conditions of the Notes (as set out in Schedule 1 to the Applicable Trust Deed) as follows:

A new condition 7[(i)]/[(k)] shall be included in the terms and conditions of the Notes, as follows:

“7[(i)]/[(k)] Early Redemption by the Issuer (“Issuer Early Redemption”)

The Issuer shall, on the Settlement Date, redeem all, but not some only, of the Notes (other than any Notes that have been purchased by Novo Banco S.A. pursuant to the Offer) at the Early Redemption Amount [together with any interest accrued to, but excluding, the Settlement Date]⁶.

For the purposes of this Condition 7[(i)]/[(k)]:

“Early Redemption Amount” means [*the Purchase Price with respect to the Notes set out in the Tender Offer and Solicitation Memorandum and the Portuguese Offer Memorandum*];

“Offer” means the invitation by Novo Banco S.A., to Noteholders to tender their Notes for purchase by Novo Banco S.A. for cash as further set out in the Tender Offer and Solicitation Memorandum and the Portuguese Offer Memorandum;

“Portuguese Offer Memorandum” means the Portuguese Offer Memorandum dated 24 July 2017 prepared by Novo Banco S.A. in connection with the Offer;

“Settlement Date” means the settlement date for the Offer; and

“Tender Offer and Solicitation Memorandum” means the Tender Offer and Solicitation Memorandum dated 24 July 2017 prepared by Novo Banco S.A. in connection with the Offer.”

- 2 assents to and sanctions every abrogation, modification or compromise of, or arrangement in respect of, the rights of the Securityholders appertaining to the Notes against the Bank [or NB Finance Ltd.]⁷, whether or not such rights arise under the Trust Deed, involved in or resulting from this Extraordinary Resolution, the modifications referred to in paragraph 1 of this Extraordinary Resolution, the Proposal or their implementation;

- 3 authorises, directs, requests and empowers the Trustee to:

- (a) concur in the modifications referred to in paragraph 1 of this Extraordinary Resolution and, in order to give effect to and implement such modifications, on or shortly after the passing of this Extraordinary Resolution and the satisfaction of the condition in paragraph 5 below (as confirmed to the Trustee by the Bank), to execute a supplemental trust deed (the “**Supplemental Trust Deed**”) substantially in the form of the draft produced to this meeting and signed by the chairman of the meeting for the purpose of identification, with such amendments (if any) as may be requested by the Bank and approved by the Trustee, in its sole and absolute discretion, or required by the Trustee; and

- (b) concur in, and execute and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient, in the sole and absolute discretion of the Trustee, to carry out

⁶ Not applicable to any Series of zero coupon Securities.

⁷ Only applicable to Series issued by NB Finance Ltd.

and give effect to this Extraordinary Resolution and the implementation of the modifications referred to in paragraph 1 of this Extraordinary Resolution and the Proposal;

- 4 discharges and exonerates the Trustee from any and all liability for which it may have become or may become responsible under the Trust Deed or the Notes in respect of any act or omission in connection with this Extraordinary Resolution or its implementation;
- 5 declares this Extraordinary Resolution shall be in all respects conditional on satisfaction of the Conditions to the Offers and the Proposals (unless waived by the Bank);
- 6 acknowledges that, as used in this Extraordinary Resolution:
 - (a) the term “**Business Days**” means a day (other than a Saturday or Sunday) on which banks are generally open in Lisbon, New York and London for normal business;
 - (b) the term “**Conditions to the Offers and the Proposals**” means the conditions that (a) the aggregate nominal amount of (i) the Securities which have been validly tendered and not validly withdrawn pursuant to the Offers and (ii) the Securities of each Series in respect of which the Extraordinary Resolution has been passed is in aggregate equal to or greater than €6,276,000,000, which amount must include at least €1,000,000,000 in aggregate nominal amount of Securities issued by Novo Banco S.A., London branch and (b) the Resolution Fund and Lone Star have unconditionally confirmed to the Bank that all conditions precedent to the agreement entered into between the Resolution Fund and Lone Star for the sale and purchase of 75% of the share capital of the Bank have been satisfied or waived (or will, assuming that the Offers are consummated and the Proposals implemented, be immediately satisfied or waived) and that the sale of the shares of the Bank will be completed in the 10 Business Days following the Settlement Date;
 - (c) the term “**Eligible Securityholders**” means any holder of Securities that is (a) in a Member State of the European Union (the “**EU**”), a “professional client” as defined in Section 1 of Annex II of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments or (b) in a jurisdiction outside of the EU, an institutional holder under applicable local law and not a retail holder;
 - (d) the term “**Extraordinary Resolution**” means the extraordinary resolution proposed as resolutions at meetings of each Series of Securities in accordance with the provisions for meetings of holders of Securities to provide for the Issuer Early Redemption of such Securities;
 - (e) the term “**Issuer Early Redemption**” means the new condition 7(i) or 7(k) included in the terms and conditions, as the case may be, in respect of each Series of Securities;
 - (f) the term “**Lone Star**” means Nani Holdings, SGPS, S.A. which is owned by certain Lone Star funds;
 - (g) the term “**Non-Eligible Securityholders**” means any holder of Securities that is not an Eligible Securityholder;
 - (h) the term “**Offer**” shall have the meaning given to it in the new condition 7[(i)]/[(k)] above and the term “**Offers**” shall mean all Offers for Securities as further set out in the Tender Offer and Solicitation Memorandum and the Portuguese Offer Memorandum;
 - (i) the term “**Proposal**” means the invitation by Novo Banco S.A. to holders of the Securities to approve the modification of the terms and conditions as set out in this Extraordinary Resolution, on the terms and subject to the conditions set out in (i) the Tender Offer and Solicitation Memorandum and (ii) the Portuguese Offer Memorandum and the term “**Proposals**” shall mean the Proposal in respect of all Series of Securities;

- (j) the term “**Portuguese Offer Memorandum**” shall have the meaning given to it in the new condition 7[(i)]/[(k)] above;
 - (k) the term “**Resolution Fund**” means the “*Fundo de Resolução*”, a Portuguese public-law legal entity created pursuant to Decree-Law No 31-A/2012 of 10 February 2012 which is the sole shareholder of Novo Banco, S.A.;
 - (l) the term “**Securities**” means the series of outstanding senior securities which are the subject of the Offers as set out in the Tender Offer and Solicitation Memorandum and the Portuguese Offer Memorandum (each referred to as a “**Series**”), which, for the avoidance of doubt, includes the Notes;
 - (m) the term “**Settlement Date**” shall have the meaning given to it in the new condition 7[(i)]/[(k)] above; and
 - (n) the term “**Tender Offer and Solicitation Memorandum**” shall have the meaning given to it in the new condition 7[(i)]/[(k)] above;
- 7 (a) releases, to the fullest extent permitted by law, (i) Novo Banco S.A., (ii) NB Finance Ltd., (iii) Deutsche Bank AG, London Branch, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A. (together, the “**Dealer Managers**”), (iv) Lucid Issuer Services Limited (the “**Tender Agent**”), (v) the Trustee and (vi) all of their respective financial and legal advisers (together with, in case of each of (i) to (vi), their respective directors, officers, members, employees, agents and representatives) from any liabilities in relation to or arising in connection with the preparation, negotiation or implementation of the Offer, the Proposal or this Extraordinary Resolution or any part thereof; (b) waives, to the fullest extent permitted by law, all of its rights, title and interest in and to and claims in respect of all such Securities purchased by or at the direction of Novo Banco S.A. pursuant to the Offer and/or the Proposal; (c) waives, to the fullest extent permitted by law, all rights, entitlement or claims (whether contractual or otherwise) it may otherwise have or acquire to bring, participate in or enforce legal proceedings of any nature against Novo Banco S.A., NB Finance Ltd., the Dealer Managers, the Tender Agent, the Trustee and/or all of their respective financial and legal advisers (together in each case with their respective directors, officers, members, employees, agents, and representatives) in connection with its Securities and/or the Offer and/or the Proposal or the Extraordinary Resolution, as the case may be, and (d) agrees that Novo Banco S.A., NB Finance Ltd., the Dealer Managers, the Tender Agent, the Trustee and all of their respective financial and legal advisers (together in each case with their respective directors, officers, members, employees, agents and representatives) may enforce the agreement to release liabilities and waive rights and entitlements, as described above, subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999; and
- 8 acknowledges, if it is a Non-Eligible Securityholder, that none of the Dealer Managers has any role or responsibility in relation to, or liability for, the Offers and the Proposals as made by the Bank to Non-Eligible Securityholders.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the Trust Deed.”

The passing of the relevant Extraordinary Resolution and the implementation of the Proposal in respect of one Series of Securities is not conditional upon the passing of the relevant Extraordinary Resolution and the implementation of the Proposal in respect of any other Series of Securities.

Interpretation

As used in this notice:

“**7th Supplemental Trust Deed**” means the Trust Deed dated 3 February 1997 made between, *inter alia*, the Bank and the Trustee, as supplemented by the 7th Supplemental Trust Deed dated 6 August 2004;

“**12th Supplemental Trust Deed**” means the Trust Deed dated 3 February 1997 made between, *inter alia*, the Bank and the Trustee, as supplemented by the 12th Supplemental Trust Deed dated 18 February 2009;

“**14th Supplemental Trust Deed**” means the Trust Deed dated 3 February 1997 made between, *inter alia*, the Bank and the Trustee, as supplemented by the 14th Supplemental Trust Deed dated 3 November 2010;

“**15th Supplemental Trust Deed**” means the Trust Deed dated 3 February 1997 made between, *inter alia*, the Bank and the Trustee, as supplemented by the 15th Supplemental Trust Deed dated 29 May 2012;

“**16th Supplemental Trust Deed**” means the Trust Deed dated 3 February 1997 made between, *inter alia*, the Bank and the Trustee, as supplemented by the 16th Supplemental Trust Deed dated 17 July 2013;

“**Applicable Trust Deed**” means the 7th Supplemental Trust Deed, the 12th Supplemental Trust Deed, the 14th Supplemental Trust Deed, the 15th Supplemental Trust Deed or the 16th Supplemental Trust Deed (as the case may be); and

“**Tender Offer and Solicitation Memorandum**” has the meaning given to it given to it in the new condition 7[(i)]/[(k)] above.

Unless the context otherwise requires or otherwise defined herein, terms used in this notice shall bear the meanings given to them in the Applicable Trust Deed.

Voting certificates and proxies

Securities may, not less than 48 Hours before the relevant Adjourned Meeting (to the satisfaction of The Bank of New York Mellon (the “**Principal Paying Agent**”)), be held to the order of the Principal Paying Agent or under its control for the purpose of obtaining voting certificates or appointing proxies pursuant to the Meeting Provisions.

Documents Available for Inspection

Holders of the Securities may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date hereof up to and including the date of the Adjourned Meeting (and, in each case, for 15 minutes prior thereto), inspect copies of the documents set out below at the office of the Tender Agent and at the registered office of the Bank:

- (a) the Applicable Trust Deed;
- (b) the form of the Supplemental Trust Deed;
- (c) the Tender Offer and Solicitation Memorandum; and
- (d) the Further Details Document (as defined below).

Further details

A document containing further details (the “**Further Details Document**”) regarding each of the relevant Adjourned Meetings will be published on the website of the Bank at *www.novobanco.pt*.

This notice is given by:

NOVO BANCO S.A.

11 September 2017