

## **ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS, S.A.**

(22/05/2019)

### **PROPOSAL IN CONNECTION WITH ITEM 5 OF THE AGENDA**

**TO RESOLVE UPON THE ALTERATION OF THE ARTICLES OF ASSOCIATION, GIVING A NEW WORDING TO PARAGRAPH C) OF ARTICLE 14 AND TO NR. 1 OF ARTICLE 10, ADDING TO NEW NUMBERS 2 AND 3 TO ARTICLE 10 WITH THE CONSEQUENT RENUMBERING OF CURRENT NRS. 2 AND 3;**

#### **Taking into consideration:**

- A.** The need to adequate the statutory competences of the Remunerations and Welfare Board in view of the competences attributed by the Legal Framework for Credit Institutions and Financial Companies to the Committee for Nominations and Remunerations;
- B.** The convenience to, considering that the Law nr. 140/2015 of September 7 foresees that the maximum period for the exercise of functions of the statutory auditor or of the Chartered Accountants Companies of Banco Comercial Português cannot exceed 10 years, ensure that, if necessary, the duration of the respective terms-of-office does not constitute an obstacle to such possibility;

The Board of Directors hereby submits to the appraisal of the General Meeting this proposal to alter the Articles of Association of Banco Comercial Português, S.A.

#### **A**

### **ARTICLE 14**

#### **Alteration of paragraph c) to read as follows:**

“c) Cooperate with the Committee for Nominations and Remunerations aiming at the joint presentation to the General Meeting of Shareholders of the Remuneration Policy of the Members of the Management and Supervision Bodies”

**Information Note:** This alteration aims, on one hand, clarify that, in accordance with the Legal Framework for Credit Institutions and Financial Companies, namely its

article 115-C, the competence for the approval of the Remuneration Policy of the Members of the Management and Supervision Bodies belongs to the Committee for Nominations and Remunerations and, on the other, ensure that the body elected by the General Meeting of Shareholders to establish the remuneration of the corporate bodies is listened regarding the terms of the Policy which will condition the remunerations to establish.

## B

### ARTICLE 10

**The alteration of its number 1 and the addition of two new numbers 2 and 3, with the consequent renumbering of the current 2 and 3. Consequently, Article 10 shall read as follows:**

“1. Without damaging the provisions of the following numbers, the members of the corporate bodies are elected for a four-year term and may be re-elected one or more times.

2. Taking into account, namely, the maximum period legally defined for the exercise of the respective functions, in each election the general meeting will be able to, by means of the majority of two thirds of the votes, establish that the term-of-office of the statutory auditor will be of a minimum of two years and a maximum of four years.

3. Complying with the limits imperatively established, the statutory auditor may be re-elected one of more times, for terms-of-office with an identical or different duration.

4. *(former no. 2)*

5. *(former no. 3)*

**Information Note:** Considering that the Law 140/2015, of September 7 foresees that the maximum period for the exercise of functions of the Statutory Auditor cannot exceed ten years, this alteration intends to ensure that, if the case may be, the duration of the terms-of office complies with such limit. Likewise, the possibility of varying from 2 to 4 years the period for which the Statutory Auditor and the External Auditor are elected for, will enable, if needed be, the non-coincidence in the terms-of-office of the management body on one hand, and of the Statutory Auditor and External Auditor, on the other.

Lisbon, April 23, 2019

THE BOARD OF DIRECTORS

-----	<b>ARTICLES OF ASSOCIATION</b>	-----
-----	<b>OF</b>	-----
-----	<b>BANCO COMERCIAL PORTUGUÊS, S.A.</b>	-----
-----	<b>Chapter I – Name, nature, regime and corporate purpose</b>	-----
-----	Article 1 (Name, nature and regime)	-----
-----	Article 2 (Registered office, affiliates, branches and other forms of representation)	--
-----	Article 3 (Corporate purpose)	-----
-----	<b>Chapter II – Share capital and issue of securities</b>	-----
-----	Article 4 (Share capital)	-----
-----	Article 5 (Share capital increase by resolution of the Board of Directors)	-----
-----	Article 6 (Qualified shareholdings)	-----
-----	Article 7 (Other securities)	-----
-----	Article 8 (Forms of representation)	-----
-----	<b>Chapter III – Corporate and governance bodies</b>	-----
-----	<b>Section I – General provisions</b>	-----
-----	Article 9 (Corporate and governance bodies)	-----
-----	Article 10 (Duration of the terms of office and confidence)	-----
-----	Article 11 (Composition of the governance bodies and appointment	-----
-----	of their members)	-----
-----	Article 12 (Independence)	-----
-----	<b>Section II – Remunerations and welfare</b>	-----
-----	Article 13 (Remunerations and Welfare Board)	-----
-----	Article 14 (Powers)	-----
-----	Article 15 (Remuneration of the Directors)	-----
-----	Article 16 (Bond)	-----
-----	Article 17 (Social security and supplements)	-----
-----	Article 18 (Minutes of Meetings)	-----
-----	<b>Chapter IV – General Meeting</b>	-----
-----	Article 19 (Composition)	-----
-----	Article 20 (The Board)	-----
-----	Article 21 (Participation)	-----
-----	Article 22 (Representation)	-----
-----	Article 23 (Powers)	-----
-----	Article 24 (Quorum to hold a meeting)	-----
-----	Article 25 (Majorities)	-----
-----	Article 26 (Counting of the votes)	-----
-----	Article 27 (Vote by correspondence and vote by electronic means)	-----
-----	<b>Chapter V – Board of Directors</b>	-----

----- Article 28 (Composition) -----	
----- Article 29 (Chairperson and Vice-Chairpersons) -----	
----- Article 30 (Suspensions and Replacements) -----	
----- Article 31 (Meetings)-----	
----- Article 32 (Resolutions)-----	
----- Article 33 (Management of the Company)-----	
----- Article 34 (Powers) -----	
----- Article 35 (Executive Committee)-----	
----- Article 36 (Binding) -----	
----- Article 37 (Special committees) -----	
----- <b>Chapter VI – Audit Committee</b> -----	
----- <b>Section I – General provisions</b> -----	
----- Article 38 (Composition) -----	
----- Article 39 (Powers of the Audit Committee) -----	
----- <b>Chapter VII – Committee for Risk Assessment</b> -----	
----- Article 40 (Composition) -----	
----- Article 41 (Powers) -----	
----- <b>Chapter VIII – Committee for Nominations and Remunerations</b> -----	
----- Article 42 (Composition) -----	
----- Article 43 (Powers) -----	
----- <b>Chapter IX</b> -----	
----- <b>Committee for Corporate Governance, Ethics and Professional Conduct</b> -----	
----- Article 44 (Composition) -----	
----- Article 45 (Powers) -----	
----- <b>Chapter X – Board for International Strategy</b> -----	
----- Article 46 (Name and functions)-----	
----- <b>Chapter XI – Statutory Auditor</b> -----	
----- Article 47 (Name and functions)-----	
----- <b>Chapter XII – Internal Control Systems and Communication of</b> -----	
----- <b>Irregularities</b> -----	
----- Article 48 (Implementation)-----	
----- Article 49 (Internal control system) -----	
----- Article 50 (Risk management system) -----	
----- Article 51 (Monitoring and internal audit) -----	
----- Article 52 (Internal Communication of Irregularities)-----	
----- Article 53 (Evaluation)-----	
----- <b>Chapter XIII – Income, winding-up and arbitrage</b> -----	
----- Article 54 (Appropriation of profits)-----	
----- Article 55 (Winding-up) -----	

----- Article 56 (Arbitrage)-----

-----**Chapter I**-----

-----**Name, nature, regime and corporate purpose**-----

-----Article 1-----

-----**Name, nature and regime**-----

1. Banco Comercial Português, SA, hereinafter referred to as Bank, is a *sociedade anónima* (joint stock corporation) incorporated under Portuguese law. -----
2. The Bank is governed by the rulings of the European Union, by the applicable banking and commercial laws and by these Articles of Association. -----
3. The non-mandatory provisions of the law may be derogated by means of a resolution of the shareholders. -----
4. All references explicitly made to legal provisions in force are deemed to refer to the laws that may replace them. -----

-----Article 2-----

-----**Registered office, affiliates, branches and other forms of representation**-----

1. The Bank's registered office is situated in Praça D. João I, 28, in the joint parishes of Cedofeita, Santo Ildefonso, Sé, Mira Gaia, São Nicolau and Vitória, Porto.-----
2. The Board of Directors may change the registered office within the Portuguese territory. --
3. The Board of Directors may also establish, change or extinguish affiliates, branches, agencies, delegations or other forms of representation. -----

-----Article 3-----

-----**Corporate purpose**-----

The corporate object of the Bank is to engage in banking with such latitude as may be permitted by Law. -----

-----**Chapter II**-----

-----**Share capital and issue of securities**-----

-----Article 4-----

-----**Share capital**-----

1. The Bank has a share capital of 4,725,000,000 Euros, corresponding to 15,113,989,952 registered and book-entry shares without nominal value, fully subscribed and paid up. -----
2. The Bank may issue ordinary shares or with special rights, notably preference shares with or without voting rights, redeemable with or without a premium or not redeemable, and any other shares. -----
3. The ordinary shares grant identical rights and are fungible, regardless of their issue value.--
4. The provisos of the previous paragraph apply to shares with special rights, within their corresponding categories. -----
5. To the extent and within the limits permitted by law, the General Meeting of Shareholders may, in accordance with article 25 (3) of the articles of association, approve the division or

regrouping, with or without decreasing the share capital, of the shares representing the share capital of the Bank. -----

-----Article 5 -----

-----**Share capital increase by resolution of the Board of Directors**-----

1. The Board of Directors, after obtaining a favourable opinion of the Audit Committee, may resolve to increase the share capital, on one or more occasions, up to the limit of the amount of the present share capital or of the share capital at the time of the possible renewals of this authorization.-----

2. The increases referred to in the previous paragraph operate through the issue of new shares, that may be of one or more categories permitted by law or by the Articles of Association, with or without a share premium. -----

3. The Board of Directors sets the terms of the issue or issues, as well as the terms of the exercise of the shareholders' preference right regarding their subscription, save for any limitation or suppression resolved by the General Meeting. -----

4. The preferential attribution not subscribed by the shareholders may be made available to subscription by third parties, on the terms permitted by law and in the issue resolution. -----

5. Exclusively regarding a possible increase or increases of capital that may be resolved by the Board of Directors after obtaining the favourable opinion of the Audit Committee, through a conversion of credits that the State may hold by virtue of the execution of the guarantees provided under the Law nr. 60-A/2008, dated 20 October that are legally considered as capital increases in cash, the authorization foreseen in nr. 1 has a maximum, autonomous and additional limit equal to twice the amount of the current share capital of the Bank or to the capital existing on the date of possible renewals of this authorization and these possible increases, through the conversion of State credits, shall not be taken into consideration for the purposes of using the maximum amount established in nr. 1 and the shares to issue may be preferential shares, in accordance with legal requirements and the Bank's articles of association. -----

-----Article 6 -----

-----**Qualified shareholdings**-----

1. Whoever, directly or indirectly, acquires or disposes of a shareholding equal or greater than 2% of the Bank's share capital must report it to the Board of Directors within three business days. -----

2. The established in the previous paragraph is applicable to: -----

a) Whoever exceeds or reduces its shareholding in regard to the limits established in the Legal Framework of Credit Institutions and Financial Companies and in the Securities Code concerning qualified shareholdings; -----

b) Whoever is in any of the situations referred to in article 26. -----

3. The notifications foreseen in the previous paragraph must be prior to the exercise of the corporate rights. -----

-----Article 7 -----

-----**Other securities**-----

1. The Bank may, by resolution of the General Meeting or, pursuant to the law and to the Articles of Association, of the Board of Directors, issue other securities and, notably: -----
  - a) Bonds, in any of the forms permitted by law; -----
  - b) Autonomous Warrants, over any securities, issued by the Bank or not; -----
  - c) Other securities reflecting homogenous legal situations, transferable in the market. -----
2. The established in article 5 is also applicable to the issue, by resolution of the Board of Directors, of securities entailing or that may entail an increase of the Bank's share capital. ---

-----**Article 8**-----

-----**Forms of representation**-----

The securities issued by the Bank may be in any of the forms of representation permitted by law. -----

-----**Chapter III**-----

-----**Corporate and governance bodies**-----

-----**Section I – General provisions**-----

-----**Article 9**-----

-----**Corporate and governance bodies**-----

1. The corporate bodies of the Bank are: -----
  - a) The General Meeting; -----
  - b) The Board of Directors; -----
  - c) The Audit Committee; -----
2. The Bank also has a chartered accountant. -----
3. For the purposes of these Articles of Association, in addition to those referred to in the previous paragraphs, the Board of the General Meeting, the Remunerations and Welfare Board and the Board for International Strategy shall be deemed to be governance bodies. -----

-----**Article 10**-----

-----**Duration of the terms of office and confidence**-----

1. The members of the corporate bodies are elected for a four-year term and may be re-elected one or more times. -----
2. The members appointed in replacement or in addition shall complete the then-current terms of office. -----
3. In each annual meeting of the General Meeting of the Bank, a resolution of confidence shall be explicitly voted regarding each of the members of the Board of Directors, otherwise the member is dismissed, as foreseen by law. -----

1. Without damaging the provisions of the following numbers, the members of the corporate bodies are elected for a four-year term and may be re-elected one or more times.

2. Taking into account, namely, the maximum period legally defined for the exercise of the respective functions, in each election the general meeting will be able to, by means of the

majority of two thirds of the votes, establish that the term-of-office of the statutory auditor will be of a minimum of two years and a maximum of four years.

3. Complying with the limits imperatively established, the statutory auditor may be re-elected one of more times, for terms-of-office with an identical or different duration.

4. (former no. 2)

5. (former no. 3)

-----Article 11-----

----- **Composition of the governance bodies and appointment of their members** -----

1. The governance bodies, in the absence of a provision to that effect in the law or in the Articles of Association, shall have the number of members resulting from the election resolution or from an interim specific resolution adopted by the General Meeting. -----

2. The established in the previous paragraph does not impair the amendment, in the course of the term of office and up to the limit established by law or in the Articles of Association, of the number of members of the governance body in question. -----

3. Elections of more than one member shall be made by lists, and the ballot carried out solely in respect of such lists. -----

4. The lists, indicating the proposing shareholders, must be submitted at the company's registered office within the deadlines established by law prior to the date scheduled for the General Meeting, whose agenda includes the election of members of corporate bodies, by means of a notice addressed to the Chairperson of the General Meeting, accompanied by the items referred to in Article 289 (1) (d) of the Companies Code, without damaging the replacement of members in the event of death or impediment, notice of which must be given immediately together with the necessary information. -----

-----Article 12-----

----- **Independence** -----

1. For the purposes of these Articles of Association, the persons not associated to any group of specific interests within the Bank, nor in any situation that may affect their independence in terms of analysis and decision, are deemed independent. -----

2. The independence criteria shall be set by the governance body in question, and should be duly justified whenever they diverge from applicable legally or regulatory applicable recommendations. -----

----- **Section II – Remunerations and welfare** -----

-----Article 13-----

----- **Remunerations and Welfare Board** -----

1. The Remunerations and Welfare Board shall consist of three to five members, appointed by the General Meeting. -----

2 – Directors may be members of the Remuneration and Welfare Board, provided that they are not part of the Executive Committee. -----

3. The members of the Remuneration and Welfare Board who are not Directors are paid according to a resolution adopted by the General Meeting of Shareholders.-----

-----Article 14-----

-----**Powers**-----

The Remunerations and Welfare Board shall: -----

- a) Set the remunerations of the members of the governance bodies of the Bank; -----
- b) Determine the terms of the supplements to the retirement or disability pensions of the directors; -----
- c) Submit, to the annual General Meeting, a declaration on the remuneration policy for the corporate bodies of the Bank, in accordance with the rules and considering the applicable recommendations. -----

“c) Cooperate with the Committee for Nominations and Remunerations aiming at the joint presentation to the General Meeting of Shareholders of the Remuneration Policy of the Members of the Management and Supervision Bodies”

-----Article 15-----

-----**Remuneration of the Directors**-----

- 1. The remuneration of the executive directors includes a fixed and a variable component. ----
- 2. Its amount shall be set for each director, taking into account, notably, the medium- and long-term interests of the Bank and the aim of not encouraging excessive risk-taking. -----
- 3. The addition of the variable remuneration components of the several directors must abide by the legal limits, cannot exceed 200% of the respective fixed remuneration or 2% of the Group's consolidated earnings, and the respective attribution and establishment must observe the applicable rules, namely those regarding deferment, balance between cash and other instruments, reversion (clawback) and reduction (malus) mechanisms. -----
- 4. The remuneration of the Directors who are not part of the Executive Committee shall consist of a fixed amount. -----

-----Article 16-----

-----**Bond**-----

The mandatory bond to be provided by the directors is regulated by the relevant provisos in force, and its mandatory amount shall be set at the minimum amount required by law. -----

-----Article 17-----

-----**Social security and supplements**-----

- 1. The directors shall benefit from the social security regime applicable in each case.-----
- 2. The directors are also entitled to a supplement to the retirement or disability pensions and the Bank may enter into insurance contracts in favour of such directors.-----
- 3. By means of an agreement with each director, the insurance policy may be replaced by contributions to a pension fund of defined contributions. -----
- 4. The amount of the contributions of the Bank, within the scope of the two previous paragraphs, shall be established on a yearly basis by the Remunerations and Welfare Board. -

5. The Bank shall not bear any additional expenses with the retirement and disability pensions after the termination of each director's functions. -----
6. The right to the supplement shall only become effective if the beneficiary retires due to old age or disability, under the terms of the applicable social security regime. -----
7. At the time of the retirement, the beneficiary may choose to redeem the capital if and to the extent that the contract underlying the alternative chosen by him/her, so allows. -----
8. In case of death before retirement, the right to receive the accrued capital shall remain effective pursuant to the applicable provisions established by the contract or by law. -----

#### -----Article 18-----

### -----Minutes of Meetings-----

1. Minutes shall always be written up of the meetings of the various governance bodies, signed by all persons present and containing, in addition to the various identification details, the resolutions taken the votes cast. -----
2. The minutes of the General Meeting shall comply with specific rules foreseen by law or in these Articles of Association. -----

#### -----Chapter IV-----

### -----General Meeting-----

#### -----Article 19-----

### -----Composition-----

1. The resolutions of the shareholders of the Bank are made at the General Meeting, with each share corresponding to one vote. -----
2. Persons who are shareholders by 00:00 a.m. of the fifth trading day prior to the day of the meeting may take part in the General Meeting, directly or through a representative. -----
3. In case of joint ownership of shares, the joint representative shall take part in the General Meeting. -----
4. The usufructuary and the pledgee of shares shall take part on the terms foreseen by law. ---
5. The directors, the members of the remaining governance bodies and, in the annual meetings, the chartered accountant shall attend the General Meeting. -----
6. The common representatives of the holders of non-voting preference shares and of bondholders may attend the General Meeting. -----
7. Any other persons, notably experts of the Bank, authorized or invited by the Chairperson of the Board of the General Meeting to better clarify matters under discussion may be in attendance. -----

#### -----Article 20-----

### -----The Board-----

1. The board of the General Meeting shall comprise one Chairperson, one Vice-Chairperson and by the Bank's Secretary. -----
2. The Chairperson and the Vice-Chairperson are elected by the General Meeting and must be independent. -----

3. The Chairperson of the Board shall convene the Meeting, set the date and place of the meeting, as well as the agenda, organize the attendance list, efficiently and impartially direct the discussion, exclude dilatory or inopportune matters, confirm whether the proposals are legal, decide, within his powers, on the sort of voting, carry out votes, verify the votes, validate the electronic or correspondence votes, announce the results, supervise the writing up of the minute and exercise all other powers granted by law and by these Articles of Association. -----

4. The Chairperson of the Board may be heard on any matters relevant to the Bank, at the initiative of the Chairperson of the Board of Directors or of the Chairperson of the Audit Committee. -----

5. The Vice-Chairperson replaces the Chairperson when the latter is unavailable. -----

6. The Secretary shall act as such at the meetings of the General Meeting and shall be responsible for the process of writing up the minute. -----

7. The Board of the General Meeting is provided with the human and logistic resources adequate to its needs. -----

-----Article 21-----

-----**Participation**-----

1. The shareholders meeting the requirements foreseen in article 19 (2) of these Articles of Association and intending to discuss and vote at the Meeting shall, until the trading day before 00:00 of the fifth trading day prior to the day of the meeting, give notice of such intent in writing to the Chairperson of the Board and to the financial intermediary where the individual record account is open. -----

2. The financial intermediary shall, in turn, send to the Chairperson of the Board, by the end of the fifth trading day prior to the day of the meeting, a notice with the number of shares registered in the name of its client, by reference to the date of registration. -----

3. Whoever, having stated its intention of taking part in the General Meeting, pursuant to paragraph 1, transfers the property of its shares between the date of registration and the end of the meeting, shall immediately give notice of such fact to the Chairperson of the Board and to the Securities Market Commission (CMVM). -----

4. The various notices may be given by e-mail. -----

-----Article 22-----

-----**Representation**-----

1. The shareholders may have themselves be represented by persons of full legal capacity, by means of a notice, either by postal or electronic means, addressed to the Chairperson of the Board, received by 17:00 of the penultimate business day prior to the day of the meeting and containing all identification details of the representative and the represented shareholder. -----

2. The shareholders may appoint, either alternatively or sequentially, more than one representative, but representation may only, at each moment, be carried out by one person alone, save as otherwise established by law. -----

-----Article 23-----

### **Powers**

The General Meeting of the Bank has the powers that are granted to it by law and by these Articles of Association, and shall, in particular: -----

- a) Elect the members of the Board of the General Meeting; -----
- b) Elect the members of the Board of Directors, its Chairperson and Vice-Chairpersons, if any; -----
- c) Elect the members of the Remunerations and Welfare Board; -----
- d) Elect the chartered accountant, pursuant to a proposal of the Audit Committee; -----
- e) Resolve, pursuant to a proposal of the Audit Committee, presented to it by the Audit Committee, on the choice of the external auditor; -----
- f) Resolve on the management report, on the financial year accounts and on the proposal for the appropriation of profits; -----
- g) Make a general appraisal of the management and supervision of the Bank, to the extent permitted by law; -----
- h) Resolve on management matters, upon request of the Board of Directors.-----

### **Article 24**

### **Quorum to hold a meeting**

1. The General Meeting shall resolve, on first call, when shareholders holding more than one third of the share capital are either present or represented, without prejudice to the established in the following paragraph. -----
2. On second call, the General Meeting may resolve regardless of the number of shareholders present or represented and of the amount of share capital they hold.-----

### **Article 25**

### **Majorities**

1. The General Meeting of the Bank shall resolve by a majority of votes validly cast, save if a qualified majority is required by law or by these Articles of Association. -----
2. Abstentions shall not be counted. -----
3. Resolutions concerning the amendment of these Articles of Association shall be approved by two thirds of the votes cast, either on first or on second call and regardless of the number of shareholders present or represented at either, save for the established in the two following paragraphs. -----
4. Resolutions concerning the merger, demerger or transformation of the Bank shall be approved by three quarters of the votes cast, either on first or on second call, regardless of the number of shareholders present or represented at either, save if concerning mergers by incorporation of companies dependent on the Bank or demergers for the inception of companies dependent on the Bank, with the incorporation, into such companies, of assets of the Bank. -----
5. Resolutions concerning amendments to the Articles of Association involving the amendment of the previous paragraph, or of articles 15, 17 (1), 26 or 55 of these Articles of

Association, as well as in respect of this paragraph, shall be approved by two thirds of the votes cast, or by the higher number of votes cast foreseen in the provisions to be amended, in compliance with the counting limitation foreseen in these Articles of Association. -----

-----Article 26-----

-----**Counting of the votes**-----

1. Votes cast by a shareholder, either directly or by proxy, shall not be counted in the event that the same: -----

a) Are in excess of 30% of the votes corresponding to the share capital; -----

b) Exceed the difference between the eligible votes cast by other shareholders who have any relationship envisaged in paragraph 2 of this article with the said shareholder, and to the extent thereof, and 30% of all the votes corresponding to the share capital. -----

2. For the purposes of sub-paragraph 1(b) above, the following votes are included: -----

a) The votes corresponding to shares held by persons related to such shareholder as foreseen in article 20 of the Securities Code, with the exclusions set forth in article 20-A of the same statute; -----

b) The votes of shareholders that, in the context of a takeover bid or of an exchange offer concerning securities issued by the Bank: -----

i) Actively cooperate with the bidder with a view of ensuring the success of the offer; or -----

ii) Are, in relation to such bidder, in any of the situations comprised by subparagraph a) of the present paragraph. -----

3. The limitations resulting from the previous paragraph are proportionally applicable to each of those included, depending on the number of votes to be cast. -----

4. The limitations set forth in this Article are applicable to all resolutions, including the ones mentioned in article 386 no. 5 of the Companies Code. -----

-----Article 27-----

-----**Vote by correspondence and vote by electronic means**-----

1. The votes may be communicated, by correspondence or by electronic means, to the Chairperson of the Board, with the minimum notice period set by the chairman in each call notice and shall concern all items contained therein. -----

2. The presence, at the General Meeting, of the shareholder or of its representative, entails the revocation of the communications made by such shareholder pursuant to the previous paragraph. -----

3. The votes by correspondence or by electronic means are valid for the purposes of the quorum necessary to hold a meeting and to pass resolutions, and shall be deemed as abstention votes as regards prior proposals regarding which they take no stand and as votes against proposals submitted after such votes being cast. -----

4. The Chairperson of the Board shall be responsible for verifying, prior to calling the Meeting, the availability of resources that will guarantee the authenticity and the regularity of the votes cast under this article, ensuring their confidentiality up until the time of the voting. -

-----**Chapter V**-----

-----**Board of Directors**-----

-----**Article 28**-----

-----**Composition**-----

1. The Board of Directors of the Bank is composed of a minimum of 15 and a maximum of 19 members, elected by the General Meeting of Shareholders. -----
2. One of the directors may be elected alone, as per the provisos of article 392, (1 to 5) of the Companies Code.-----
3. In case the general Meeting of Shareholders does not elect the maximum number of members mentioned in the previous number, the Board of Directors, insofar as permitted by law, may make the cooptation of new members up to that limit. The cooptation must be submitted to the first General Meeting held afterwards, for ratification.-----

-----**Article 29**-----

-----**Chairperson and Vice-Chairpersons**-----

1. The Chairperson of the Board of Directors is appointed by the General Meeting that carries out the election. -----
2. The General Meeting shall also appoint up to three Vice-Chairpersons, one of them being the Chairperson of the Executive Committee.-----
3. In the absence of appointment by the General Meeting or absence of whomever the General Meeting appointed, the Board of Directors is responsible for choosing, from amongst its members and on a case-by-case basis, a new Chairperson or new Vice-Chairpersons, submitting such appointment to the next General Meeting for ratification. -----
4. The Board of Directors may charge its Chairperson, as the Bank's highest institutional representative, with specific matters, provided that these have not been delegated to the Executive Committee.-----

-----**Article 30**-----

-----**Suspensions and Replacements**-----

1. If duly justified, the Audit Committee may suspend any director 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 Board, is absent three consecutive times or five non-consecutive times shall be dismissed. The dismissal is declared by the Board of Directors. -----
3. In case of dismissal, in accordance with the previous paragraph or for any other reasons, or in case of a justified temporary unavailability, such director shall be replaced in accordance with the law.-----

-----**Article 31**-----

-----**Meetings**-----

1. The Board of Directors shall meet whenever convened by the Chairperson or by two other members and, at least, once every two months. -----

2. The meeting shall be convened in writing and electronic means may be used for such purpose. -----
3. Any member of the Board of Directors may arrange to be represented by another Board member by means of a letter addressed to the Chairperson which may be used only once. ----
4. Each member is only entitled to represent another member. -----
5. 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 insured. -----
6. The Board of Directors shall approve its internal regulations as well as those of its Specialized Commissions. -----

-----Article 32-----

-----**Resolutions**-----

1. The Board of Directors shall only adopt resolutions if the majority of its members are either present or represented, directly or by electronic means. -----
2. Resolutions are adopted by majority, and the Chairperson or whoever replaces him shall have a casting vote. -----

-----Article 33-----

-----**Management of the Company**-----

The Board of Directors is the corporate management body of the Bank and it is responsible, according to the law and these Articles of Association, 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, in compliance with the strictest rules of good banking practice. ----

-----Article 34-----

-----**Powers**-----

Without prejudice to the established in the previous article, the 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 company; -----
- c) Deciding on the acquisition by the Bank of holdings in companies, governed by general law or by special laws, regardless of its corporate object, in incorporated or unincorporated joint ventures or in any other form of association of companies; -----
- 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 these 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) Preparing and executing the Bank's expansion plan, within and outside the European Union and with particular attention to the Portuguese-speaking countries; -----

- g) Hiring the Bank's employees, setting their salaries, social benefits and other benefits, and exercising management and disciplinary powers; -----
- h) 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; -----
- i) 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 outside court, engage in arbitrations and sign affidavits; -----
- j) Delegating, to any one or more of its members, management and representation powers, for isolated acts or for categories of acts; -----
- k) Ratifying any acts that, in its name, the Chairperson or whoever replaces him shall carry out in case of emergency; -----
- l) Establishing the organization and the work methods of the Bank, preparing regulations and determining the instructions it may deem convenient; -----
- m) Preparing the provisional documents concerning the activity of the Bank and the corresponding execution reports, as well as all financial statements; -----
- n) Closely cooperating with all the other bodies of the Bank, in light of good corporate governance practices; -----
- o) Hiring and replacing, under proposal of the Audit Committee, the external auditor appointed pursuant to article 23 (e) of these Articles of Association; -----
- p) Appointing the secretary of the company and the respective substitute; -----
- q) Complying and ensuring compliance with the applicable legal provisions and applicable provisions of the Articles of Association, as well as with the resolutions of the General Meeting. -----

#### -----Article 35-----

#### -----Executive Committee-----

1. The Board of Directors delegates the Bank's day-to-day management to an Executive Committee, and may especially entrust one or more directors with certain management issues.
2. The Chairperson, in case he/she has not been indicated by the General Meeting, eventual chairpersons and the remaining members of the Executive Committee are selected by the Board of Directors from amongst its members. The Executive Committee will be composed of a minimum of six and a maximum of seven directors. -----
3. The Board of Directors establishes the competences of the Executive Committee, and may delegate to it all the issues it deems convenient, abiding by the delegation legal limits. -----
4. The Chairperson of the Executive Committee, who has the casting vote, must:-----
  - a) Ensure that all information concerning the activities developed by the Executive Committee and the resolutions adopted by it is conveyed to the remaining members of the Board of Directors;-----
  - b) Ensure the compliance with the Bank's delegation limits and with the Bank's strategy. -----

c) Coordinate the activities developed by the Executive Committee, chairing the respective meetings and monitoring the execution of the resolutions. -----

5. In principle, the Executive Committee will function in accordance with the rules defined for the Board of Directors, without damaging the adjustments that the Board of Directors may resolve to introduce in its functioning model.-----

6. The Board of Directors may authorize the Executive Committee to entrust one or more of its members with certain issues and to sub-delegate to one or more of its members, the exercise of some of the powers delegated to it. -----

-----Article 36-----

-----**Binding**-----

1. The Bank shall be bound before third parties by the signature: -----

a) of the Chairperson of the Board of Directors together with another director who is a member of the Executive Committee;-----

b) of two directors who are members of the Executive Committee;-----

c) of one director on whom powers for the act shall have been delegated; -----

d) of one director and an attorney, under the terms of the latter's mandate;-----

e) of one or more attorneys under the terms and within the scope of the respective powers-of-attorney. -----

2. Regarding the day-to-day management, the Bank shall be bound by the signature of any director or of an attorney with sufficient powers. -----

-----Article 37-----

-----**Special committees**-----

1.If the General Meeting did not create these, the Board of Directors shall create a Committee for Risk Assessment, which will monitor and follow-up on the risk strategy and appetite, a Committee for Nominations and Remunerations, to monitor and follow-up on matters related to the selection, assessment and remuneration policy for Corporate Bodies and for employees, namely those qualified as officers and a Committee for Corporate Governance, Ethics and Professional Conduct to follow and monitor issues regarding the adoption of the best rules in respect of good governance, ethics and professional conduct. -----

2. The Committees mentioned in number 1 shall be exclusively composed of directors who do not perform executive functions. -----

3. The Board of Directors may also approve the creation of other Committees, with or without the presence of its members, to follow certain specific matters on an ongoing basis, defining their powers and duties.-----

4. The members of the Committees mentioned in the previous paragraphs may also be given duly specified representation powers. -----

5. The Chairperson of the Board of Directors may attend the meetings of all the Committees though he/she will not have voting rights when he/she is not a member thereof. -----

-----**Chapter VI**-----

-----**Audit Committee**-----

-----Article 38-----

-----**Composition**-----

1. The supervision of the company will be carried out by an Audit Committee, elected by the general Meeting and composed by a minimum of three and a maximum of five members, one of them being its Chairperson .-----
2. The members of the Audit Committee are appointed together with the remaining directors and the proposals for the election of the members of the Board of Directors must point out which members will be part of the Audit Committee and indicate the respective Chairperson.-
3. The Chairperson of the Audit Committee as well as the majority of its members must be independent and one of them must have a degree appropriate for the exercise of his/her functions and knowledge of audit and accounting. -----
4. The Chairperson of the Audit Committee will be in charge of summoning and chairing the meetings of the Audit Committee. The Chairperson of the Audit Committee will have the casting vote. -----
5. The Audit Committee meets, ordinarily, at least once every two months and whenever the Chairperson deems convenient or the meeting is requested by any of its members. -----
6. The meetings may be held with the use of electronic means being guaranteed the authenticity of the statements, the safety and secret nature of the interventions and the registration of its contents. -----
7. The Audit Committee can only resolve if the majority of its members are present.-----
8. The member of the Audit Committee that, having been summoned and without presenting a justification accepted by the Committee, is absent in three consecutive meetings or in five non-consecutive ones, shall be dismissed. The definitive absence must be declared by the Audit Committee and the substitution must be made in accordance with the law. -----

-----Article 39-----

-----**Powers of the Audit Committee**-----

Beyond the remaining competences attributed to it by law, the Audit Committee will be specifically in charge of: -----

- a) Monitoring the Bank's management;-----
- b) Verifying the compliance with the law and with the articles of association;-----
- c) Verifying the regularity of the books, accounting records and documents supporting them; -
- d) Verifying the accuracy of the financial statements;-----
- e) Supervising the efficiency of the risk management system, of the internal control system and of the internal audit system; -----
- f) Receiving the communications on irregularities presented by shareholders, employees of the Bank and other;-----
- g) Supervising the preparation and disclosure of financial information processes; -----
- h) Proposing to the General Meeting the election of the Chartered accountant and of the external auditor; -----

- i) Supervising the review of the accounts and of the financial statements of the Bank; -----
- j) Supervising the independence of the chartered accountant and of the external auditor, notably in what regards the provision of additional services;-----
- l) Engage the provision of services by experts to assist one or several of its members in the exercise of his/her/their functions. This engagement and the remuneration of the experts must take into account the importance of the issues committed to them and the Bank's economic situation; -----
- m) Comply with all the duties foreseen in the law and in the articles of association. -----

## -----Chapter VII-----

### -----Committee for Risk Assessment-----

#### -----Article 40-----

#### -----Composition-----

1. The Committee for Risk Assessment shall monitor and follow up on the company's risk strategy and appetite, being composed of three to five directors who do not perform executive functions and the majority of its members must be independent. -----
2. The Chairperson of the Committee for Risk Assessment must be independent and cannot chair the Board of Directors or any other of its Committees. -----
3. The members of the Committee for Risk Assessment must possess the appropriate knowledge, competences and experience enabling them to fully understand and supervise the Bank's risk strategy as well as the Bank's risk appetite. -----

#### -----Article 41-----

#### -----Powers-----

Besides other powers granted to it by law or by the Board of Directors, the Committee for Risk Assessment shall be specifically responsible for the following: -----

- a) Advising the Board of Directors on the strategy and policies concerning the taking, management, control, policies and reduction of risks to which the Bank is or may come to be exposed, including those resulting from the macroeconomic framework within which it operates. -----
- b) Assisting the Board of Directors in the supervision of the execution of the Bank's risk strategy; -----
- c) Assessing and allocating adequate resources to risk management in accordance with the General Framework for Credit Institutions and Financial Companies and with the remaining domestic and European legal requirements in effect; -----
- d) Analysing if the products and services offered to customers take into consideration the Bank's business model and risk strategy; -----
- e) Examining if the incentives established in the Bank's remunerations policy take into consideration the risk, capital, liquidity and expectations concerning income. -----

## -----Chapter VIII-----

### -----Committee for Nominations and Remunerations-----

#### -----Article 42-----

## **Composition**

1. The Committee for Nominations and Remunerations is composed of three to five directors who do not perform executive functions.
2. The Chairperson of the Committee for Nominations and Remunerations must be independent.
3. At least one of the members of the Committee for Nominations and Remunerations must have the appropriate expertise, skills and experience to exercise such functions.

## **Article 43**

## **Powers**

Besides other powers granted to it by law or by the Board of Directors, the Committee for Nominations and Remunerations shall be specifically responsible for the following:

- a) Identifying and recommending to the Board of Directors the appointees for positions within that body, assessing its composition in terms of knowledge, competences, diversity and experience, drawing up a description of the functions and qualifications for the positions in question and assessing the time required for the exercise of the function;
- b) Assessing, at least once a year, the structure, size, composition and the performance of the Board of Directors and making recommendations to the Board for the introduction of eventual alterations;

## **Chapter IX**

## **Committee for Corporate Governance, Ethics and Professional Conduct**

## **Article 44**

## **Composition**

The Committee for Corporate Governance, Ethics and Professional Conduct is composed of three to five directors who do not perform executive functions.

## **Article 45**

## **Powers**

Besides other powers granted to it by the Board of Directors, the Committee for Corporate Governance, Ethics and Professional Conduct shall be specifically responsible for the following:

- a) Recommending to the Board of Directors the adoption of policies that translate a good professional conduct and meet ethical principles and the best corporate governance practices;
- b) Supporting the Board of Directors in the evaluation of the systems that identify and solve conflicts of interests;
- c) Evaluating the Compliance function, appraising the procedures in effect and the non-compliant situations.

## **Chapter X**

## **Board for International Strategy**

## **Article 46**

## **Appointment and functions**

1. The Board for International Strategy is an advisory body of the Bank composed of representatives of the shareholders with a qualifying holding and of persons with recognized merit and connections to the countries that are relevant to the Bank and to the Group. -----
2. Except for the persons who are members due to their functions, the remaining members of the Board for International Strategy, including its Chairperson, are appointed by the Board of Directors.-----
3. The Chairperson of the Board of Directors, the Chairperson of the Executive Committee and the Chairperson of Fundação Millennium BCP are members of the Board for International Strategy due to their functions. -----
4. The Vice-Chairpersons of the Board for International Strategy shall be chosen by its members. The Vice-Chairpersons shall replace the Chairperson in case of impediment, by order of appointment. -----
5. The term-of-office of the members of the Board for International Strategy must coincide with the term-of-office of Board of Directors. -----
6. The Board for International Strategy shall meet at least twice a year and whenever convened by its Chairperson. -----
7. Specifically, the Board for International Strategy will be in charge of: -----
  - a) Assessing and pondering on the Group's global strategy and on the strategy for each country, issuing, when deemed convenient, recommendations to the Board of Directors.-----
  - b) Monitoring the implementation of the Group's international strategy and investment strategy, issuing, when deemed convenient, recommendations to the Board of Directors. -----
8. The members of the Board for International Strategy will be compensated by presence cards in an amount to be established by the Remunerations and Welfare Board. -----

## -----Chapter XI-----

### -----Chartered accountant -----

#### -----Article 47-----

### -----Appointment and functions -----

1. The chartered accountant of the Bank and its substitute are elected by the General Meeting, under proposal of the Audit Committee. -----
2. The Statutory Auditor shall exercise all functions set forth by the law and the articles of association, and shall also be heard on any subject, if so requested by the Chairpersons of the Board of Directors or any of its Committees. -----

## -----Chapter XII-----

### -----Systems for internal control and communication of irregularities-----

#### -----Article 48-----

### -----Setup -----

1. The Bank has highly-effective systems of internal control and of communication of irregularities, in accordance with the strictest international banking practises, the Board of Directors being responsible for its implementation and operation in an adequate and effective manner. -----

2. The systems are set up and awarded the necessary human and material resources by the Board of Directors. -----

-----Article 49-----

-----**Internal control system**-----

1. The internal control system encompasses the group of strategies, policies, systems, processes, rules and procedures established at the Bank in order to insure, notably: -----

a) An efficient and profitable performance of the activity, in the medium and long-term, which ensures the effective use of the assets and resources, the continuity of the business, notably by means of an adequate management and control of the risks of the business, a prudent and accurate assessment of the assets and liabilities, as well as through the establishing of mechanisms of prevention and protection against non-authorized actions, either intentional or negligent; -----

b) The existence of complete, pertinent, reliable and timely financial and management information, supporting decision-making and control procedures, both internally and externally; -----

c) Compliance with the applicable legal and regulatory provisions, issued by the competent entities, as well as with the applicable professional and ethics regulations, with internal regulations and the Articles of Association, with rules of conduct and communication, with the guidelines of the governance bodies and with the applicable recommendations from international entities, in order to preserve the image and repute of the Bank.-----

2. The internal control system is based in an adequate control environment, a risk management system, a communication and information system and a monitoring process ensuring their respective adequacy and efficiency, in a consistent and coherent manner in all areas of the Bank. -----

-----Article 50-----

-----**Risk management system**-----

1. The risk management system encompasses an integrated set of permanent processes ensuring an adequate understanding of the nature and size of the risks associated with the activities of the Bank and allowing for the identification, evaluation, monitoring and control of the relevant risks that the Bank is exposed to, thus enabling the adequate development of its strategy. -----

2. The Bank maintains, in a permanent manner, the risk management function, responsible, notably, for ensuring the effective application of the risk management system; -----

3. The Bank also undertakes (in a permanent and independent manner) the compliance function, responsible, notably, for monitoring and evaluating the risks of default by the Bank of the obligations and duties it is legally subject to. -----

-----Article 51-----

-----**Internal assessment and auditing**-----

1. The Bank shall maintain in place a process of monitoring of the internal control, comprising the control actions and evaluations ensuring its efficiency and adequacy. -----

2. The Bank shall maintain in place, acting in a permanent and independent manner, an internal audit function, responsible, notably, for examining and evaluating the adequacy of the internal control system, in whole and in respect of its components. -----

-----Article 52-----

-----**Internal communication of irregularities**-----

A regulation on the internal communication of irregularities is approved by the Board of Directors following the favourable opinion of the Audit Committee. -----

-----Article 53-----

-----**Evaluation**-----

1. The Bank appoints an external entity of solid international repute, by resolution of the Board of Directors, following the favourable opinion of the Audit Committee, which evaluates the adequacy and efficiency of the internal control. -----

2. On the terms referred in the previous paragraph, external auditors or other specialised entities may be appointed for the analysis of sectorial matters. -----

3. The external entity appointed may, at the request of the Chairperson of the Board of Directors or of the Chairperson of the Audit Committee, be heard on any matters of the interest of the Bank, and invited to be present, without the right to vote, at any meetings of those corporate bodies. -----

-----**Chapter XIII** -----

-----**Net income, winding-up and arbitration** -----

-----Article 54-----

-----**Appropriation of profits** -----

1. The net income returned for the financial year shall be appropriated as determined at the General Meeting, following deduction of the sums that special law requires to be set aside to constitute or increase reserve and guarantee funds. -----

2. The General Meeting may freely adopt resolutions by simple majority in matters concerning the appropriation of the net income for the year, without being subject to any mandatory distribution, but following the dividend policy in effect at each moment, always without prejudice to the full freedom of decision of the General Meeting of Shareholders.-----

3. The General Meeting may set a percentage of net income to be distributed among the Bank's employees, the Board of Directors being responsible for the criteria of such distribution, after hearing the opinion of the Committee for Nominations and Remunerations.

4. After obtaining the opinion of the chartered accountant, the Board of Directors may adopt a resolution to pay interim dividends under the terms and within the limits of the law. -----

-----Article 55-----

-----**Winding-up** -----

The Bank shall be wound up in those cases foreseen by law or by means of a resolution of the General Meeting, adopted by a qualified majority of  $\frac{3}{4}$  of the votes representing the paid-up share capital, following compliance with legal requirements. -----

-----Article 56-----

-----**Arbitration**-----

In case of conflict between the Bank and one or more of the members of its governance bodies, such conflict shall be resolved by arbitration in accordance with the Arbitration Rules of the Porto Trade Association or with the Arbitration Rules of the Lisbon Trade Association, as may please the claimant. -----