

**GENERAL MEETING OF SHAREHOLDERS OF
BANCO COMERCIAL PORTUGUÊS, S.A.
(18 APRIL 2011)**

PROPOSAL CONCERNING ITEM 4 OF THE AGENDA

Considering:

A. The amendments made to the Companies Code and to the Securities Code, some of which have created the need to adjust various provisions of the Bank's Articles of Association;

B. That Decree-Law no. 49/2010, of May 19, has come to allow that the share capital of a joint stock company (*sociedade anónima*) is represented by shares without nominal value, and that there are relevant advantages in the adoption of this measure in companies whose shares are listed in regulated markets, notably considering its positive effect in some current constraints to the processes of attraction of own funds;

C. That, in the meanwhile, the statutory authorization for the Executive Board of Directors to resolve a share capital increase in cash, with shareholder's preference, has expired, making it convenient to renew such authorization;

D. The convenience, after successive amendments of limited scope, induced by successive legal amendments with an inevitably scattered scope, of taking the opportunity to undertake a global harmonization and re-structuring of the provisions of the Articles of Association.

We propose that the General Meeting resolves:

1) The full amendment and re-structuring of the Articles of Association, with the amendment of articles 1 to 34, inclusive, and with the inclusion of twenty two new articles, to be numbered from 35 to 56, the provisions of new articles 1 to 56 having the wording as per Annex I to this proposal;

2) That the Executive Board of Directors be authorized to undertake all necessary or convenient actions to the full execution of the resolution mentioned in 1), in particular for what concerns its respective means and timing of execution.

Lisboa, March 23, 2011

THE SUPERVISORY BOARD

ANNEX I

GENERAL MEETING OF SHAREHOLDERS OF BANCO COMERCIAL PORTUGUÊS, S.A. (18 APRIL 2011)

PROPOSAL CONCERNING ITEM 4 OF THE AGENDA

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Chapter I – Name, nature, regime and corporate purpose

Current wording

Name, Registered office and object

Article 1

Name, nature and regime

1. **Banco Comercial Português, SA**, hereinafter referred to as Bank, is a *sociedade anónima* (joint stock Corporation) under Portuguese law.
2. The Bank is governed by the provisions 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.

Current wording

Article 1

Legal Nature and Name

Banco Comercial Português, S.A., incorporated as a *sociedade anónima* (public limited company under Portuguese law), is governed by these Articles of Association and by the Applicable legislation.

Explanatory Note:

1. *Sociedade anónima* under Portuguese law is the correct technical indication of its nature.
2. The reference to subsidiarily applicable law shall start by European Union laws.
3. The Bank should use the possibility allowed by article 9(3) of the Companies Code (“the rules of this Code whose application is subject to the parties will may only be derogated by the Articles of Association, safe for situations where these expressly authorize its derogation by means of a shareholders resolution”).
4. The general reference made in no. 4 avoids multiple references throughout the text, as well as doubts, when there are no such references.

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 parish of Santo Ildefonso, Porto.

2. The Executive Board of Directors may, after obtaining the favourable opinion of the Supervisory Board, change the registered office within the Portuguese territory.

3. The Executive Board of Directors may also establish, change or extinguish affiliates, branches, agencies, delegations or other forms of representation and, when in respect of foreign countries and of affiliates, after obtaining the favourable opinion of the Supervisory Board.

Current wording

Article 2

Registered office and forms of representation

1 – The Bank’s registered office is situated in Oporto at Praça D. João I, 28, in the parish of Santo Ildefonso.

2 – The Executive Board of Directors may change the registered office within the Portuguese territory, after obtaining the favourable opinion of the Supervisory Board.

3 – The Executive Board of Directors may also establish agencies, affiliates, branches, delegations and offices, or other means of representation, both in Portugal and, after obtaining the favourable opinion of the Supervisory Board, abroad.

Explanatory Notes:

1. The indication of the corporate seat is given by the normal sequence.

2. A consequent wording is given to the change of the corporate seat; This rule was introduced in article 12 (2) of the companies Code, in the wording given by Decree-Law no. 76-A/2006, of March 29.

3. Technically, the definitions of article 13 of the General Framework of Credit Institutions and Financial Companies should be employed by their logical order. We remind that (a) an affiliate is a moral person dominated by another; (b) a branch is a body with no juridical personality and that directly operates, in whole or in part, operations inherent to the company’s activities; (c) an agency is a branch within the country. As for what concerns delegations or other types of representation (as offices): they corresponded to minor forms of representation, not defined in the relevant provision.

Article 3

Corporate purpose

The purpose of the Bank is to engage in banking activities, with such latitude as may be permitted by law.

current wording

Article 3

Corporate object

The corporate object is to engage in banking with such latitude as may be permitted by law.

Chapter II – Share capital and issue of securities

current wording

Share Capital, Shares, Bonds and Shareholders Preference

Explanatory Note: the proposed wording is preferable, once it is simpler and broader.

Article 4

Share capital

1. The Bank has a share capital of 4,694,600,000 euros, corresponding to 4,694,600,000 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 preferential 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 amongst themselves, regardless of their issue value.

4. The established in the previous paragraph is applicable to shares with special rights, within their corresponding categories.

current wording

Article 4

Share capital

The fully paid up share capital amounts to 4,694,600,000 euros, divided into 4,694,600,000 registered and book-entry shares, each of a nominal value of 1 euro.

Explanatory Notes:

1. We aim at keeping the wording uniform: where before “Bank” or “company” was mentioned, Bank should be expression to be used.

2. The reference to shares without nominal value, permitted by Decree-Law no. 49/2010, of May 19, is adopted in full.

Article 5

Share capital increase by resolution of the Executive Board of Directors

1. The Executive Board of Directors, after obtaining a favourable opinion of the Supervisory Board, may resolve to increase the share capital, on one or more occasions, up to the limit of two fifths of amount of the present share capital or of the share capital at the time of the possible renewals of the present 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 Executive 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.

current wording

Article 6

Share capital increase

1 – The Executive Board of Directors may, whenever it so deems advisable and provided it has obtained the approval of the Supervisory Board, increase the share capital on one or more occasions, up to a total increase equal to three quarters of the share capital as of the date of authorization herein or of any of its possible renewals.

2 - The Executive Board of Directors may likewise, without damaging the concurrent competence of the General Meeting, issue covered warrants on own securities, and such warrants may grant entitlement to the subscription or acquisition of shares in the company up to the limit set forth in the foregoing paragraph.

3 – The Executive Board of Directors shall set the terms and conditions of new issues, as well as the conditions and calendar for the exercise of the shareholders legal preference rights, except for resolution by the General Meeting to limit or suppress them, taken in accordance with the legal requirements, without damaging the possibility of part of the preferential attribution not subscribed by the shareholders being eventually made available to subscription by third parties, in the terms permitted by the law and the issue resolution.

Explanatory Note:

1. The wording should be simplified;
2. The powers of the Executive Board of Directors to establish the terms of issuance should be presented in a schematic way.
3. The existence of a share premium (“*ágio*”) remains possible, even in the event of shares without nominal value: it accrues, in this case, to the issuance value (article 277 (2) of the Companies Code, in the wording given by Decree-Law no. 49/2010).

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 Executive 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.

current wording

Article 8

Qualified holdings and reporting of holdings

- 1 – A natural or corporate person who, directly or indirectly, acquired or disposed of a qualified holding equal to or greater than 2% of the Bank's share capital must report this fact to the Executive Board of Directors within three business days.
- 2 – The notification referred to in the foregoing paragraph must also be made by the same deadline whenever, as a result of disposal or acquisition, any of the limits concerning qualified holdings established in the Legal Framework of Credit Institutions and Financial Companies and in the Securities Code, is exceeded.
- 3 – The obligation of notification referred to in the foregoing numbers also covers any of the situations mentioned in paragraph 10 of article 16. The notice must be given prior to the exercise of the corporate rights.
- 4 – The Executive Board of Directors shall disclose to the Market the notifications received under paragraph 1 above, under the same terms legally required for the acquisition or disposal of qualified holdings in public companies.

Explanatory Note: The aim is to simplify the wording, aligning the terminology with the one adopted by the Securities Code.

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 Executive 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 situations, transferable in the market.

2. The issue of bonds, when governed solely by the Companies Code and by the Securities Code and of a nominal value above half of the share capital, is conditional upon the favourable opinion of the Supervisory Board.

3. The established in article 5 is also applicable to the issue, by resolution of the Executive Board of Directors, of securities entailing or that may entail an increase of the Bank's share capital.

current wording

Article 5

Issue of bonds and other securities

1 – By resolution of the General Meeting, or by the Executive Board of Directors, if duly authorised, the company may issue other securities convertible into shares or securities giving entitlement to their subscription or acquisition, which may take the form of book-entry securities.

2 – By resolution of the General Meeting or of the Executive Board of Directors, the Bank may issue bonds or any other instruments or securities, namely those representing debt, which may assume any type or form that is or will be permitted by law.

3 – The issue of bonds governed solely by the Companies Code and by the Securities Code of a nominal value above half of the share capital, must receive the favourable opinion of the Supervisory Board.

4 – The company may issue non-voting preference shares up to the legal limits, either redeemable with or without premium or not redeemable.

Explanatory Note:

The aim is to simplify the wording, aligning the terminology with the one adopted by the Securities Code

Article 8

Forms of representation

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

new article

Explanatory Note

1. The aim is to make the language uniform, following the model of article 46 of the Securities Code.

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 of Shareholders;
- b) the Executive Board of Directors;
- c) the Supervisory Board.

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 and the Remunerations and Welfare Board shall be deemed to be governance bodies.

current wording

Article 9

Corporate and governance bodies

1 – The corporate bodies are:

- a) the General Meeting of Shareholders;
- b) the Executive Board of Directors;
- c) the Supervisory Board;
- d) the chartered accountant.

2 - Any mention in these Articles of Association of governance bodies shall be deemed to include the Board of the General Meeting, the Executive Board of Directors, the chartered accountant, the Supervisory Board and the Remunerations and Welfare Board.

Explanatory Note:

1. The aim is to simplify the wording, aligning the terminology with the one adopted by the Securities Code.

Article 10

Duration of the terms of office and confidence

1. The members of the governance bodies are appointed for 3-year terms of office, and they 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 Executive Board of Directors, on pain of dismissal, as foreseen by law.

new article;

Explanatory Note:

1. The solution established in paragraph 2 aims at avoiding doubts; it is imposed by the principles of election through lists and of collegiality.

2. In the remaining aspects, the aim is to simplify the wording, aligning the terminology with the one adopted by the Securities Code.

Article 11

Composition of 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.

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 Chairman 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.

current wording

Article 10

Elections

1 – Whenever the law or these Articles of Association do not establish a given number of members of a governance body, such a number shall be deemed to be established, in each case, by the election resolution, and shall correspond to the number of members actually elected.

2 – The provision of the foregoing paragraph shall not damage the possibility of, during the term of office, increasing the number of members of the governance body up to the respective legal or statutory limit, applying, with the necessary adaptations, the provisions of the final part of paragraph 1; in the event of a supplementary election, the end of the term of office of the members so elected shall coincide with the end of the term of office of the remaining members of the governance body in question.

3 – Except in the case of the appointment of just one member, the elections for each governance body 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 presented 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 communication addressed to the Chairman 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 accompanied by the necessary information.

5 – In case of substitution or re-composition of a corporate body or governance body before the end of the term of office of the substituted or recomposed governance body, the election may be made for the remaining period of that original term of office.

Explanatory Note

1. The aim was essentially to simplify the wording.
2. The rule concerning elections in the course of the term of office is transferred to article 11.
3. The regime of presentation of lists is the one established in the law.

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 regulatorily applicable recommendations.

Current wording

Article 11

Independence

1 – Whenever independent members of a governance body are mentioned in these Articles of Association, independence is regarded as the absence of relations with the company, its management body and important shareholders that may originate conflicts of interest capable of endangering the members' capacity of appraisal.

2 – The criteria for deciding on the independence shall be defined by the relevant governance body and shall comply with what is established in the applicable legal or regulatory rules in each moment in force. This decision shall be duly justified whenever it diverges from criteria deriving from legal or regulatory recommendations applicable to the company.

Explanatory Note

It was chosen not to limit the Bank's actions in terms internationally accepted.

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. The majority of the members of the Remunerations and Welfare Board shall be independent.

3. The members of the Remunerations and Welfare Board are remunerated, in accordance with the resolved by the General Meeting.

current wording

Article 12 (1)

Remuneration and bond

1 – The remuneration of corporate bodies, as well as any social security plans and other supplementary benefits shall be established by a Remuneration and Welfare Board consisting of, at least, three shareholders, elected by the General Meeting, the majority of which shall comply with independence requisites except if, in what concerns the members of the Executive Board of Directors, the Supervisory Board resolves to appoint a remuneration commission, wherein the respective competences will pertain to this commission.

Explanatory Note

The aim is to simplify the wording, aligning the terminology with the one adopted by the Companies Code.

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.

current wording

Article 12 (4)

Remuneration and bond

4 - The Remuneration and Welfare Board and the commission appointed by the Supervisory Board referred to in no. 1 shall submit to the appraisal of the Annual General Meeting a declaration on the remuneration policy for the members of the corporate bodies.

Explanatory Note:

The matter of remuneration is concentrated in the Remunerations and Welfare Committee.

Article 15

Remuneration of the Directors

1. The remuneration of the directors consists of a fixed part and a variable part.
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 sum of the variable parts of the remuneration of all of the directors shall not to exceed an amount corresponding to two percent of the distributable net income for the financial year.

current wording

Article 12 (2)

Remuneration and bond

2 – The remuneration of the members of the Executive Board of Directors may consist of a fixed part and a variable part, the latter not to exceed 2% of the net income for the financial year.

Explanatory Note:

The proposed wording primarily aims at clarifying the subject. Article 399 (2) of the Companies Code is applicable.

Article 16

Bond

The mandatory bond to be provided by the directors and by the members of the Supervisory Board is regulated by the relevant provisions in force, and its mandatory amount shall be set at the minimum amount required by law.

current wording

Article 12 (3)

Remuneration and bond

3 - The bond pertaining to each member of the Executive Board of Directors and of the Supervisory Board is set at the minimum amount required by law.

Explanatory Note:

1. The bond is mandatory, pursuant to articles 396 and 445 (3) of the Companies Code.
2. The subject is regulated with some degree of detail in article 396, where, amongst other matters, insurance contracts are foreseen; It is unnecessary to incorporate those provisions of the Companies Code to the Articles of Association.

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. At the beginning of each term of office and by 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.

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.

current wording

Article 13

Retirement or disability supplement

1 - The Directors shall be entitled to a supplement to the retirement or disability pensions, being the company allowed to sign insurance contracts, of which the directors are beneficiary, to finance such supplements.

2 - The amount of the contributions for each director shall be established on a yearly basis by the governance body empowered to set the remunerations of the directors, while always upholding the principle of not creating additional expenses for the company with such supplements after the termination of the director's functions due to any reasons whatsoever.

3 - The right to the a.m. supplements shall only be granted if the beneficiary retires due to old age or disability, under the terms of the applicable social security regime.

4 - The Director may choose to redeem the capital at the time of the retirement due to old age or disability.

5 - If the Director is deceased before retirement, the right to receive the accrued capital shall remain effective pursuant to the applicable provisos established by the contract or by law.

6 - At the beginning of each term-of-office and by accord between the Director and the governance body responsible for setting the remunerations, the insurance policy may be replaced, on a case-by-case basis, by contributions to the defined contribution pension fund.

7 - The application of this article shall pertain to the governance body responsible for the remunerations at any given moment, without prejudice to eventual regulations on its execution that may be deemed necessary or adequate and that must be approved by the General Meeting.

Explanatory Note: The aim was to maintain the present provisions, although with a simpler and more direct articulation.

Article 18

Minutes

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.

current wording

Article 14

Minutes of meetings

Minutes shall always be written up of the meetings of the company's management and supervision bodies as well as of the meetings of the Supervisory Board, to be duly signed by all members present and to set out such resolutions as may be taken and dissenting vote statements, if any.

Explanatory Note:

Article 63 of the Companies Code only establishes a minutes in case of shareholders resolutions. It is useful to make this a general rule to the various governance bodies.

Chapter IV – General Meeting

Explanatory Note

1. The subject of the General Meeting is, traditionally, one of the subjects that is more developed in the companies' articles of association; it is within its scope that more procedural questions are raised, which questions should resolved in a clear manner.

2. The systematic of this subject follows its logical sequence: composition, powers, board, summoning, functioning, quorum, votes, correspondence votes.

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 Supervisory Board, 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 Chairman of the Board of the General Meeting to better clarify matters under discussion may be in attendance.

current wording

Article 16

Composition of general meetings

1 – With the exception of the provisions of paragraphs 4 and 9, only the shareholders, whose status as a shareholder entitled to vote has been confirmed by the fifth business day prior to the date for which the General Meeting shall have been convened by means of a letter issued by the respective registration entity, which must certify the number of shares held and its blockade on the date of reference, may take part in the General Meeting.

(...)

3 – Each 1,000 euros of share capital shall be entitled to one vote.

4 – Shareholders holding a number of shares less than required to confer a vote may form a group in order to reach the required minimum, and any member of the group shall then represent them.

(...)

6 – In the case of joint ownership of shares only the joint representative may take part in General Meetings pursuant to the terms of the law and of the Articles of Association.

7 – An usufructuary or pledgee of shares shall only be entitled to take part in General Meetings under the conditions envisaged in these Articles of Association and in law.

(...)

9 – The common representatives of bondholders may also attend General Meetings as may such other persons so authorized by the Chairman of the General Meeting, namely the Bank's specialists to clarify such specific questions as may arise, all without voting rights.

(...)

Explanatory Note:

1. The subject shall be treated in the clearest possible way, in order for everybody to understand it.

2. See article 23-C of the Securities Code, introduced by Decree-Law no. 49/2010, of May 19.

Article 20

The board

1. The board of the General Meeting shall comprise one Chairman, one Vice-Chairman and by the Bank's Secretary.

2. The Chairman and the Vice-Chairman are elected by the General Meeting and must be independent.

3. The Chairman 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 votings, 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 Chairman of the Board may be heard on any matters relevant to the Bank, at the initiative of the Chairman of the Executive Board of Directors or of the Chairman of the Supervisory Board.

5. The Vice-Chairman replaces the Chairman 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.

current wording

Article 20

The board of the general meeting

The Board of the General Meeting shall comprise one Chairman, one Vice-Chairman, and the Company Secretary.

Explanatory Note:

1. The proposed draft aims at adding transparency and clarification to the powers and competence of the Board.

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 sixth trading day prior to the day of the meeting, give notice of such intent in writing to the Chairman of the Board and to the financial intermediary where the individual record account is open.

2. The financial intermediary shall, on the other hand, send to the Chairman 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 Chairman of the Board and to the Securities Market Commission (CMVM).

4. The various notices may be given by electronic mail.

new subject

Explanatory Note

The aim is to interpret, in a clear manner, article 23°-C of the Securities Code, in the wording introduced by Decree-Law no. 49/2010, of May 19.

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 Chairman of the Board, received by 5:00 p.m. of the penultimate 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.

current wording

Article 16

Composition of general meetings

8 – Shareholders shall notify the Chairman of the General Meeting of the name of their proxies by letter to be received by no later than 5 p.m. of the penultimate business day prior to that fixed for the General Meeting.

Explanatory Note

1. The matter must be expressed as clearly as possible, aligning terminology with the Securities Code.

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 Executive Board of Directors, its Chairman and Vice-Chairmen, if any;
- c) Elect the members of the Supervisory Board, its Chairman and Vice-Chairmen, if any;
- d) Elect the members of the Remunerations and Welfare Board;
- e) Elect the chartered accountant, following a proposal of the Supervisory Board, presented to it by the Committee for Financial Affairs;
- f) Resolve, following a proposal of the Supervisory Board, presented to it by the Committee for Financial Affairs, on the choice of the external auditor;
- g) Resolve on the management report, on the financial year accounts and on the proposal for the application of net income;
- h) Make a general appraisal of the management and supervision of the Bank, to the extent permitted by law;
- i) Resolve on management matters, upon request of the Executive Board of Directors.

current wording

Article 17

Powers of the general meeting

In addition to what is provided for by law and by these Articles of Association, the General Meeting shall, in particular:

- a) elect the members of the Board of the General Meeting;

- b) elect the members of the Executive Board of Directors and its Chairman and the Vice-Chairmen, if any;
- c) elect the chartered accountant, following a proposition of the Supervisory Board;
- d) elect the members of the Supervisory Board and its Chairman and Vice-Chairmen, if any;
- e) elect the members of the Remunerations and Welfare Board;
- f) resolve, following a proposal of the Supervisory Board, on the choice of the external auditor.

Explanatory Note: The proposed wording aims at clarifying and aligning terminology with the Companies Code and with the Securities Code.

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.

current wording

Article 18

Call of Meetings and Quorum

2 – General Meetings may validly adopt resolutions on first call provided that shareholders are present or represented and hold more than one third of the share capital, without damaging the provisos of the following paragraph.

3 – In the event that the General Meeting is to deliberate on the merger, demerger or transformation of the company, the shareholders present or represented on first call must own, at least, half the share capital.

4 – On second call, the General Meeting may deliberate regardless of the number of shareholders present or represented or of the amount of share capital they hold.

Explanatory Note: this subject corresponds to articles 383 (1) (2) and (3) of the Companies Code.

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 13(1), 15(1), 26 or 55 of these Articles of Association, as well as in respect of this paragraph to the extent it refers to each of the aforesaid, 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.

current wording

Article 21

Resolutions

1 – General Meeting resolutions shall be adopted by a majority of votes cast, save legal or statutory proviso calling for a qualified majority.

2 – Except for the provisos of paragraphs 3 and 5, resolutions concerning amendments to the Articles of Association shall be approved by two thirds of the votes cast, either on first or on second call, regardless of the number of shareholders present or represented at either.

3 – Resolutions concerning the merger, demerger or transformation of the company 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.

4 – Abstentions shall not be counted.

5 – Resolutions concerning the amendment of the Articles of Association in respect of paragraph 3 of this article, of paragraphs 10 to 16 of Article 16 or of Articles 12 and 38, as well as in respect of this paragraph to the extent it refers to each of the aforesaid, shall be approved by two thirds of the votes cast, complying with the counting limitations set forth by these Articles of Association, unless a higher limit is stipulated therein.

6 – The provisions of paragraphs 3 and 5 of this article do not apply to merger resolutions in which the bank is the company incorporating dependent companies or to resolutions concerning the demerger of companies dependent on the bank with the incorporation of their assets into the Bank.

Explanatory Note:

1. The aim is clarifying and updating the wording of the 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 20% 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 20% 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.

current wording

Article 16 (10), (11), (14), (15) and (16)
Composition of general meetings

10 – Votes cast by a shareholder or by the shareholder’s proxy shall not be counted in the event that the same:

a) are in excess of 20% of the total number of votes representing the share capital;
b) exceed the difference between the eligible votes cast by other shareholders who have any relationship envisaged in paragraphs 14, 15 and 16 with the said shareholder, and to the extent thereof, and 20% of all the votes corresponding to the share capital. The restriction on the counting of the votes of each shareholder in question shall be proportional to the number of votes to cast.

11 – The restrictions set forth in the foregoing paragraph do not cover votes cast by a shareholder as proxy of another shareholder or shareholders, without damaging the application of the limitations provided for therein to the principal or principals.

14 – The following voting rights are considered to be included for purposes of paragraph 10.b) of this article:

- a) those held by third parties in their own name, but on behalf of the interested shareholder;
- b) those held, if the interested shareholder is an individual or a legal entity other than a company, by its dependent companies, by companies that are in a control relation with the latter, directly or indirectly, as well as by companies that are, directly or indirectly, in a group relation with each of the previously referred entities;
- c) those held, if the interested shareholder is a company, by companies that are in a control or in a group relation with it, as well as the rights held by any other companies that are directly or indirectly in a control or in a group relation with these latter referred entities;
- d) those held by a company in which the interested shareholder, by way of an agreement, controls the majority of the voting rights, either by himself or through companies that are, in relation to him, in any of the situations referred to in indents b) and c) or by individuals acting on their own name, but on behalf of the interested shareholder or of those companies;
- e) those held by a third party which has entered into an agreement with the interested shareholder or with any of the companies referred to in indents b), c) and d) that obliges him/her/it to adopt, through a joint exercise of voting rights, a common policy in relation to the resolutions taken at the General Meeting, or to the management of the envisaged company or to transfer, temporarily and on a remunerated basis, its voting rights to the interested shareholder or to the companies referred to above;
- f) those that the interested shareholder or any other of the individuals or entities referred to in the above indents may acquire, by their exclusive initiative, due to an agreement entered into;
- g) those regarding shares held in pledge or in escrow by the interested shareholder, or deposited with it, if, in the first case, the respective voting rights have been transferred to the interested shareholder or if, in any case, powers have been granted allowing him/her/it to exercise them as he/she/it wishes, in the absence of specific instructions of its holders;
- h) those held by persons who, in relation to the party in question, are in any of the situations provided for in Article 20 of the Securities Code or in such legislation as may come to modify or replace it.

15 – For the purposes of the foregoing paragraph, a company dependent on a natural person or on a corporate person other than a company is understood to be a company over which the shareholder in question may exercise, directly or indirectly, a dominant influence, pursuant to Article 21 of the Securities Code or of any precept that comes to modify or replace it.

16 – For the purposes of paragraph 10.b) of this article and in the event of a take-over bid, the following are also comprised: natural or corporate persons who, by virtue of express or tacit agreement, actively cooperate with the bidder, with a view to ensuring the success of the bid, particularly through the acquisition of the securities object of the bid, particularly:

- a) natural or corporate persons who, by agreement with the bidder, come to acquire securities object of the bid as a result thereof;
- b) if the bidder is a company, the companies which are directly or indirectly in a controlling or group relation with it, any other companies that are directly or indirectly in a controlling or group relation with the latter, and also, if applicable, the natural or corporate person on which the bidder is directly or indirectly dependent;
- c) members of the bidder’s management and supervision bodies, if it is a company;
- d) natural person or corporate entity that have a voting syndicate agreement with the bidder in respect of the target company.

Explanatory Note:

1. The aim is clarifying and updating the wording of the articles of association.

Article 27

Vote by correspondence and voting by electronic means

1. The votes may be communicated, by correspondence or by electronic means, to the Chairman 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 Chairman 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.

current wording

Article 16 (13)

Composition of general meetings

13 – The exercise of voting rights by correspondence or by electronic means covers all the items of the agenda included in the call notice, under the terms and conditions established therein. The voting by electronic means is subject to the verification by the Chairman of the General Meeting, that the necessary means exist to ensure the security and reliability of votes cast by these means, prior to the meeting being convened.

Explanatory Note

1. The aim is clarifying and updating the wording of the articles of association.

Chapter V – Executive Board of Directors

Article 28
Composition

The Executive Board of Directors of the Bank shall comprise a minimum of five and a maximum of thirteen members, elected by the General Meeting.

current wording

Article 23
Composition

The management of the Bank shall be exercised by an Executive Board of Directors composed by a minimum of five and a maximum of thirteen members, elected by the General Meeting for a three-year term-of-office, reeligible on one or more occasions.

Explanatory Note: current wording of this provision kept, with some minor formal corrections.

Article 29
Chairman and Vice-Chairmen

1. The Chairman of the Executive Board of Directors is appointed by the General Meeting that carries out the election.

2. On the same terms, one or more Vice-Chairmen may be appointed, and shall replace the Chairman when the latter is unavailable, according to the order in which they were elected.

3. In the absence of appointment by the General Meeting or in the absence of whoever the General Meeting has appointed, the Executive Board of Directors is responsible for choosing, from among its members and depending on the case, a new Chairman or new Vice-Chairmen, submitting them to ratification at the following General Meeting.

new article

Explanatory Note: A clear connection with the General Meeting is established.

Article 30
Replacements

1. 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 in accordance with the following paragraph.

2. The dismissal is declared by the Executive Board of Directors, by means of a resolution approved by a unanimous vote of its remaining members.

3. In case of dismissal, in accordance with the previous paragraphs or for any other reasons, or in case of a justified temporary unavailability, such director shall be replaced successively as follows:

- a) Through the calling of substitutes by the Chairman, according to the order of the list elected by the General Meeting;
- b) By appointment by the Supervisory Board.

new article

Explanatory Notes

1. Pursuant to article 393 (1) of the Companies Code, the articles of association should indicate the number of justified absences that may lead to the dismissal; 3 to 5, when these absences are sequenced or not, respectively is hereby proposed.

2. All subsequent rules on replacements comes from article 425 (4) of the Companies Code.

Article 31

Meetings

1. The Executive Board of Directors shall meet whenever convened by the Chairman or by two other Executive Board of Directors members and, at least, once a month.

2. The meeting shall be convened in writing or verbally, and electronic means may be used for such purpose.

3. Any member of the Executive Board of Directors may arrange to be represented by another Board member by means of a letter addressed to the Chairman 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 are insured.

6. The Chairman of the Supervisory Board, a member delegated by such Board, the members of the Committee for Financial Affairs and the chartered accountant may, at their own initiative or at the request of the Chairman, attend, without any voting right, the meetings of the Board.

7. The Executive Board of Directors shall approve its internal regulation.

current wording

Article 27

Executive board of directors meetings

1 – The Executive Board of Directors must meet once a month. The extraordinary meetings shall be held whenever convened by the Chairman or by two other Executive Board of Directors members.

2 – The meetings shall be held at the Bank's registered office, unless some other place is selected for the convenience of the Board.

(...)

4 – Without prejudice to the provisions of the foregoing number and provided that at the beginning of each meeting the participants unanimously so approve, members taking part using telecommunication means providing real-time transmission and reception of voice or of voice and image shall be deemed present.

(...)

7 – The Executive Board of Directors members may arrange to be represented at meetings by another Board member by means of a letter addressed to the Chairman for each meeting.

(...)

8 – The Chairman or his substitute may convene Board meetings by any means whatsoever, including verbally.

Explanatory Note

1. This matter comes within the Framework of article 410 of the Companies Code, taking into account article 425(5) of the same Code.

2. In the remaining provisions, the aim is to clarify and update the wording in the articles of association.

Article 32

Resolutions

1. The Executive 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 Chairman or whoever replaces him shall have a casting vote.

current wording

Article 27

Executive board of directors meetings

3 – The Board may only validly adopt resolutions provided that a majority of its members is present.

4 – Without prejudice to the provisions of the foregoing number and provided that at the beginning of each meeting the participants unanimously so approve, members taking part using telecommunication means providing real-time transmission and reception of voice or of voice and image shall be deemed present.

5 – For the Board's resolutions to be valid, they must be adopted by a majority of the members present.

Explanatory Note: The aim was to simplify the subject, keeping the clarity of the provision.

Article 33

Management of the Company

The Executive 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 ensuring all operational activity not attributed to other bodies, in compliance with the strictest rules of good banking practice.

current wording

Article 24 (1)

Powers of the board

1 – Without damaging the duties generically entrusted by law, the Executive Board of Directors is responsible for (...)

Explanatory Note:

1 The new wording aims at better harmonization, and when possible, maintains the current drafting.

Article 34

Powers

Without prejudice to the established in the previous article, 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 movables and immovables, 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 subdelegate, 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 Chairman 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 the Supervisory Board and with all other bodies of the Bank, in light of good corporate governance practices;
- o) Hiring and replacing, under proposal of the Supervisory Board, presented to it by the Committee for Financial Affairs, the external auditor appointed pursuant to article 23 (f) 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 and of the Supervisory Board.

current wording

Article 24 (1)

Powers of the board

1. (...)

- a) managing the Bank, carrying out such acts and operations as may be pertinent to its corporate object;
- b) acquiring, encumbering and selling any assets and rights, both movables and immovables, whenever deemed to be in the interest of the company;
- c) deciding freely, subject to any legal requirements, regarding the acquisition of holdings in companies that may have any object whatsoever and in companies governed by special legislation or in incorporated joint ventures or any other form of association of companies;
- d) mobilising financial resources and engaging in credit operations not prohibited by law;
- e) hiring the Bank's employees, setting their salaries and social and other pecuniary benefits, and exercising appropriate management and disciplinary powers;
- f) appointing attorneys to carry out specific acts;
- g) complying and ensuring compliance with legal and statutory provisions and with General Meeting's resolutions;
- h) setting up the Bank's organisation and methods of work, drawing up regulations and issuing such instructions as it may deem fit;
- i) delegating powers to its members under the terms set forth in the following article;
- j) representing the Bank in and out of judicature, as plaintiff or defendant, with the power to take on obligations, institute and pursue lawsuits, desist from or settle legal actions, enter into engagements in

arbitration, sign affidavits, and in general, to resolve and settle any and all matters that do not otherwise fall within the competence of other corporate bodies or subordinate departments;

l) appointing one or more vice-chairmen from among its members to replace the Chairman in his absences, in the designated order, without prejudice of any additional powers conferred on them by the Board; and

m) hiring and replacing under proposal of the Supervisory Board the external auditor appointed pursuant to article 17 (f) of the present Articles of Association.

Article 25

Delegation of powers and attorneys

- 1 – The Executive Board of Directors may delegate management powers and duties and corporate representation on one or more of its members.
- 2 – The Executive Board of Directors may grant powers-of-attorney, with or without powers of delegation, on any of its members, on Bank staff or on persons foreign to the Bank for the exercise of such powers or duties as it may deem fit;
- 3 – The Executive Board of Directors may also approve the setting up of commissions or committees, which may be charged to monitor, on a permanent basis, certain specific matters. These commissions or committees are mandatorily chaired by a member of the Executive Board of Directors.

Explanatory Note:

The aim was to update the language and give a logical sequence to the various sub-paragraphs.

Article 35

Binding

1. The Bank shall be bound before third parties by the signature of:
 - a) Two directors;
 - b) One director, on whom powers for the act have been delegated;
 - c) One director and one attorney, under the terms of the latter's mandate;
 - d) 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.

current wording

Article 26

Binding the company

The company shall be bound before third parties by the signature of:

- a) two members of the Executive Board of Directors;
- b) a member of the Executive Board of Directors on whom powers for the act shall have been delegated;
- c) a member of the Executive Board of Directors and an attorney, under the terms of the latter's mandate;
- d) one or more attorneys under the terms and within the scope of the respective powers-of-attorney;
- e) regarding day-to-day management, any member of the Executive Board of Directors or an attorney with sufficient powers.

Explanatory Note: The structure of the provision was revised.

Article 36

Special commissions or committees

1. The Executive Board of Directors may approve the creation of commissions or committees, with or without the presence of its members, to follow certain specific matters on an ongoing basis.

2. The entities referred in the previous paragraph may also receive duly specified representative powers.

new article;

Explanatory Note: The possibility of such Commissions or Committees acting with wider conditions is stressed by paragraph 2 that, in any case, is still subject to a discretionary decision of the Executive Board of Directors.

Chapter VI – Supervisory Board

Section I – General provisions

Article 37

Composition

1. The Supervisory Board of the Bank shall comprise no less than nine persons and always more than the number of members of the Executive Board of Directors.

2. One of the referred persons may be elected on its own, in accordance with article 392 (1 to 5) of the Companies Code.

3. The members of the Supervisory Board shall have adequate training and skills and the majority of them shall be independent.

current wording

Article 30 (1), (2), (4)
Supervisory board

- 1 – The Supervisory Board is composed by no less than nine members but always with a number superior to the one of the Executive Board of Directors, including those mentioned in the following paragraph, elected for a three-year term of office.
- 2 – A member of the supervisory Board can be elected on its own according to article 392 (1 to 5) of the Companies Code, applicable pursuant to article 435 (3) of the same Code.
- 3 – The majority of the elected members of the Supervisory Board shall have adequate skills and shall be considered independent.

Explanatory Note: The aim is to give a logical sequence to this subject.

Article 38

Chairman and vice-chairmen

1. The provisions of article 29 of these Articles of Association are applicable, with the necessary adjustments, to the election and substitution of the Chairman and Vice-Chairmen of the Supervisory Board.

2. The Chairman of the Supervisory Board, or whoever replaces him, represents such body for all internal or external purposes, convenes it, presides over its meetings and may attend, in his own right though without the right to vote, the meetings of the Executive Board of Directors.

current wording

Article 30

Supervisory board

4 – In case of absence or any permanent cause of impediment of the Chairman of the Supervisory Board, the Board shall be presided by the Vice-Chairmen, if any, or, in their absence, by any person appointed by the General Meeting.

Explanatory Note

1. This article refers to article 29, which concerns the Chairman of the Executive Board of Directors.
2. Reference is also made to the statutory relevance of the Chairman of the Supervisory Board: a main figure in a company with a dualist governance model, as the Bank intends to be.

Article 39

Replacement

In the event of definitive absence of a member of the Supervisory Board for any reasons or impediments, such member shall be replaced as follows:

- a) Through the calling of substitutes by the Chairman, according to the order of the list elected by the General Meeting;

- b) Through and election by the General Meeting, to be held in its first meeting following the dismissal.

new article

Explanatory Note

1. The replacement of members of the Supervisory Board is regulated under article 438 of the Companies Code which, however, does not regulate the situations of dismissal due to absences.

Article 40

Meetings, operation and resolutions

1. The Supervisory Board meets whenever convened by its Chairman, at his own initiative or at the request of any of its members, of the Executive Board of Directors, of its Chairman or of the chartered accountant, and at least quarterly.

2. Each of the Chairman of the Executive Board of Directors and the chartered accountant may, at their own initiative or at the request of the Chairman of the Supervisory Board, take part in the latter's meetings, without the right to vote.

3. The Board approves its own internal regulation, governing in particular its operation, its committees and the vote by proxy, through electronic means or in writing.

4. Members may be represented by other members by means of a letter addressed to the Chairman which may be used only once.

5. Each member is only entitled to represent another member.

6. Article 32 of these Articles of Association is applicable to its resolutions.

current wording

Article 30 (7)

Supervisory board

7 – The Supervisory Board meets ordinarily, at least, once a quarter and, extraordinarily, whenever convened by its Chairman, at his own initiative or at the request of any of its members, of the Executive Board of Directors, of its Chairman or of the chartered accountant.

Explanatory Note: Reference to the relations between the Executive Board of Directors and the Supervisory Board is found in article 432 of the Companies Code; its Chairman, in article 436; this provision has, above all others, the aim of dignifying and giving an adequate framework to this matter.

Article 41

Powers

The Supervisory Board is responsible for exercising all powers foreseen by law and in these Articles of Association and, in particular:

- a) Representing the Bank in its relations with the members of the Executive Board of Directors;
- b) Monitoring, supervising and inspecting the actions of the Executive Board of Directors and, in general, all of the Bank's activity;
- c) Developing and putting in place, in cooperation with the Remuneration and Welfare Board, an adequate system of assessment of the performance of the Executive Board of Directors and of its members;
- d) Suspending with due reason any director from office or accepting suspension requests made by any such director and determining his status during the suspension;
- e) Proposing to the General Meeting the dismissal of directors;
- f) Supervising compliance with the law, the Articles of Association and the resolutions of the General Meeting;
- g) Hiring the provision of services by experts assisting one or more of its members in the exercise of their functions, taking into account the importance of the matters dealt with and the situation of the Bank;
- h) Requesting the convening of the General Meeting or convening it directly, if needed, and presenting draft resolutions therein;
- i) Resolving on draft decisions of the Executive Board of Directors, in the cases foreseen by law and in these Articles of Association and, also, on whatever may be requested by the latter;
- j) Monitoring and assessing all matters concerning the Bank's governance, its sustainability, codes of ethics and codes of conduct, and the systems of evaluation and resolution of conflicts of interest;

- k) Requesting from the Executive Board of Directors the technical, financial and other means of any other nature, necessary to the development of its activity and propose to the Executive Board of Directors the adoption of such measures or amendments as it may deem pertinent;
- l) Hiring the means necessary for its own independent counselling, if it deems necessary;
- m) Pronouncing whenever the Executive Board of Directors requests it;
- n) Exercising, through the Committee for Financial Affairs, the powers referred in article 45 of these Articles of Association.

current wording

Article 30 (8)

Supervisory board

8 – The Supervisory Board shall particularly, to the extent permitted by the law:

- a) permanently monitor the activity of the company’s external auditor and chartered accountant, submitting to the General Meeting the respective appointment, election and exoneration and issue an opinion on the independence requirements and other relations between the same and the company;
- b) indicate to the Executive Board of Directors, in case of removal, impediment or resignation by the previous external auditor, an external auditor to be hired, subject to ratification by the subsequent General Meeting;
- c) monitor on a permanent basis the systems and process of financial report and risk management of the company, as well as the chartered accountant and external auditor activities;
- d) evaluate and monitor internal procedures concerning accounting and audit matters and the risk management, internal control and internal audit systems, including the reception and processing of complaints and related doubts received, or not, from employees.
- e) monitor on a permanent basis the management activity of the company and provide counselling and assistance to the Executive Board of Directors on management matters, notably regarding strategy, accomplishment of objectives and compliance with the applicable laws;
- f) monitor the definition of the criteria and of the necessary or convenient competences and its respective effects on internal structures and corporate bodies, as well as draw up succession plans;
- g) provide opinion, by its own initiative or at the request of the Chairman of the Executive Board of Directors, on the annual vote of confidence on the members of the Executive Board of Directors mentioned in article 455 of Companies Code;
- h) monitor and assess all matters concerning corporate governance, sustainability, ethic and practice codes and systems of evaluation and resolution of conflict of interests;
- i) request from the Executive Board of Directors funds or other means of any other nature necessary to its activity and propose to the Executive Board of Directors the adoption of such measures or amendments as it may deem pertinent, provided that it may hire the means for its own independent counselling, if necessary;
- j) approve its own internal regulations.

Explanatory Note: Clarity of drafting was improved, adapting it to the remaining provisions of the Articles of Association.

Article 42

Representative powers

When, by law or by these Articles of Association, the Supervisory Board is permitted to bind the Bank before third parties, notably as set forth in article 41 a), g) and l), the signatures of two of its members are necessary, among which that of the Chairman or, in his absence, of a Vice-Chairman.

new article;

Explanatory Note: this is a useful provision that was important to include.

Section II – Committee for Financial Affairs

Article 43

Composition

1. The Supervisory Board shall appoint, from among its members and for the duration of its term of office, the Committee for Financial Affairs, comprised by three to five members.

2. The majority of the members appointed shall be independent and at least one person shall hold a university degree adequate to its functions and shall have auditing or accounting skills.

new article

Explanatory Note:

1. This committee is mandatory pursuant to article 444 (2) to (6) of the Companies Code.
2. The Articles of Association merely aim at creating the framework for certain aspects.

Article 44

Chairman and operation

1. The Committee for Financial Affairs shall be chaired by the member appointed by the Supervisory Board for such purpose.

2. The Committee exercises its functions within the Board, but autonomously in relation to the body in plenary session and the remaining members of such body.

3. The members of the Committee shall attend the meetings of the Executive Board of Directors where the financial statements of the financial year are analysed.

new article;

Explanatory Note: This provision is useful and allows for a systematic integration of subjects.

Article 45

Powers

1. The Committee for Financial Affairs is responsible for exercising all the powers foreseen by law and in these Articles of Associations and, in particular:

- a) Verifying, when it deems convenient and in the way it deems adequate, the regularity of the books, accounting records and documents supporting them, as well as the situation of any assets or amounts held by the Bank at any title;
- b) Verifying whether the accounting policies and the valuation criteria adopted by the Bank lead to an accurate appraisal of the assets and results;
- c) Giving an opinion on the management report and on the financial statements for the financial year;
- d) Monitoring the operation and supervising the efficiency of the risk management system, of the internal control system and of the internal auditing system and receiving, as primary recipient, the respective reports;
- e) Advising the Supervisory Board and the appointing committee on the appointing of the persons primarily responsible for the internal auditing, the risk management and the internal control;

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- f) Receiving the notices concerning irregularities presented by shareholders, employees of the company or others;
 - g) Supervising the process of preparation and disclosure of financial information;
 - h) Preparing and presenting to the Supervisory Board the proposals concerning the appointment, suspension or replacement of the chartered accountant and of the external auditor, and receiving, as primary recipient, the respective reports;
 - i) Supervising the review of the accounts and of the financial statements;
 - j) Supervising the independence of the chartered accountant and of the external auditor, notably in what regards the provision of additional services;
 - k) Approving its internal regulation.

2. Whenever an act by the Bank depends on the opinion or agreement of its supervision body, in financial matters, the inherent powers are deemed delegated to this Committee.

new article;

Explanatory Note:

1. This matter takes back, in the essential, article 441, f) to o), of the Companies Code, applicable *ex vi* article 444 (2) Companies Code.

Section III – Other committees

Article 46

Creation

1. Without prejudice to the established in the previous section, the Supervisory Board is responsible for creating, among others, the following committees and for accurately defining their powers:

- a) Appointing Committee;
- b) Corporate Governance Committee;

- c) Risk Assessment Committee;
- d) Ethics and Professional Conduct Committee.

2. The Supervisory Board may keep, when in plenary session, the functions to be attributed to the committees referred in the previous paragraph, by expressly resolving it by a qualified majority of 2/3.

3. The Supervisory Board may create a Remuneration Committee, which shall exercise, in regard to the directors and with the necessary adjustments, the powers attributed, in these Articles of Association, to the Remuneration and Welfare Committee.

4. Each committee may draw and approve its internal regulation.

new article

Explanatory Note:

1. It is deemed advisable that some latitude is kept for the Supervisory Board on the implementation of the Basle recommendations.

Chapter VII – 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 Supervisory Board, presented to the latter by the Committee for Financial Affairs.

2. The chartered accountant shall exercise the functions foreseen by law and in the Articles of Association, and may also be heard on any matters, at the request of the Chairmen of the Executive Board of Directors and of the Supervisory Board.

new article;

Explanatory Note

1. The functions of the chartered accountant are established in articles 446(3) and 420(1), c) to f) of the Companies Code, that should not be transposed to the Articles of Association, among other reasons because other special provisions also apply.

2. The advisory role assigned to it in paragraph 2 may be of particular interest.

Chapter VIII – Systems of internal control and communication of irregularities

Explanatory Note: Articles 48 to 53 aim at incorporating into the Articles of Association certain provisions ensuring the existence of an adequate and efficient internal control system. In its wording, the provisions of Notice no. 5/2008 of the Bank of Portugal were dully taken into consideration.

Article 48

Setting-up

1. The Bank has highly-effective systems of internal control and of communication of irregularities, in accordance with the strictest international banking practises, the Executive 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 Executive Board of Directors, in close cooperation with the Supervisory Board and without prejudice to the supervision functions attributed to this latter body.

new article

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.

new article

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.

new article

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.

new article

Article 52

Internal communication of irregularities

Without prejudice to the powers attributed to the Committee for Financial Affairs, a regulation on the internal communication of irregularities is approved by the Executive Board of Directors following the favourable opinion of the Supervisory Board.

new article

Article 53

Evaluation and external auditing

1. The Bank appoints an external entity of solid international repute, by resolution of the Executive Board of Directors, following the favourable opinion

of the Supervisory Board, which evaluates the adequation 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 Chairman of the Executive Board of Directors or of the Chairman of the Supervisory Board, 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.

new article

Chapter IX – Net income, winding-up and arbitration

Article 54

Appropriation of net income

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. A dividend stabilisation reserve shall be set up each fiscal year, up to a limit that may be determined by the General Meeting being met.

3. The General Meeting may freely adopt resolutions by simple majority in matters concerning the appropriation of the net income for the financial year, without being subject to any mandatory distribution.

4. The General Meeting may set a percentage of net income to be distributed among the employees, the Executive Board of Directors being responsible for the criteria of such distribution.

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

current wording

Article 31

Appropriation of net income

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 the reserve and guarantee funds.

2 – A dividend stabilisation reserve must be set up each fiscal year, up to the limit determined by the General Meeting.

3 – 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.

4 – The General Meeting may set a percentage of net income to be distributed among the employees, the Executive Board of Directors being responsible for the criteria of such distribution.

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

Explanatory Note: The current wording is maintained, with formal corrections.

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.

current wording

Article 34

Winding-up of the bank

The Bank shall be wound up only in those cases provided for by law or by resolution adopted at a General Meeting by a majority representing 75% of the paid-up share capital, following compliance with applicable legal requirements.

Explanatory Note: The current wording is maintained, with minor corrections.

Article 56

Arbitration

In case of conflict between the Bank and any 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.

Explanatory Note: New article that aims at assuring the quick resolution of situations that are potentially harming to the Group's management.

