



**REGULATIONS OF THE SUPERVISORY BOARD**

**of**

**CAIXA GERAL DE DEPÓSITOS, S.A.**

25 July 2018

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## REGULATIONS OF THE SUPERVISORY BOARD

### 1. PURPOSE

These Regulations of the Supervisory Board of Caixa Geral de Depósitos, S.A. (“CGD”) set out its rules of organisation and operation, as well as the principles and standards that regulate the conduct of its members in the course of their duties, in addition to any legal and statutory provisions.

### 2. APPROVAL AND ENTRY INTO FORCE

2.1. This Regulation was approved at a meeting of CGD’s Supervisory Board held on 17 November, 2016, and the date of its enforceability by Caixa has been postponed, and subject to prior changes of its Article 4, which became in force starting on 31 January 2018, with the introduction of a new Article 11, applicable since 25 July 2018.

2.2. These Regulations shall be valid for an indeterminate period.

### 3. BINDING NATURE

3.1. These Regulations are binding on all the members of the Supervisory Board.

3.2. Any member of the Supervisory Board who is elected after the date of approval of these Regulations shall be automatically and unconditionally subject thereto, without the need for any act or formality of acceptance for this purpose.

### 4. COMPETENCES OF THE SUPERVISORY BOARD

In the performance of the statutorily and legally attributed duties, namely the ones provided for in Article 420 of the Commercial Companies Code, it is incumbent on the Supervisory Board to:

4.1. Ensure compliance with all legal and regulatory provisions, bylaws and regulations issued by supervisory authorities, as well as internally instituted general policies, standards and practices;

4.2. Ensure that CGD and the other Group companies, subject to supervision on a consolidated basis, are pursuing the objectives set out with regard to internal control and risk management by the European Central Bank/Bank of Portugal and by the Securities Market Commission and in the supervisory regulations aimed at credit institutions and financial companies;

- 4.3. Assess the reliability of the prudential reports concerning the Group and Group companies subject to this obligation;
- 4.4. Ensure adequacy and monitor compliance with the accounting policies, criteria and practices that are adopted and the consistency of the documents that support them;
- 4.5. Issue an opinion on the report, accounts and proposals submitted by the Board of Directors;
- 4.6. Supervise the process of preparation and disclosure of financial information by the company;
- 4.7. Issue:
  - (a) The opinions that, in accordance with the law, are under its responsibility, in particular the one provided for in paragraph 4.5. of this Regulation and those provided for in Article 85(8) and Article 109(3) of the General Framework for Credit Institutions and Financial Companies;
  - (b) The other opinions provided for in the law, in CGD's by laws, or the ones it is called upon to issue.
- 4.8. With regard to the Statutory Auditors:
  - (a) Propose their appointment to the general assembly;
  - (b) Supervise the accounting review of the company's financial statements;
  - (c) Supervise the independence of the Statutory Auditors and, within this framework, assess and decide, upon hearing the Auditing and Internal Control Committee, on the provision by the Statutory Auditors of additional services to the company and CGD Group companies, as well as on the respective conditions;
  - (d) Propose their dismissal to the general assembly, whenever there is just cause to do so.
- 4.9. Follow up the inspections carried out by the European Central Bank/Bank of Portugal, the Securities Market Commission, the Directorate-General for Taxation, and the Supervisory Authority for Insurance and Pension Funds in CGD and other Group companies subject to supervision on a consolidated basis;
- 4.10. Ensure the effectiveness of internal control, internal audit and risk management systems, a purpose for which it shall:

(a) Assess operational procedures with a view to ensuring the efficient management of their activities, based on an adequate risk management and complete, reliable and timely accounting and financial information, as well as on an adequate monitoring system, namely through:

i) Assessment of the control and risk management environment, specifically with regard to the following risks:

- Operational risk;
- Compliance risk;
- Credit risk;
- Market risk;
- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Reputational risk;

ii) Monitor the reports on the activity of the Internal Audit; Compliance, and Risk Management Divisions, providing the Board of Directors with the recommendations deemed necessary as part of the issues covered by these reports;

iii) Hold regular meetings with the entities referred to in paragraph ii) above;

(b) Issue an opinion on the activity plans of the Internal Audit Division and the Compliance Support Office, subject to approval by the Auditing and Internal Control Committee;

(c) Assess the annual reports produced by the areas responsible for:

- i) Compliance;
- ii) Risk Management;
- iii) Internal Audit;

(d) Assess the opinion of the Statutory Auditors on the adequacy and effectiveness of the internal control system underlying the process of preparation and disclosure of financial information;

(e) Issue an annual opinion, as outlined by the Bank of Portugal, on the effectiveness, adequacy and consistency of CGD's and the CGD Group's internal control, risk management and internal audit systems.

4.11. The Supervisory Board is also responsible for:

(a) Attending the meetings of the Board of Directors and of the General Assembly to which they are convened, deem convenient for the performance of their duties, or in which the accounts for the year are discussed;

- (b) Exercising conscientious and impartial supervision;
- (c) Making a written record of all the verifications, inspections, complaints received and efforts carried out, as well as their results;
- (d) Providing the Board of Directors with information on the verifications, inspections and efforts carried out, as well as their results;
- (e) Issuing opinions on any matter provided for in the applicable legal provisions or requested to it by the Board of Directors;
- (f) Submitting to the Board of Directors any issue that required its assessment.

## 5. COMPOSITION

- 5.1. The Supervisory Board shall comprise three members and one alternate.
- 5.2. Notwithstanding any other legal requirements, the members of the Supervisory Board must have adequate qualifications and professional experience suited to the performance of their duties, and a majority of its members must be independent, have completed a suitable higher education course and have a high level of competence and knowledge in the field of finance, accounting and audit or operational knowledge in the field of banking.
- 5.3. All the members of the Supervisory Board are subject to the requirements regarding incompatibility provided for by law.
- 5.4. The General Meeting shall elect the members of the Supervisory Board and also appoint its respective President.

## 6. OPERATIONS

- 6.1. The President of the Supervisory Board is responsible for calling and conducting its meetings and shall have a casting vote.
- 6.2. The Supervisory Board shall hold ordinary meetings at least once every two months, and whenever the President deems fit or at the request of any other members.
- 6.3. The meetings of the Supervisory Board should be called by its President at least five days in advance, in writing, by electronic communication or by simple oral communication, including by telephone.
- 6.4. Except if otherwise indicated in the respective notice, the meetings of the Supervisory Board shall be held at the headquarters of CGD.

- 6.5. The attendance of the majority of the members of the Supervisory Board shall be required for it to pass resolutions. The resolutions of the Supervisory Board shall be passed by simple majority of the votes cast and any dissenting members shall have the reasons for their disagreement included in the corresponding minutes.
- 6.6. The meetings of the Supervisory Board may be held through the use of electronic means, including video conference or conference call, provided that CGD ensures the authenticity of statements made and security of communications, making a record of their content and of the participants.
- 6.7. The agenda is set by the President of the Supervisory Board.
- 6.8. Any Member of the Supervisory Board may request the inclusion of items on the agenda, such request to be addressed to the President as early as possible before the date of the meeting and accompanied by the corresponding supporting elements.
- 6.9. The supporting documents concerning other items on the Agenda must be distributed to all the members of the Supervisory Board five days in advance, preferably with the notice of the meeting, or, if this is impossible, with sufficient time for them to be analysed.
- 6.10. Minutes of all the meetings of the Supervisory Board shall be drawn up, setting out there in the proposals submitted, the resolutions passed and the vote declarations made by any member during the meeting.
- 6.11. The minutes of the meetings shall be approved and signed in the following meeting, except in cases where the production of effects of the adopted resolutions require that they be approved beforehand, in which case the minute in question shall be sent for approval and signing of all the members of the Supervisory Board within the shortest time frame possible following the meeting.
- 6.12. All the minutes of the meetings of the Supervisory Board shall be kept in hard copy form, in the corresponding minute book, of which scanned copies shall be made for storage in secure computer files with restricted access.
- 6.13. The minutes shall be drawn up in Portuguese, without prejudice to English translations being prepared, where necessary.

## 7. PRESENCE AND ABSENCE

- 7.1. Besides the members of the Supervisory Board and where convenient in view of the matters to be analysed, the meetings may be attended by the Audit Firm, Directors, company executives or even third parties, provided they are invited by the President or the President's substitute at that meeting.
- 7.2. The absences of members of the Supervisory Board at its meetings must, if possible, be communicated in advance to its President or the substitute of the President.

- 7.3. If it has sufficient information to do so, the Supervisory Board must issue its opinion regarding the justification given for the absence in the meeting.
- 7.4. Any members of the Supervisory Board who during the corporate year fail to attend, without an accepted justification, two meetings of the Supervisory Board or who do not attend a General Meeting or two meetings of the Board of Directors for which they are convened or in which the annual accounts are examined, shall be dismissed from their functions.

8. COORDINATION WITH THE BOARD OF DIRECTORS

- 8.1. The coordination of the relationship between the Supervisory Board and the Board of Directors should be assured by the President of the Supervisory Board and by the Director that the Board of Directors designates for that purpose.
- 8.2. The members of the Supervisory Board who attend meetings of the Board of Directors must inform the other members in advance of their intention to attend and must subsequently inform the other members about matters related to the duties of the Supervisory Board that were raised at those meetings.
- 8.3. The Supervisory Board may request information from the Executive Committee of the Board of Directors.

9. COORDINATION WITH THE AUDIT AND INTERNAL CONTROL COMMITTEE

- 9.1. The coordination of the relationship between the Supervisory Board and the Audit and Internal Control Committee shall be ensured between the President of the Supervisory Board and the President of that Committee.
- 9.2. The members of the Supervisory Board may attend the meetings of the Audit and Internal Control Committee or the part thereof in which matters directly or indirectly related with the responsibilities of the Supervisory Board are discussed.
- 9.3. For this purpose, the members of the Supervisory Board may:
- (a) Have access to all the documentation distributed for the respective meetings;
  - (b) Hear the explanations given by the persons responsible for each of the areas analysed;
  - (c) Place questions and submit requests for clarifications related to the documents under analysis.

10. COORDINATION WITH COMPANY DEPARTMENTS

The Supervisory Board, whenever deemed of interest, may, with the prior knowledge of the Executive Committee, request from those responsible for the different Departments of CGD any information it may deem necessary for the performance of its duties.



11. CONFLICTS OF INTEREST

The Global Conflicts of Interest Prevention and Management Policy that is in force in CGD and published in the Bank's Internal Normative System, is applicable to the prevention and the management of situations that are identified as an existing or potential case of conflicts of interest.

12. SUPPORT SERVICES

The Supervisory Board, in addition to the consultants that it may be assigned, may request the Board of Directors, when deemed necessary, for the occasional collaboration of one or more individuals with experience in the areas for which it is responsible to provide information and carry out work aimed at supporting its analyses and findings.

13. INTERPRETATION

The interpretation of the provisions of these Regulations must comply with the applicable legal and statutory provisions.

14. AMENDMENTS

Any changes to these Regulations, whether by modification or elimination of some of its articles or by the inclusion of new provisions, must be passed by a majority of the members of the Supervisory Board.