

PORTUGUESE BANKING ASSOCIATION

Articles of Association

CHAPTER I:

NAME, REGISTERED OFFICE, PURPOSE AND DURATION

Article 1

The purpose of the Associação Portuguesa de Bancos (Portuguese Banking Association), hereinafter referred to as the Association or PBA, is to pursue and defend the common interests of its members.

Article 2

1. The Association has its registered office in Lisbon.
2. The Association may join any association or other organisation, national or foreign, in order to better achieve its objectives.

Article 3

The purpose of the Association is to promote and carry out all actions that may contribute to the technical, economic and social progress of its members' own activities and to the pursuit and defence of their interests before any public or private, national or foreign entity, including:

- a) to represent and defend the interests of its members;
- b) to uphold the prestige of banking activity and foster a better understanding of the importance of the banking system in the economy and society;
- c) to promote cooperation among its members with a view to achieving converging positions on matters of interest to the sector in order to improve the efficiency, quality and rationality of the banking system;
- d) to take an active role in the debate on changes to the sector's legislative and regulatory framework, both at national and European level;
- e) to promote and coordinate cooperation among its members in the field of banking protection and security, in particular with regard to electronic databases and operations carried out over the Internet;
- f) to cooperate with other national and international industry associations, in particular through participation in the European Banking Federation;
- g) to promote the adoption of rules of conduct and good banking practice;
- h) to disseminate objective and unbiased information to the public about banking, the range of services it offers and how best to use them, thus contributing to the financial education of current and potential bank customers and to a transparent relationship between banks and society;
- i) to prepare studies and opinions on economic, banking and financial matters;
- j) to promote the training and professional development of banking staff through the Banking Training Institute;
- k) to provide other services and information to its members in the areas encompassed in its purpose.

Article 4

The association is of unlimited duration.

CHAPTER II

MEMBERS

Article 5

1. In addition to the current members, banks with registered office or branches in Portugal and subsidiaries of banks established in Portugal may be members of the Association.
2. The following may also be members by resolution of the General Assembly adopted by the majority provided for in Article 21:
 - a) other credit institutions;
 - b) national development banks mandated at central, regional or local level to carry out development or promotion activities in accordance with Union law.

Article 6

1. The admission of new members shall be the responsibility of the General Assembly, which shall verify that the requirements of Article 5 have been met.
2. Applications for membership must be made in writing to the Chair of the Board of Directors.
3. The decision to admit a new member shall provide for an initial contribution to cover the Association's fixed assets.
4. The method of calculating the contribution referred to in the preceding paragraph shall be determined by resolution of the General Assembly, in accordance with the criteria of proportionality.

Article 7

The members shall have the following rights:

- a) to attend General Assemblies;
- b) to elect and be elected to positions in the Association;
- c) to request that a General Assembly be convened under the terms of article 15, paragraph 2;
- d) to appeal to the General Assembly against decisions of the Board of Directors;
- e) to receive information on the activities and work of the Association;
- f) to make any proposals they deem appropriate for the fulfilment of the statutory purposes;
- g) to seek the intervention of the Association in relation to facts and circumstances which affect the professional interests of members and which, by their nature, may fall within the purpose of the Association;
- h) to use all the services of the Association under the conditions established by the Board of Directors;
- i) to enjoy any other benefits or advantages of the Association.

Article 8

1. The members shall have the following duties:
 - a) to pay on time the contributions set by the General Assembly;

- b) to perform the functions in the Association for which they have been elected or appointed;
 - c) to attend the General Assemblies and the meetings to which they are convened;
 - d) to comply with the provisions of the Articles of Association and with the decisions of the bodies of the Association taken in accordance with these Articles of Association;
 - e) to collaborate effectively in all initiatives that contribute to the prestige and development of the Association and that have been approved by the Board of Directors of the Association;
 - f) to provide the necessary cooperation to the Association for the full exercise of its activity, conveying their positions and relevant information in a timely manner, directly, or indirectly through the working groups in which they decide to participate;
 - g) to keep confidential matters for which confidentiality has been requested;
 - h) to perform all other duties incumbent upon them by law or by these Articles of Association.
2. Membership also involves a commitment to comply with the rules of conduct and good banking practice adopted by the Association.

Article 9

1. The following lose their membership:
- a) those that resign;
 - b) those that no longer fulfil the requirements set out in Article 5, namely because they have ceased to carry out banking activities in Portugal;
 - c) those that join Portuguese associations that have the same objectives as this Association;
 - d) those that are excluded under paragraph 4.
2. The resignation shall be notified to the Board of Directors of the Association by registered letter with acknowledgement of receipt and shall only take effect at the end of the calendar year in which it is received, but in no case earlier than 30 days after receipt.
3. The loss of membership provided for in paragraph 1 (b) and (c) shall take effect automatically as soon as the relevant facts come to the knowledge of the Board of Directors, which shall notify the members of the exclusion.
4. The exclusion provided for in paragraph 1 (d) shall always be preceded by a disciplinary procedure to be decided by the General Assembly convened for this purpose, in accordance with the provisions of article 31.
5. Loss of membership shall not entitle the member to a refund of any contributions made to the Association, nor shall it relieve the member from the timely payment of any financial obligations previously incurred.

CHAPTER III

ORGANISATION AND OPERATION

SECTION I

BODIES OF THE ASSOCIATION

Article 10

The governing bodies of the Association are the General Assembly, the Board of Directors and the Supervisory Board.

Article 11

1. Members elected to office shall notify the Association in writing of their representative within 30 days.
2. The period referred to in the previous paragraph shall also apply to the replacement of the representative, from the date on which the previous representative ceased to hold office.
3. No member may be represented on more than one of the governing bodies.
4. Members of the Association's bodies may be dismissed at any time by resolution of the General Assembly.
5. Without prejudice to the provisions relating to the Chair of the Board of Directors, if a member of a body of the Association ceases to hold office before the end of the period for which they were elected, a replacement may be elected by the General Assembly to complete the term of office of the previous incumbent.
6. The members of the bodies of the Association shall remain in office until their successors are elected.

Article 12

Offices shall be held by members free of charge, unless the General Assembly decides otherwise.

SECTION II GENERAL ASSEMBLY

Article 13

1. The General Assembly is made up of all the members and is led by a Board consisting of a President, who does not have to be a member, and a first and a second secretary, elected from among the members, all of whom are elected by the General Assembly for a term of three years, with the possibility of re-election.
2. It shall be the duty of the President, at the request of the Board of Directors, to convene the General Assembly and to preside over its proceedings.
3. The Secretaries shall assist the President and the First Secretary shall replace the President in the latter's absence.
4. In the event of the early termination of the duties of the President of the General Assembly, if the President is not a member, the provisions of paragraphs 1 to 3 of Article 24 shall apply. In the event of resignation, the resignation shall be formalised by a letter addressed to the Chair of the Board of Directors and the First Secretary shall exercise the duties of the President of the General Assembly Board until a new President is appointed by the General Assembly.

Article 14

1. The General Assembly shall have the authority to decide on all matters concerning the Association, and in particular to:
 - a) elect the Board of the General Assembly;
 - b) elect and remove the members of the Association's governing bodies;
 - c) decide on the admission and exclusion of members;
 - d) approve the Association's Annual Plan of Activities and Budget and the members' annual contribution;
 - e) approve, taking into account the opinion of the Supervisory Board, the Board of Directors' Report

- and the Association's Accounts, as well as the Proposal for the Appropriation of Profits;
- f) approve any other proposals submitted to it;
 - g) approve the formula for calculating the contribution provided for in Article 6;
 - h) decide on extraordinary contributions in accordance with Article 40(c);
 - i) approve, on the proposal of the Board of Directors, the rules of conduct and good banking practice;
 - j) decide on appeals against resolutions and decisions of the Board of Directors;
 - k) decide on the application of disciplinary sanctions to members;
 - l) decide on amendments to the Articles of Association;
 - m) dissolve the Association and appoint liquidators.
2. The General Assembly that decides on the dissolution of the Association shall decide on how to dispose of its assets.

Article 15

1. The General Assembly shall regularly meet in two separate sessions, respectively to consider and approve the Annual Plan of Activities and the Budget, and, taking into account the Opinion of the Supervisory Board, to approve the report of the Board of Directors and the accounts of the Association for the previous year and the corresponding proposal for the Appropriation of Profits, and, where applicable, to elect the members of the Association's governing bodies.
2. The General Assembly holds extraordinary meetings at the request of the Board of Directors, the Supervisory Board or at least one-fifth of the members, or at the initiative of the President of the Assembly Board, in the event of an appeal against a decision of the Board of Directors.

Article 16

3. Notice of the General Assembly shall be given at least 10 working days in advance by e-mail with a read receipt, stating the date, time and place of the meeting and the agenda.
4. Deliberations on matters outside the agenda cannot be made unless all members are present and agree to their addition, and provided the matter is not covered by Article 21.
5. The attendance of all members remedies any irregularities in the calling of the General Assembly, provided that none of them objects to the holding of the meeting.

Article 17

1. The General Assembly shall only meet on first call if at least half of its members is present.
2. If 30 minutes after the time set for the meeting the constraint referred to in the preceding paragraph remains, the General Assembly may meet with any number of members.

Article 18

1. Members shall be represented at General Assemblies by whomever they indicate in a letter delivered to the President of the General Assembly Board at the beginning of the meeting, stating the date, time and place of the meeting.
2. Any member may lawfully be represented by another member or by the Chair of the Board of Directors, by means of a letter delivered to the President of the General Assembly Board at the beginning of the meeting, containing the details referred to in the previous paragraph.

Article 19

1. Each member shall have a number of votes at the General Assembly corresponding to the percentage of its consolidated assets, as shown in its last approved accounts, relative the total consolidated assets of all the members, as follows:
 - a) up to 1% (inclusive), one vote;
 - b) between 1% and 2% (inclusive), two votes;
 - c) between 2% and 5% (inclusive), three votes;
 - d) more than 5%, ten votes.
2. If the member is a branch, the provisions of Article 41(4) shall apply for the purposes of calculating the proportion referred to in paragraph 1.
3. No member may have more than ten times the number of votes of the member with the lowest number of votes.

Article 20

- a. The resolutions of the General Assembly shall be taken by an absolute majority of the votes of the members present or represented, abstentions not being taken into account for this purpose.
- b. In the case of elections to the governing bodies, resolutions shall be taken by a simple majority of the votes cast.

Article 21

Decisions by the General Assembly to amend the Articles of Association, to approve and amend the rules of conduct and good banking practices, to admit a non-banking institution as a member and to dissolve the Association shall require the favourable vote of three-quarters of all members and three-quarters of the number of votes allocated at the time of the Assembly meeting.

SECTION III BOARD OF DIRECTORS

Article 22

The Board of Directors of the Association shall consist of a Chair, a Vice-Chair and five to seven members elected by the General Assembly from among the Association's members for a term of three years, their re-election being permitted.

Article 23

1. A person of proven reputation and integrity and who is a representative figure in the banking sector, not included in the scope referred to in the previous Article, may also be elected as Chair of the Board of Directors.
2. In the case provided for in the preceding paragraph, the Chair shall be entitled to a remuneration determined by the General Assembly.
3. If the appointment is made to a person who is a member of a Member's staff, election to the post shall result in the immediate suspension of that person's functions, but shall not affect his or her career rights or social security rights, the time spent in the post being counted as time spent in their original functions.
4. The performance of functions under this article shall be incompatible with the performance of any

other public or private executive position or function.

5. The Chair may not hold any office in banks or other financial institutions.

6. Teaching in higher education is always permitted.

Article 24

1. In the case provided for in the preceding article, the Chair of the Board of Directors shall cease to hold office before the end of their term of office if one of the following occurs:

- a) permanent physical incapacity, illness or other prolonged impediment to the performance of functions;
- b) resignation, by letter addressed to the President of the General Assembly Board;
- c) dismissal;

2. The grounds for termination referred to in paragraph 1(a) and (c) shall be considered by the General Assembly and shall be subject to its approval.

3. A new President shall be elected within 60 days of the vacancy.

4. During the vacancy, the duties of the Chair shall be assumed by the Vice-Chair of the Board of Directors.

Article 25

The Board of Directors is responsible for the management of the Association and, in particular, for ensuring the pursuit of its objectives, namely by:

- a) representing the Association in and out of court;
- b) laying down general or specific guidelines for the position to be taken by the Association on matters or issues of a national or international nature which are submitted to it by the Chair or any other member of the Board;
- c) submitting the Association's Annual Plan of Activities and Budget to the General Assembly for approval each year;
- d) submitting to the General Assembly for approval proposals for membership contributions and such other matters as may be necessary;
- e) submitting annually to the General Assembly for approval the Board of Directors' Report and the Association's Accounts, together with the Opinion of the Supervisory Board;
- f) complying with and implementing the decisions of the General Assembly;
- g) authorising or approving changes in the organisation and operation of the Association's services, which, on the grounds of their relevance, are submitted to it by the Chair;
- h) controlling the Association's assets, human resources and financial resources;
- i) exercising such other functions and performing such other acts as may be incumbent upon it under the law and these Articles of Association.

Article 26

1. The Board of Directors meets at least once a month, being convened by the President, and can only pass resolutions if the majority of its members is present.

2. Resolutions shall be taken by a majority of the votes of the members present, there shall be no abstentions and the Chair shall have a casting vote.

3. The Board of Directors may, by minutes, delegate powers to one or more of its members or to the Secretary General and authorise the sub-delegation of such powers, setting the respective limits and conditions in each case.

4. The Association shall be bound by the signatures of two members of the Board of Directors; of a single member when the matter concerns the exercise of specifically delegated powers; of one or more

proxies in accordance with the terms of their respective powers of attorney.

5. Acts of a purely routine nature and, in general, those which do not involve the responsibility of the Association, may be signed by only one member of the Board of Directors, by the Secretary General or by a proxy to whom the necessary powers have been delegated.

6. The Board may decide that certain documents of the Association shall be signed by mechanical processes or seals.

Article 27

The Chair of the Board of Directors also has specific responsibility for:

- a) ensuring the representation of the Association before public or private organisations, whether national or foreign;
- b) proposing to the Board the organisational structure of the Association, namely its functional units and their respective duties and responsibilities;
- c) proposing to the Board the appointment of the heads of the first-level functional units;
- d) ensuring compliance with the plans, budgets, regulations and resolutions approved by the Association's bodies.

SECTION IV SUPERVISORY BOARD

Article 28

1. The Supervisory Board is made up of three members, one of whom is the Chair, elected by the General Meeting for a period of three years, with re-election permitted.

2. One of the members is a statutory auditor and the others are elected from among the members of the Association.

Article 29

The Supervisory Board is responsible for:

- a) examining the Association's accounts and the documents on which they are based;
- b) issuing an opinion on the Association's Annual Plan of Activities and Budget, monitoring the implementation of the budget and giving an opinion to the Board of Directors on it, whenever it so deems appropriate;
- c) issuing an opinion on the Board of Directors' Report and the Association's Accounts;
- d) attending meetings of the Board of Directors whenever it so deems appropriate or is invited to do so by the Chair of the Board of Directors;
- e) providing an opinion to the Board of Directors on any consultation made by the latter;
- f) supervising compliance with legal and statutory provisions and reporting any irregularities to the Board of Directors and the General Assembly;
- g) exercising such other functions and performing such other acts as may be incumbent upon it under the law and these Articles of Association.

Article 30

The Supervisory Board meets at least once a quarter and whenever convened by the Chair and can only pass resolutions if the majority of its members is present.

SECTION V
DISCIPLINARY REGIME

Article 31

1. Serious or repeated breaches of the Articles of Association, particularly with regard to members' duties, may lead to the exclusion of the member in question in accordance with the following paragraphs.
2. The decision to exclude a member shall be taken by the General Assembly on the proposal of the Board of Directors and shall require the affirmative vote of three quarters of all the Association's members, and the member or members concerned shall not be entitled to take part in the decision.
3. The Board's proposal shall always be preceded by a written procedure in which the defendant's right of defence is guaranteed.

SECTION VI
GENERAL SECRETARIAT

Article 32

1. The Board of Directors appoints and dismisses the Secretary General on the proposal of its Chair.
2. The person appointed must have banking experience and a good reputation in the banking community.

Article 33

1. The Board of Directors, on the proposal of the Secretary General, may appoint and remove a Deputy Secretary General who, in addition to other duties in the Association, shall be responsible for acting in the absence or temporary impediment of the Secretary General.
2. If there is no Deputy Secretary General, the Board of Directors may appoint a person to replace the Secretary General in the event of their absence or temporary impediment.

Article 34

1. The Secretary General is responsible for
 - a) assisting the Chair of the Board;
 - b) implementing the decisions of the bodies of the Association;
 - c) directing and coordinating the services of the Association, the direction and coordination of which shall be entrusted to them by the Chair;
 - d) ensuring the proper administrative, financial, accounting and human resources management of the Association.
2. The General Secretary may attend and speak at all meetings of the Board of Directors and the General Assembly of the Association, without the right to vote.

Article 35

1. The Secretary General and Deputy Secretary General shall be entitled to remuneration commensurate with the dignity and requirements of their office, as determined by the Board of Directors.
2. The provisions of paragraphs 4, 5 and 6 of Article 23 shall apply to the Secretary General and the

Deputy Secretary General.

Article 36

1. Unless otherwise agreed, the legal framework applicable to the employment relationships of the Secretary-General and the Deputy Secretary-General is that of an individual employment contract.
2. If the appointment is made to a person who is a member of a Member's staff, the election to the post shall result in the immediate suspension of that person's functions, but shall not affect their career rights or social security rights, the time spent in the post being counted as time spent in their original functions.

CHAPTER IV

STAFF

Article 37

Unless otherwise agreed, the employees of the Association shall be subject to the provisions of their individual employment contracts.

CHAPTER V

FINANCIAL ARRANGEMENTS

Article 38

The financial year runs from 1 January to 31 December.

Article 39

The following constitute the Association's income:

- a) the members' contributions, in accordance with the following article;
- b) the payment for any services provided by the Association;
- c) any grants that may be awarded to the Association;
- d) income from assets or equity;
- e) any other income not prohibited by law.

Article 40

The members' contributions are as follows:

- a) the initial contribution provided for in Article 6(3);
- b) the annual contribution set on the basis of the Association's Budget and calculated as provided in the following article;
- c) Extraordinary contributions to cover any losses and unforeseen costs, on terms to be approved by resolution of the General Assembly and calculated as provided in the following article.

Article 41

1. The amount of the contributions to be paid by each member, in accordance with paragraphs b) and c) of the preceding article, shall be calculated on the basis of the percentage of each member's consolidated assets in relation to the total consolidated assets of all the members, as shown in the Accounts for the financial year prior to the date of the General Assembly; in accordance with this percentage, each member is included in one of the brackets show below, which in turn determine the percentage of the total budget of the Association to be borne by each member or, in the case of extraordinary contributions, of the total amount of losses recorded or unforeseen costs:

- a) 1st bracket - up to 1% (inclusive) - 1% of the total;
- b) 2nd bracket - between 1% and 2% (inclusive) - 2.5% of the total;
- c) 3rd bracket - between 2% and 5% (inclusive) - 3.33% of the total;
- d) 5th bracket - above 5% - the contribution shall correspond to the difference between the total and the sum of the contributions calculated in accordance with the previous paragraphs, to be divided equally by the number of members included in this bracket.

2. If the member is admitted in the second half of the year, the annual contribution in the year of admission shall be half of the amount determined in accordance with the preceding paragraph.

3. The contribution is always payable by the consolidating bank of a group, but groups may choose to include other banks in the group as members, in which case these additional banks shall pay a contribution based on their individual assets, which adds on to the consolidating bank's contribution.

4. If the member is a branch and if it does not have consolidated accounts in Portugal, the individual assets of that member or, where applicable, the sum of the individual assets of each of the institutions that form part of its accounting perimeter, shall be taken into account for the purpose of calculating the percentage referred to in paragraph 1.

CHAPTER VI

BANKING TRAINING INSTITUTE

Article 42

1. The Instituto de Formação Bancária (Banking Training Institute), hereinafter referred to as the BTI, is an organisation with pedagogical and administrative autonomy and is part of the PBA.

2. The BTI operates in the various fields of professional training, in particular for financial institutions or other institutions requiring similar training, without prejudice to the possibility of extending its activities to other related or complementary fields, in accordance with technical and scientific developments.

3. The PBA's Board of Directors defines general and specific guidelines on the positioning of the BTI and approves its operating framework in the form of regulations.

4. The day-to-day activity of the BTI is managed and coordinated by its General Manager.

5. The BTI's General Manager may attend and speak at Board of Directors and General Assembly meetings where matters relating to the day-to-day management of the BTI are discussed, without the right to vote.

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