

EXTRAORDINARY MEETING OF THE BOARD OF DIRECTORS OF BANCO DE PORTUGAL

20 December 2015

11.30 p.m.

Disclaimer:

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Only the original document in Portuguese shall govern.**

On 20 December 2015, at 11.30 p.m., at an extraordinary meeting of the Board of Directors of Banco de Portugal, chaired by the Governor, Carlos da Silva Costa, also attended by the Vice-Governors Pedro Duarte Neves and José Ramalho and by Directors João Amaral Tomaz, António Varela and Hélder Rosalino, the following deliberation was adopted regarding agenda item 'Application of resolution measures to BANIF – Banco Internacional do Funchal, S.A.'.

At the beginning of the meeting, Director António Varela cited an impediment which would prevent him from attending the meeting. The Governor considered that this was warranted by law, given that António Varela was a depositor with and held securities issued by BANIF and, as such, could not be part of this Deliberation. However, prior to leaving the meeting, António Varela expressed his full support for any decision that the Board might make.

DELIBERATION

Under Article 146 (1) of the Legal Framework of Credit Institutions and Financial Companies (*Regime Geral das Instituições de Crédito e Sociedades Financeiras – RGICSF*), approved by Decree-Law No 298/92 of 31 December 1992, and in view of the urgent need of the measures now taken to safeguard the continuity of the provision of the essential financial services ensured by BANIF – Banco Internacional do Funchal, S.A., as well as to preserve the stability of the Portuguese financial system, these deliberations are deemed urgent under the terms and for the purposes of the provisions of Article 124 (1) (a) of the Administrative Procedures Code (*Código do Procedimento Administrativo*), without being subject to prior hearing of the interested parties.

Whereas:

1. Banco de Portugal, by decision of its Board of Directors on 19 December 2015 (6 p.m.), hereinafter referred to as 'Deliberation of 19 December', declared that BANIF – Banco Internacional do Funchal, S.A. (BANIF) was 'failing or likely to fail' and decided to start the institution's resolution process through the total or partial sale of the institution's business. For this purpose, Banco de Portugal invited the institutions that had shown interest in purchasing the Portuguese State's shareholder position in BANIF to submit bid offers in a resolution framework, given that they met the requirements of the Portuguese State's Letter of Commitment as regards the profile of the

purchasing institution and that they were the two largest credit institutions with greater financial capacity, specifically Banco Popular Español, S.A., and Banco Santander Totta, S.A.

2. Together with this invitation, a Process Letter was sent on 19 December 2015, describing the sale process, establishing the terms governing the offers to purchase BANIF's rights and obligations (corresponding to assets, liabilities, on-balance-sheet items and assets under management), the corresponding calendar, their assessment criteria and Banco de Portugal's powers within that sale process.
3. Only Banco Santander Totta, S.A. submitted a binding offer and, on that basis, Banco de Portugal entered into negotiations with this potential purchaser, working towards an agreement that allowed for the conclusion of the application of the resolution measure with the sale of BANIF's business.
4. The selection of BANIF's rights and obligations to be included in the scope of the sale took into account the guiding principles for the application of the resolution measures as laid down in Article 145-D (1) of RGICSF, the purposes of resolution measures enshrined in Article 145-C (1) of RGICSF, as well as the continuity of the provision of the essential financial services to the economy. The selection resulted from negotiations with Banco Santander Totta, S.A., and interactions with the Ministry of Finance, in its capacity as the ultimate guarantor of financial stability, pursuant to Article 91 of RGICSF.
5. Consequently, this sale guaranteed the protection of all deposits with BANIF, without prejudice to the legal obligation foreseen in Article 145-N (4) of RGICSF, as well as unsubordinated creditors as a whole.
6. For precautionary purposes, it is appropriate that, pursuant to Article 89 (1) of the Administrative Procedures Code, the credit claims of persons or entities covered by the provisions of Article 145-N (4) of RGICSF, excluding the State, are not transferred to the purchaser, until a final decision has been made.
7. The above-mentioned selection comprises only part of BANIF's rights and obligations, and most of the assets that have not been sold are transferred to an asset management vehicle, created for that purpose pursuant to Article 145-T (1) and the objectives laid down in paragraph 2 of that article.
8. The selection of rights to be transferred to the asset management vehicle took into account the fact that Banco Santander Totta, S.A. was unwilling to purchase such assets and fully bearing their risk, and aimed at maximising revenues of a future sale, which would not have been achieved as efficiently should they remain with BANIF.
9. Under Article 145-S (4) of RGICSF, the Resolution Fund will solely own the share capital of the asset management vehicle.
10. Pursuant to Article 145-T (3) to (5), Banco de Portugal determines that the amount payable by the asset management vehicle to BANIF in consideration for the transfer of the rights shall be paid through the issuance of bonds representing the vehicle's debt.
11. The financial support required for the application of these resolution measures will be ensured by the Resolution Fund through the provision of a guarantee to the bonds issued by Naviget, S.A. and the absorption of BANIF's losses, in line with the provisions of Article 145-AA (1) of RGICSF.
12. For reasons of overriding public interest and extreme urgency, the Portuguese State will provide a counter-guarantee to the guarantee provided by the Resolution Fund and will provide financial

support to the buyer, in compliance with the European Union's principles, rules and guidelines in terms of State aid.

13. Due to the urgency, Banco de Portugal carried out a fair, prudent and realistic valuation of BANIF's assets, liabilities and off-balance-sheet items, pursuant to Article 145-H (8) of RGICSF, which shall be regarded as provisional until the final valuation to be carried out by the independent entity appointed by Banco de Portugal.
14. The application of the above-mentioned resolution measures is a solution that the European Commission, after being notified under the European Union's principles, regulations and guidelines in terms of State aid, deemed compatible with the internal market,

the Board of Directors of Banco de Portugal, pursuant to the provisions of Articles 145-E, 145-F, 145-L, 145-M, 145-S, 145-T and 145-AA of RGICSF, decides to:

- (a) Set up Naviget, S.A., whose By-laws are included in Annex 1 to this deliberation, under the terms and for the purposes of the provisions of Article 145-S (5) of RGICSF;
- (b) Transfer to Naviget, S.A. the rights and obligations corresponding to assets of BANIF – Banco Internacional do Funchal, S.A., as listed in Annex 2 to this deliberation, under the terms and for the purposes of the provisions of Article 145-S (1) and Article 145-T (2) (c), in articulation with Article 145-L (1), all of RGICSF;
- (c) Determine the payment by Naviget S.A. to BANIF – Banco Internacional do Funchal, S.A. of an amount in consideration for the rights and obligations, corresponding to assets, transferred to it under this deliberation, through bonds representing debt issued by Naviget, S.A., to the amount of 746 (seven hundred forty six) million euro, calculated within the scope of the provisional valuation carried out under Article 145-H (8) of RGICSF, pursuant to the provisions of Article 145-T (3) to (5) of RGICSF;
- (d) Sell to Banco Santander Totta, S.A. the rights and obligations, corresponding to the assets, liabilities, off-balance-sheet items and assets under management, of BANIF – Banco Internacional do Funchal, S.A., listed in Annex 3 to this deliberation, pursuant to the provisions of Article 145-M (1) of RGICSF;
- (e) Determine that the Resolution Fund shall provide the financial support deemed necessary for the implementation of these resolution measures, with a view to subscribing and paying in the share capital of Naviget, S.A., providing a guarantee to the bonds issued by Naviget, S.A., and absorbing BANIF's losses, pursuant to the provisions of Article 145-AA (1) of RGICSF;
- (f) Determine that PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (SROC No 183), represented by Mr. José Manuel Henriques Bernardo (ROC No 903), shall maintain its functions as audit firm of BANIF – Banco Internacional do Funchal, S.A. This is required in order to achieve the purposes of the resolution measures set out in Article 145-C (1) of RGICSF, under the provisions of Article 145-F (1) of RGICSF;
- (g) Appoint the following members for the corporate bodies of BANIF – Banco Internacional do Funchal, S.A., pursuant to the provisions of Article 145-F (2) of RGICSF:
 - i. Board of Directors:
Chair: Miguel Morais Alçada
Vice-Chair: Carla Sofia Pereira Dias Rebelo;

Board Member: António Henriques.

ii. Board of Auditors:

Chair: Issuf Ahmad;

Board Member: Elsa Cristina Costa Pires Santana Ramalho;

Board Member: Teresa Sofia Teixeira dos Santos Duarte.

(h) Approve the minutes for this deliberation, with a view to its immediate implementation, under Article 34 (4) and for the purposes of Article 34 (6) of the Administrative Procedures Code.

The Board of Directors

The Secretary to the Boards,

By-laws of Naviget, S.A.

Chapter I - General provisions

Article 1

Denomination, nature and duration

1 — Naviget, S.A. is an asset management vehicle set up under Article 145-S of the *Regime Geral das Instituições de Crédito e Sociedades Financeiras* (“RGICSF”) (Legal Framework of Credit Institutions and Financial Companies), approved by Decree-Law No 298/92 of 31 December 1992.

2 — The asset management vehicle, Naviget, S.A., is a legal entity whose structure and organic is ruled by the Portuguese Companies Code in what concerns share companies, with the necessary adjustments to the objectives and nature of the asset management vehicle and except if otherwise expressly foreseen in these by-laws and in the RGICSF and remainder applicable legislation.

3 — Given the nature of the asset management vehicle, the provisions of Chapter III of Title VI of the Portuguese Companies Code are not applicable to Naviget, S.A. and its relations with subsidiaries, including the provisions concerning the responsibility regime towards the creditors of the subsidiaries.

4 — Naviget, S.A. is set up for an indeterminate period of time.

Article 2

Head office

Naviget, S.A. has its head office in Lisbon.

Article 3

Purpose

1 — The purpose of Naviget, S.A. is the management of the rights and obligations, which represent the assets transferred from BANIF – Banco Internacional do Funchal, S.A., at any time, by decision of the Bank of Portugal for the purposes foreseen in article 145-C of RGICSF.

2 — Banco de Portugal may at any time transfer rights and obligations from Naviget, S.A. back to BANIF – Banco Internacional do Funchal, S.A., as provided by law.

3 — In the performance of its activity, Naviget, S.A. shall comply with management criteria that ensure maintenance of low risk levels and maximization of its value with the aim of a subsequent sale or liquidation.

Article 4

Share capital

The share capital of Naviget, S.A. amounts to fifty thousand euros and is, as legally foreseen, initially wholly owned by the Resolution Fund.

Article 5

Share capital representation

The share capital is represented by fifty thousand nominative shares with a nominal value of one euro per share, which are in book entry form.

Article 6

Issuance of Securities

Naviget, S.A. may, by resolution of the General Meeting, subject to the non opposition of Banco de Portugal, issue other securities, in particular:

- a) Bonds of any of the types legally foreseen;
- b) Covered warrants on own securities;
- c) Any other financial instruments or securities which consist of legal homogenous rights and obligations which can be traded in the market.

Chapter II - Organization

Section I - General provisions

Article 7

Corporate Organization

1 — The shareholders shall decide at General Meeting, on the matters assigned to them by law and by these Bylaws and on any matters that are not included within the powers of the remaining corporate bodies of Naviget, S.A..

2 — The management of Naviget, S.A. is assigned to the Board of Directors.

3 — The supervision of Naviget, S.A. is assigned to a Single Auditor.

4 — Naviget, S.A. shall also appoint a Company Secretary.

Article 8

Appointment, removal and duration of the term of office

1 — The members of the Board of Directors and the Single Auditor are appointed by Banco de Portugal, upon a proposal from the General Meeting, following the constitution decision of Naviget, S.A..

2 — The terms of office of the members of the corporate bodies referred to in the previous paragraph shall have the duration of three years, and may be renewed one or more times, as provided by law.

3 — The members of the Board of Directors and the Single Auditor may at any time be removed from office by deliberation of Banco de Portugal, on its own initiative or upon a reasoned proposal from the General Meeting. Banco de Portugal is responsible for the appointment of other persons to replace them, upon a proposal from the General Meeting.

4 — The Company Secretary and its alternate shall be appointed by the Board of Directors and remain in office for the same duration of the term of office of the members of the Board of Directors that appointed them.

Section II - General Meeting

Article 9

Constitution of the General Meeting

1 — The General Meeting is made up of all shareholders with voting rights.

2 — The Resolution Fund shall be represented at the General Meeting of Naviget, S.A. by the Chair of the Management Committee or whomever he appoints for this purpose, notwithstanding the fact that any member of the Management Committee may attend the General Meeting and participate in the discussion of the items on the agenda.

3 — All members of the remaining corporate bodies of Naviget, S.A. must attend the General Meeting.

4 — The following persons may also attend the General Meetings without voting rights: persons whose presence was authorised by the Chair of the General Meeting, specifically, and upon a proposal of the Board of Directors, staff of Naviget, S.A., in order to clarify specific issues subject to the General Meeting's consideration.

Article 10

Composition and powers of the Chair of the General Meeting

1 — The Chair of the General Meeting Board is composed of a Chair and a secretary, to be designated at the first meeting of the General Meeting, which shall be called by the Single Auditor.

2 — The provisions of Article 8(2) shall apply to the terms of office of the General Meeting Board members.

3 — The Chair of the General Meeting Board is responsible for leading the respective meetings and preparing the corresponding minutes.

4 — The Chair of the General Meeting Board shall be responsible for calling the General Meetings, in

compliance with the legal formalities.

Article 11

Calling and convening the General Meeting

1 — The General Meeting shall convene at least once a year and whenever it is called by the Board of Directors, by the Single Auditor or also by one or more shareholders holding shares corresponding to at least 5% of the share capital.

2 — The General Meeting shall be called by the Chair of the General Meeting Board, or the person replacing the Chair, by registered letter addressed to the shareholders expressly mentioning the items on the agenda.

3 — Any issues raised at the Naviget, S.A. General Meeting shall be decided by a simple majority of votes, unless a legal provision requires a qualified majority.

4 — While the share capital of Naviget, S.A. is wholly owned by the Resolution Fund, the decisions falling under the competence of the General Meeting may be made by deliberation of the Management Committee of the Resolution Fund, without compliance with the calling and convening requirements of the General Meeting laid down in (1) and (2) above.

Article 12

Competences of the General Meeting

1 — The General Meeting shall decide on all issues within the remit conferred upon it by law and by the present by-laws.

2 — Specifically, the General Meeting has the power to:

(a) Deliberating on the annual report, balance sheet and accounts for the fiscal year and additional documentation legally required;

(b) Deliberating on the proposal for the distribution of profit;

(c) Carrying out an overall assessment of the management and supervisory activities of Naviget, S.A., on an annual basis;

(d) Deliberating on increases of share capital, subject to the non opposition of Banco de Portugal;

(e) Deliberating on any other issues for which it has been called or which fall within its field of competence as determined by law;

(f) Deliberating on management matters at the request of the Board of Directors;

(g) Deliberating on the issuance of securities provided for in Article 6, subject to the non opposition of Banco de Portugal.

Section III - Board of Directors

Article 13

Composition of the Board of Directors

The Board of Directors shall be composed of a maximum of seven members, from among whom the Chair and the Vice-Chair shall be appointed by deliberation of Banco de Portugal, upon a proposal from the General Meeting.

Article 14

Competences of the Board of Directors

1 — Without prejudice to the provisions of the following paragraph, it shall be incumbent on the Board of Directors to manage the activities of Naviget, S.A., according to the purposes set out in Article 3 and in the deliberation of Banco de Portugal on the setting-up of Naviget, S.A., with full and exclusive powers of representation, and it shall comply with the deliberations of the General Meeting or the interventions of the Single Auditor only when required by law or regulations.

2 — The Board of Directors shall, in the exercise of its tasks and powers, comply with the guidelines and recommendations issued by Banco de Portugal under its statutory powers, in particular concerning the management, the strategy and the risk profile of Naviget, S.A..

3 — The Board of Directors shall be responsible for:

- (a) Managing its corporate business and performing all acts related to its business purpose and which are not within the powers of other bodies of Naviget, S.A.;
- (b) Managing and maximizing the value of Naviget, S.A., with a view to their subsequent sale or liquidation;
- (c) Selling specific on-balance sheet items of Naviget, S.A., always taking into account the guiding principles for its activities and market circumstances, without prejudice to the specific competences of the General Meeting regarding the sale of certain balance sheet items;
- (d) Setting up the company's internal organisation and drafting any regulations and instructions that it deems necessary;
- (e) Appointing representatives granting them the powers it may deem convenient;
- (f) Implementing and ensuring compliance with legal and statutory provisions as well as deliberation of the General Meeting;
- (g) Representing Naviget, S.A., in or out of court, as claimant or defendant, with the power to waive, compromise and confess in any legal proceedings and commit, pursuant to arbitration agreements, to an arbitrator's decision;
- (h) Providing Banco de Portugal the explanations, information and documents requested by it, through the means deemed convenient by Banco de Portugal;
- (i) Providing support to Banco de Portugal in the preparation of the sale of all or part of Naviget, S.A.'s share capital or any element of its property;

(j) Performing other duties assigned by law or the present By-laws and decide on any other issues that do not fall within the competences of the other corporate bodies;

(k) Obtaining loans or any other type of financing and entering into financing transactions, which are not prohibited by law;

(l) Hire management companies for any of the on-balance sheet items of Naviget, S.A., in particular servicing companies and management or real estate sale companies.

4 – The operations foreseen in subparagraph (k) of the previous paragraph require the previous authorisation of Banco de Portugal when they exceed an individual or joint annual maximum amount of 100 million euros.

Article 15

Delegation of management powers

The Board of Directors may assign to one or more of its members specific tasks or the practice of isolated acts or categories of acts within the competences of the Board of Directors, under the terms and within the limits established by law.

Article 16

Competences of the Chairman and Vice-Chairman

1 – The Chair of the Board of Directors shall be responsible for:

(a) Representing the Board of Directors;

(b) Coordinating the activity of the Board of Directors and calling and leading its meetings;

(c) Ensuring the correct implementation of the Board of Directors deliberations.

2 – The Chair of the Board of Directors is replaced, in his absence or impediment, by the Vice-Chair.

Article 17

Meetings and deliberations of the Board of Directors

1 – The Board of Directors shall meet regularly at intervals which it shall itself determine, but not less than once a month, and extraordinarily whenever called by its Chair, either on his own initiative or upon the request of two Board Members.

2 – The Board shall be called in writing or verbally, including via telephone call.

3 – The meetings shall be held at the head office or at another venue as indicated in the convening letter.

4 – The Board of Directors may only deliberate if the majority of its acting members is present or represented.

5 – The deliberations of the Board of Directors shall be taken by a majority of members, and, in the event of a tie, the Chair, or his representative, shall have the casting vote.

6 — At Board meetings, any Board Member may be represented by another member of the Board, by means of a letter addressed to the Chair, but each proxy instrument shall not be used more than once.

7 — The Board member who, having been called and without a justification that is accepted by the Board, does not attend or is not represented at three consecutive meetings or five non-consecutive meetings is dismissed from the office. Such dismissal shall be declared by the Board of Directors.

Article 18

Commitment of Naviget, S.A.

1 — Naviget, S.A. shall be legally bound by:

- (a) The signature of two members of the Board of Directors;
- (b) The signature of two or more appointed representatives, within the scope and limits of the respective mandates;
- (c) The signature of only one Delegate Director, in the context of transactions concluded under and within the limits of the delegation of powers granted by the Board of Directors.

2 — For acts of simple administrative matters, Naviget, S.A. shall be legally bound by the signature of a member of the Board of Directors or of a representative duly empowered.

Section IV - Supervision Body

Article 19

Composition of the Supervisory Body

The supervision of Naviget, S.A. shall be entrusted to a Single Auditor, which shall always have an alternate member, both being Statutory Auditors or Audit Firms.

Article 20

Competence

1 — In the exercise of its supervisory tasks, the Single Auditor shall take into account the guiding principles of Naviget, S.A.'s activities, pursuant to Article 3(2) of these By-laws, as well as the principles for action and strategic goals established by Bank of Portugal for Naviget, S.A..

2 — In addition to the competences defined by law and in these by-laws, the Single Auditor shall be responsible for:

- (a) Supervising the management of Naviget, S.A.;
- (b) Overseeing compliance of the law and these by-laws;
- (c) Verifying the regularity of the books, accounting records and supporting documents;
- (d) Verifying the precision of the financial statements;

- (e) Assessing whether the accounting policies and valuation methods lead to a correct evaluation of property and results;
- (f) Attending the meetings of the Board of Directors whenever deemed appropriate;
- (g) Attending General Meetings;
- (h) Issuing its opinion on any matter submitted by the Board of Directors;
- (i) Submitting any issue to the Board of Directors for consideration; and
- (j) Providing Banco de Portugal the explanations, information and documents requested by it, through the means deemed convenient by Banco de Portugal.

Chapter III – Final Provisions

Article 21

Changes to the By-laws

The provisions of these by-laws can be amended by a resolution of the General Meeting subject to prior authorization by Banco de Portugal.

Article 22

Cease of the application of legal framework of asset management companies

In case of sale of the entire share capital or merger with another entity, Naviget, S.A., will continue to operate under the general terms of the law, and the legal framework on asset management vehicles foreseen in the RGICSF shall cease to apply.

Article 23

Application for a declaration of insolvency

The declaration of insolvency of Naviget, S.A. may only be applied for by Banco de Portugal.

Annex 2

Assets of Banif transferred to the Naviget, SA

1. Subject to paragraph 2, the following assets and rights of Banif are transferred to Naviget, S.A.:
 - (a) All real estate assets owned by Banif other than those used or occupied by Banif for the purpose of its business;
 - (b) Any shares or units issued by: (i) Banif Imobiliária, S.A.; (ii) Imobiliária Vegas Altas S.A.; (iii) Investador, - Sociedade Gestora de Participações Sociais, S.A.; (iv) Açoreana Seguros, S.A.; (v) Banca Pueyo S.A.; (vi) Banif Bank (Malta) plc; (vii) Banif-Banco de Investimento, S.A; (viii) W.I.L. - Projetos Turísticos, S.A.; (ix) Iberol – Sociedade Ibérica de Oleaginosas, S.A., (x) Fundo Recuperação, FCR, (xi) Fundo de Recuperação Turismo, FCR, (xii) Vallis Construction Sector Consolidation Fund, (xiii) FLIT - PTREL, SICAV-SIF S.C.A., (xiv) Discovery Portugal Real Estate Fund, S.C.A. SICAV-SIF; (xv) Fundo de Reestruturação Empresarial, FCR; and (xvi) any real estate investment funds (with the exception of Banif Property – Fundo Especial de Investimento Imobiliário Fechado) which would be required to be consolidated in Banif’s group accounts as at the date of this decision including without limitation Banif Imopredial – Fundo de Investimento Imobiliário Aberto, Citation – Fundo de Investimento Imobiliário fechado, Porto Novo – Fundo de Investimento Imobiliário Fechado, Pabyfundo – Fundo de Investimento Imobiliário Fechado and Banif Renda Habitação – Fundo de Investimento Imobiliário para Arrendamento Habitacional;
 - (c) Any loans to or other amounts payable by: (i) the entities listed in paragraph (b) except those listed in (b)(ix) to (b)(xv); and (ii) any other members of the Excluded Group (as defined in the sale of business resolution measure applied to Banif by the Banco de Portugal on the date hereof) other than those listed in paragraph (b);
 - (d) The loans by Banif identified in annex 2A to this decision;
 - (e) The securities issued by the entities listed in annex 2B to this decision; and
 - (f) The assets, licences and rights associated with the headquarters function of Banif in mainland Portugal (being any departments of Banif in mainland Portugal other than those of the retail and corporate branch network in mainland Portugal) (the “**Headquarters Function**”).
2. Paragraph 1 shall not operate to transfer to Naviget, S.A. any loan or any amount payable (i) which is a derivative; (ii) where security over that loan by Banif has been granted by Banif other than in accordance with paragraph 4 below; (iii) where the amount is payable to Banif other than in accordance with paragraph 4 below; or (iv) where the transfer would not be permitted by Articles 145- AC to 145-AE of the RGICSF.
3. Where the benefit of any loan by Banif or other amounts payable to Banif is transferred by paragraph 1, there shall also be transferred to Naviget, S.A. the benefit of any claims, rights,

contingent rights, contracts, agreements, security and other arrangements relating to such loans or amounts.

4. Any assets or rights to be transferred to Naviget, S.A. under paragraph 1 which are pledged as collateral for the ELA Liability (as defined in the sale of business resolution measure applied to Banif by the Bank of Portugal on the date hereof (the “**Sale of Business Resolution Measure**”) shall take place following re-transfer of those assets or rights to Banif following repayment of the ELA Liability and consequent release of collateral in accordance with the Sale of Business Resolution Decision.
5. Banif’s contractual position under the employment contracts of all employees working in the Headquarters Function (being those in mainland Portugal who do not work in the retail or corporate branch network in mainland Portugal and therefore being the following departments: Direcção de Acompanhamento e Recuperação de Crédito; Direcção de Assessoria Jurídica; Direcção de Auditoria Interna; Direcção de Compliance; Direcção de Contabilidade e Controlo; Direcção de Crédito; Direcção de Finanças e Planeamento; Direcção Global de Risco; Direcção de Marketing e Comunicação; Direcção Operacional de Produtos; Direcção de Recursos Humanos, Património e Performance; Direcção de Suporte Operacional; Direcção de Tesouraria e Mercados; Direcção de Transformação e Sistemas; Gabinete de Provedoria do Cliente; Bank Legacy Unit; and Assessoria e secretariado de administração) shall transfer to Naviget, SA.
6. After the transfer referred to in the foregoing subparagraphs, Banco de Portugal may, at any time, in accordance with Article 145-T of RGICSF, transfer back or make supplemental transfers of assets, liabilities, off-balance-sheet items and assets under management between Banif and Naviget, S.A.
7. The transfer ordered is not intended to confer on any counterparties or third parties any new rights nor to enable the exercise of any rights that in the absence of such transfer would not exist or could not be exercised on or in relation to the assets, liabilities, off-balance-sheet items and assets under the management of Banif or those thus transferred to Naviget, S.A. or those transferred to the Transferee under the Sale of Business Resolution Measure , including any rights of termination, resolution or rights to order early redemptions, opposition to the renewal, close-out netting or netting/set-off, nor to result in any (i) default, (ii) change in conditions, rights or obligations, (iii) subjecting to approval, or (iv) right to enforce guarantees, (v) right to make retentions or netting/set-off between any payments or claims under such assets, liabilities, off-balance-sheet items and assets under management.

Annex 2A

Appendix 3 (1/2)

As per the Definitive Offer for Project Oscar submitted by Banco Santander Totta, S. A. on 2015-12-20

Type	Name	Balance sheet value (in € '000)	Type of asset
Fundos	DISCOVERY PORTUGAL REAL ESTATE	147,970	reestruturação
Fundos	FUNDO VALIS CLASS A	76,688	reestruturação
Fundos	FUNDO FLITPTREL	52,324	reestruturação
Fundos	FUNDO RECUP. TURISMO B	17,055	reestruturação
Fundos	FUNDO FCR CLASS B	12,401	reestruturação
Fundos	FUNDO FCR CLASS C	11,988	reestruturação
Fundos	FUNDO REEST. EMPRESARIAL -FCR	8,960	reestruturação
Fundos	FCR REVITCENTRO.CAT2	1,440	reestruturação
Fundos	FCR REVIT NORTE.CAT2	1,071	reestruturação
Fundos	FCR REVIT SUL -B2	350	reestruturação
Fundos	FCR REVIT SUL -C2	268	reestruturação
Fundos	FCR REVIT SUL -A2	118	reestruturação
Acções	FLITPTREL 15, SA	5	reestruturação
Acções	FLITPTREL SALEMA	5	reestruturação
Acções	FLITPTREL PORTUGAL SGPS	3	reestruturação
Acções	FLITPTREL II SA	1	reestruturação
Fundos	FUNDO VALIS CLASS B	0	reestruturação
Fundos	ARRENDAMENTO MAIS -NORFIN	14,104	Real Estate
Fundos	NORFIN -SOLUÇÃO ARRENDAMENTO	12,068	Real Estate
Acções	NEXFOR	7,784	Real Estate
Fundos	DP INVEST -FUNDO ESPECIAL INV. IMOB. FECHADO	3,693	Real Estate
Acções	REP REAL ESTATE PARTNERS D SA	2,181	Real Estate
Fundos	PREFF-PAN EUROPEAN REAL STATE FUND	1,873	Real Estate
Fundos	JPM GREATER CHINA	741	Real Estate
Fundos	AVIVA CENTR EUROPEAN PROPERTY FUND	694	Real Estate
Fundos	PRADERA EUROPEAN RETAIL FUND CLASS1	608	Real Estate
Fundos	GREFF GLOBAL REAL ESTATE FUND A	123	Real Estate
Fundos	JP MORGAN EUROPEAN PROPERTY FUND	61	Real Estate
Fundos	BANIF PORTUGAL CRESCIMENTO	19,440	FCR
Fundos	GED SUR FCR-CL B	3,768	FCR
Fundos	PORTUGAL VENTURE CAPITAL INITIATIVE	1,002	FCR
Fundos	BANIF GLOBAL PRIVATE EQUITY F -FCR	499	FCR
Acções	GED SUR CAPITAL S.A., SGECR	31	FCR
Fundos	GED SUR FCR-CL A	8	FCR
Acções	FOMENTINVEST	4,705	Outros
Acções	ASCENDI BEIRAS	3,822	Outros
Fundos	FLORESTA ATLÁNTICA -SGFII (CL B)	2,823	Outros
Acções	ASCENDI NORTE	2,619	Outros
Fundos	LUSO CARBON FUND-FUNDO ESP FECHADO	1,884	Outros
Fundos	BANIF IBERIA	2,149	Outros
Fundos	NEW ENERGY FUND	1,551	Outros
Acções	ASCENDI PORTO	1,266	Outros
Acções	UNICRE, SA	916	Outros
Fundos	PATHENA SCA SICAR	825	Outros
Fundos	FINE ART FUND (CP)	1,308	Outros
Acções	ASCENDI GRANDE LISBOA	762	Outros
Acções	ASCENDI COSTA DE PRATA	556	Outros
Acções	SOCIEDADE QUINTA DO FURÃO, Lda	550	Outros
Fundos	SPDR TRUST SERIES 1	480	Outros
Acções	SIBS SA	445	Outros
Acções	IMOVALOR	281	Outros
Acções	BANIF AÇOR PENSOES (CP BANIF)	240	Outros
Fundos	ISHARES MSCI JAPAN MONTHLY	200	Outros
Fundos	ISHARES MSCI EMERG MKT IN	172	Outros
Fundos	FLORESTA ATLÁNTICA -SGFII, SA	109	Outros
Acções	LUSITANIA SEGUROS	99	Outros
Acções	VISA CLASS C	78	Outros
Acções	FERROVIAL SA	70	Outros
Acções	ACERINOX S.A.	62	Outros
Fundos	DB GLOBAL MASTERS FUND -04/05	41	Outros
Acções	S.W.I.F.T.	36	Outros
Fundos	DB GLOBAL MASTERS FUND -07/07	35	Outros
Fundos	BELMONT RX SPC FI DEC08	22	Outros
Acções	INAPA -INV. PART. GESTÃO	18	Outros
Acções	TRANSINSULAR (AÇORES) -TRASP. MARITI. INSUL.	11	Outros
Acções	ICE -INTERCONTINENTALEXCHANGE	7	Outros
Acções	AÇORLINE	7	Outros
Acções	GARVAL	6	Outros
Acções	PRETÓRIA LDA	6	Outros
Acções	CEIM, LDA	4	Outros
Acções	CIPAN	2	Outros
Acções	LISGARANTE	1	Outros
Acções	NORGARANTE	1	Outros
Acções	ELECTRICIDADE DE PORTUGAL, SA	0	Outros
Acções	GALP ENERGIA SGPS-NOM	0	Outros
Acções	PHILIPS ELECTRONICS NV	0	Outros
Acções	PHARMALAT FINANZIARIA SPA	0	Outros
Acções	IBERDROLA S.A.	0	Outros
Acções	AMERICAN INTERNATIONAL -CW21	0	Outros
Acções	GALERIAS NAZONI	0	Outros
Acções	FINPRO SCR, SA	0	Outros
Acções	HOZAR	0	Outros
Acções	SHOTGUN PICTURES	0	Outros
Fundos	BANIF CAPITAL INFRASTRUCTURE FUND	0	Outros
Acções	COLISEU MICAELENSE, S A	0	Outros
Acções	MACEDO & COELHO	0	Outros
Acções	SC BRAGA SAD	0	Outros
Acções	TEATRO MICAELENSE, S A	0	Outros
Acções	ASCENDI OPERADORA BLA	0	Outros
Acções	ASCENDI OPERADORA NT	0	Outros
Acções	ASCENDI OPERADORA CP	0	Outros
Acções	ASCENDI OPERADORA CP	0	Outros
Acções	ASCENDI OPERADORA GL	0	Outros
Acções	DIDIER & QUEIROZ, S.A.	0	Outros
Acções	ACT -C -INDÚSTRIA DE CORTIÇAS, S.A	0	Outros
Acções	SUBERCOR	0	Outros
Acções	VINOCOR	0	Outros
Acções	VINCORK	0	Outros
Acções	TAEM SGPS	0	Outros
Acções	CORKFOC	0	Outros
Acções	PAN ATLANTICA	0	Outros
Acções	HABIPREDE	0	Outros
Acções	NURINTUR	0	Outros
Acções	GRACITUR	0	Outros
Fundos	BELMONT RX SPC FI SEP08	0	Outros
Fundos	DB GLOBAL MASTERS FUND-V 13-07	0	Outros
Fundos	Total	427,870	

Annex 2B

Appendix 3 (2/2)

As per the Definitive Offer for Project Oscar submitted by Banco Santander Totta, S. A. on 2015-12-20

Name	Title code	Quantity	Balance sheet value (in € '000)
INAPA - Inv. Part. Gestão	PTINA0AP0008	125,693	18,100
ICE - INTERCONTINENTALEXCHANGE	US45866F1049	34	6,817
IMOVALOR	PTIMA0AP0000	19,890	280,767
SC BRAGA SAD	PTSCB0AM0001	20	323
S.W.I.F.T.	BEL14030100A	18	35,624
CEIM, LDA	DGR000000102	800	3,990
COLISEU MICAELENSE, S A	PRT11362201A	83	50
MACEDO & COELHO	PTMCO0AE0007	188	62
PRETÓRIA LDA	DGR000000103	5,736	5,736
LUSITANIA SEGUROS	PTLUI0AM0003	476	99,261
TEATRO MICAELENSE, S A	PRT11363201A	83	50
TRANSINSULAR (AÇORES) - TRASP. MARITI. INSUL.	PRT11355202A	2,000	10,974
FLITPTREL PORTUGAL SGPS	PRT11416202A	2,500	2,500
FLITPTREL II SA	PRT11414202A	577	577
FLITPTREL 15, SA	PRT11451202A	5,000	5,000
FLITPTREL SALEMA	PRT11450202A	5,000	5,000
ASCENDI NORTE	PTAEN0AM0000	118,169	1,860,500
ASCENDI BEIRAS	PTLCB0AM0006	70,775	2,582,595
ASCENDI OPERADORA BLA	PTOLB1AM0000	139	139
ASCENDI OPERADORA NT	PTOPR1AM0007	210	210
ASCENDI PORTO	PTLCP0AM0006	33,289	1,266,479
ASCENDI OPERADORA GP	PTOLG1AM0009	268	268
ASCENDI COSTA DE PRATA	PTLCU0AM0006	30,807	436,211
ASCENDI OPERADORA CP	PTOLU1AM0000	139	139
ASCENDI OPERADORA GL	PTOPE1AM0005	89	89
ASCENDI GRANDE LISBOA	PTLSLOAM0001	892	762,455
SOCIEDADE QUINTA DO FURÃO, Lda	DGR000000104	8	549,721
NEXPONOR	PTNEX0AM0002	2,033,000	7,784,154
NEW ENERGY FUND-FEIF	PTYBNZMM0005	36	262,106
PT INT FIN 0.05 42327	XS0462994343	3,900,000	4,065,874
GOLDMAN FLT MAI 2016	XS0255243064	1,500,000	1,491,408
Total			21,537,179

Annex 3

Assets, liabilities, off-balance-sheet items and assets under management of Banif transferred to Banco Santander Totta, SA

1. **ASSETS, LIABILITIES, OFF-BALANCE-SHEET ITEMS AND ASSETS UNDER MANAGEMENT OF BANIF, RECORDED IN THE ACCOUNTS ARE, SUBJECT TO PARAGRAPHS 3 AND 4, TRANSFERRED TO THE TRANSFEREE ACCORDING TO THE FOLLOWING CRITERIA:**
 - (a) All assets, licences and rights, including property rights of Banif are transferred in full to the Transferee with the exception of the following ("**Excluded Assets**"):
 - (i) All participations (including shares and units) in companies and other entities other than: (A) any held for trading or as security; and (B) shares representing the share capital of or units issued by Banif Property – Fundo Especial de Investimento Imobiliário Fechado and Banif International Bank Ltd (Bahamas);
 - (ii) Own shares of Banif;
 - (iii) Assets to the amount of €10 million, to enable the management of Banif to take the steps required to recover and value its assets and to pay its tax or administrative liabilities;
 - (iv) The assets, licences and rights associated with the headquarters function of Banif in mainland Portugal (being all departments of Banif in mainland Portugal other than those of the retail and corporate branch network in mainland Portugal) (the "**Headquarters Function**");
 - (v) The assets, licences, rights and undertakings of the representative offices of Banif in the United States; and
 - (vi) Any assets, licences and rights, including property rights of Banif, which have already been transferred or are to be transferred to the Asset Management Vehicle under the asset separation tool applied by Banco de Portugal on the date hereof under articles 145-S and 145-T of the RGICSF;
 - (b) Banif responsibilities to third parties that are liabilities or off-balance-sheet items are transferred in full to the Transferee with the exception of the following ("**Excluded Liabilities**"):
 - (i) Any obligations towards or liabilities arising under unsecured subordinated debt instruments issued by Banif, including, but not limited to, those listed in Annex A;
 - (ii) Liabilities to individuals or entities (a), whose participation, whether direct or indirect, was, within the two-year period preceding the date of application of the resolution measure, equal to or higher than 2% of the share capital of the Banif, or (b) who have been members of the Board of Directors, within the two-year period preceding the date of application of the resolution measure, unless it is shown that those individuals, entities or members of the Board of Directors were not at the origin of Banif's financial difficulties and have not contributed to aggravate that situation, due to action or failure to act in the performance of their function;

- (iii) Any obligations towards, or liabilities arising from, instruments that are or have at some point been eligible for the calculation of Banif's own funds as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms;
- (iv) All liabilities resulting from, or arising in connection with, the issue, placement, offering or selling of the instruments referred to in subparagraphs (b)(i), (iii), (v) or (vi) other than any liabilities owed to systems or operators of systems designated according to Directive 98/26/EC or their participants and arising from the participation in such a system;
- (v) Any liabilities which are subordinated to unsecured claims against Banif other than all deposits and any liability towards entities which were transferred from Banif to the Transferee, as referred to in subparagraph a(i) or any subsidiary (as defined in Article 2-A, let. u), of the RGICSF) of these entities;
- (vi) Any subordinated claims under the terms of Articles 48 and 49 of the Insolvency and Corporate Recovery Code (Código da Insolvência e da Recuperação de Empresas), except all deposits and any liability towards entities which were transferred from Banif to the Transferee, as referred to in subparagraph a(i) or any subsidiary (as defined in Article 2-A, let. u), of the RGICSF) of these entities;
- (vii) Any liabilities, contingencies or indemnities namely resulting from fraud or the breach of regulatory, criminal or administrative provisions or determinations;
- (viii) Any other liabilities or contingencies to, or indemnities or guarantees provided to, or derivatives entered into with, the entities excluded from transfer by paragraph (a)(i) or (a)(vi) or any of their subsidiaries (as defined in Article 2-A, let. u), of the RGICSF) (together the "**Excluded Group**") or any third parties in relation to the Excluded Group or any of their assets or liabilities except in all cases deposit liabilities;
- (ix) Any guarantees provided to third parties regarding any type of liabilities (a) of persons or entities that are in a control or group relationship (as defined in article 21 of the Portuguese Securities Code) with the persons or entities referred to in subparagraph b(ii), and (b) of entities that qualify as special related entities with any of the entities referred under this subparagraph in accordance with the terms of Article 49 of the Insolvency and Corporate Recovery Code (Código da Insolvência e da Recuperação de Empresas);
- (x) All obligations, guarantees, liabilities or contingencies related to the trading, financial intermediation or distribution of debt instruments issued by entities that are part of the Excluded Group or by the entities whose participation, direct or indirect, was equal to or higher than 2% of the share capital of the Banif within the two-year period preceding the date of application of the resolution measure and persons or by entities that are in a control or group relationship (as defined in article 21 of the Portuguese Securities Code) with such entities;
- (xi) (A) Any liability in respect of loans from any credit institution, except loans with an original maturity of less than seven days; or (B) any liability in respect of loans from an Excluded Group member irrespective of the maturity date of the loan;

- (xii) All unknown liabilities and contingent liabilities and litigation liabilities and liabilities under sales of entities or businesses except (A) to the extent they relate to the business, assets, rights or liabilities transferred to the Transferee under this decision, (B) those incurred by Banif in the ordinary course of its banking business, to any entity (including obligations of Banif under deposits, letters of credit, bank guarantees, performance bonds and other similar contingent liabilities);
 - (xiii) All liabilities that relate to the Headquarters Function; and
 - (xiv) All liabilities that relate to the representative offices of Banif in the United States of America;
- (c) For the avoidance of doubt, the €746 million in nominal value of Notes (and associated agreements and any right to receive the Notes) issued by the Asset Management Vehicle in consideration, under article 145-T (4) and (5) of the RGICSF, for the transfer to the Asset Management Vehicle of the assets, licences and rights, including property rights, of Banif on the date hereof under the asset separation tool applied by the Bank of Portugal under and pursuant to articles 145-S and 145-T of the RGICSF, will be transferred to the Transferee pursuant to paragraph 1 above;
- (d) Banif's liabilities or off-balance sheet items that are not transferred to the Transferee or to Naviget, SA remain within the legal framework of Banif;
- (e) The assets under management of Banif remain under the management of the Transferee;
- (f) Banif's contractual position in the employment contracts of all employees working in the Headquarters Function (being those in mainland Portugal who do not work in the retail or corporate branch network in mainland Portugal and therefore being the following departments: Direcção de Acompanhamento e Recuperação de Crédito; Direcção de Assessoria Jurídica; Direcção de Auditoria Interna; Direcção de Compliance; Direcção de Contabilidade e Controlo; Direcção de Crédito; Direcção de Finanças e Planeamento; Direcção Global de Risco; Direcção de Marketing e Comunicação; Direcção Operacional de Produtos; Direcção de Recursos Humanos, Património e Performance; Direcção de Suporte Operacional; Direcção de Tesouraria e Mercados; Direcção de Transformação e Sistemas; Gabinete de Provedoria do Cliente; Bank Legacy Unit; and Assessoria e secretariado de administração) shall not transfer to the Transferee. The employer's contractual position under the employment contracts of all other employees of Banif are transferred to the Transferee; and
- (g) Any guarantee related to the obligations transferred to the Transferee is also transferred to the Transferee. Any guarantee related to any obligation that is not transferred to the Transferee will not be transferred to the Transferee either.

2. For the purpose of interpretation of paragraph 1:

- (a) If any of the subparagraphs in 1(a) or 1(b) contain exceptions, those exceptions apply only to that subparagraph and not to any other subparagraph; and
- (b) The subparagraphs in 1(a) and 1(b) are cumulative and not exclusive; accordingly, if an asset or liability is excluded from transfer under one subparagraph, but not another, it shall be considered as an Excluded Asset or an Excluded Liability; additionally, any asset or liability may be excluded from transfer under more than one subparagraph.

3. Paragraphs 1 and 2 shall not operate to transfer:
- (a) any asset or right to the Transferee where security over that asset or right has been granted by Banif and the related liability is excluded from transfer under paragraph 1(b) or where the transfer would not be permitted by Articles 145- AC to 145-AE of the RGICSF;
 - (b) agreements for the distribution by Banif of any banking products, insurance products, securities, investment funds, financial services or similar or any rights or liabilities thereunder;
 - (c) any deferred tax assets in excess of €179,000,000; or
 - (d) any U.S. Assets or U.S. Liabilities where:

“U.S. Assets” means any (i) assets of any U.S. office of Banif or any of its affiliates, including any U.S. branch, agency or representative office of Banif or any foreign bank affiliate thereof, (ii) shares or control of any company organized under the Federal laws of the United States of America or the laws of any state, territory, dependency or possession thereof or that has an office or subsidiary in the United States of America; and (iii) ownership interest in a covered fund;

“U.S. Liabilities” means any liabilities of any U.S. branch, agency or representative office of Banif or any foreign bank subsidiary thereof; and

For purposes of this definition, the terms “branch”, “agency”, “representative office” and “foreign bank” shall have the meaning given them in Regulation K of the Board of Governors of the Federal Reserve System (the “**Federal Reserve Board**”), the terms “affiliate”, “company”, “control” and “subsidiary” shall have the meaning given them in the Federal Reserve Board’s Regulation Y, and the terms “ownership interest” and “covered fund” shall have the meaning given them in the Federal Reserve Board’s Regulation VV.

4. Notwithstanding anything to the contrary in paragraphs 1 and 2, the liability of Banif under the emergency liquidity assistance scheme of Banco de Portugal (the “**ELA**”) (the “**ELA Liability**”) and Banif’s rights in the collateral pledged in respect of the ELA Liability shall transfer to the Transferee. The Transferee will repay the ELA Liability in full before 9 a.m. on 21 December 2015. Any collateral pledged in respect of the ELA Liability which is an Excluded Asset shall be re-transferred to Banif immediately following the repayment of the ELA Liability and consequent release of collateral.
5. After the transfers referred to in the foregoing subparagraphs, Banco de Portugal may, with the consent of the Transferee, at any time, in accordance with Article 145-N (3) of RGICSF, transfer back or make supplemental transfers of assets, liabilities, off-balance-sheet items and assets under management between Banif and the Transferee.
6. The transfer ordered is not intended to confer on any counterparties or third parties any new rights nor to enable the exercise of any rights that, in the absence of such transfer, would not exist or could not be exercised on or in relation to the assets, liabilities, off-balance-sheet items and assets under the management of Banif or those thus transferred to the Transferee or those transferred to the Asset Management Vehicle, including any rights of termination, resolution or rights to order early redemptions, opposition to the renewal, close-out netting or netting/set-off, nor to result in any (i) default, (ii) change in conditions, rights or obligations, (iii) subjecting to approval, or (iv) right to enforce guarantees, (v) right to make retentions or netting/set-off between any payments or claims under such assets, liabilities, off-balance-sheet items and assets under management.

Annex A

Subordinated credit claims/instruments eligible for own funds

BNF	XS0239804445	OB Banif 2005-2015 Sub
BCA	PTBCAFXE0007	Ob Cx Sub BCA 2006/2016
BNF	PTBAFEM0022	Ob. Banif Sub Tx Fixa USD 2014/24
BNF	PTBAFMOM0014	Ob. Banif Sub 4,50%
BNF	XS0280064204	Banif SFE 2006/perp (replica Banif Finance)
BNF	XS0208508845	Banif SFE 2004/perp (replica Banif Finance)
BNF	XS0280064469	Banif SFE 2006/2016 (replica Banif Finance)
BCA	XS0337503154	Banif SFE 2007/perp (replica Banif Finance)
BNF	XS0337503154	Banif SFE 2007/perp (replica Banif Finance)

Subordinated debt not eligible to capital requirements

BNF	PTBAFOX0003	Ob Banif 2008-2018 Cx sub
BCA	PTBCAIXE0004	Ob Cx Sub BCA 2007/2017
BNF	PTBAFQOM0002	Ob Banif 2009-2019 sub
BNF	PTBAFHOM0011	Ob.Banif 2012-2019 sub - OPT

Instruments representing equity

BNF	XS0476678288	Banif SFE 09Flt Prp
BNF	PTBAFROM0019	CoCo's - Recapitalização