

BANCO SANTANDER TOTTA, S.A.

Registered offices: Rua Áurea n.º 88, Lisboa

Legal type: Limited liability company

Registered before the Commercial Registry Office of Lisboa with sole registration and tax number:  
500.844.321

Share Capital: € 1.256.723.284

## **NOTICE TO CONVENE MEETING OF HOLDERS OF COVERED BONDS**

**BANCO SANTANDER TOTTA, S.A.**

**COVERED BONDS ISSUANCE**

**COVERED BONDS “Totta EUR 750,000,000 - 18”**

**ISIN CODE: PTBSRFOE0019**

Pursuant to the provisions of articles 101-A and 101-C, both set out in the Portuguese Companies Code, holders of covered bonds should convene in meetings of holders of covered bonds to resolve on the merger by incorporation of Banco Popular Portugal, S.A. in Banco Santander Totta, S.A., following the approval of the merger project by the Board of Directors of Banco Santander Totta, S.A. and Banco Popular Portugal, S.A., to opine on the possible losses which the latter may cause to the holders of covered bonds. For that purpose, pursuant to the provision of number 2 of article 355 of the Portuguese Companies Code, all the holders of Covered Bonds (hereinafter, the “**Holders of Covered Bonds**”) which hold covered bonds pursuant to the covered bonds issuance “Totta EUR 750,000,000 – 18”, with ISIN Code PTBSRFOE0019 issued by Banco Santander Totta, S.A., relating to the covered bonds programme of Banco Santander Totta, S.A. (“**Programme**”), are hereby convened to meet in a meeting of the Holders of Covered Bonds (hereinafter, the “**Meeting of the Holders of Covered Bonds**”), to be held on 19 October 2017, at 14:45 hours, at the company’s registered offices, which shall have the following agenda:

**Single item** – Resolve on the merger and, in case of non-approval thereof, the exercise of the right to judicially oppose the same, pursuant to the terms and for the purposes of numbers 2 and 3 of article 101-C of the Portuguese Companies Code, in relation to the incorporation of Banco Popular Portugal, S.A., limited liability company by shares, with registered offices at Rua Ramalho Ortigão, 51, Lisbon, registered before the Commercial Registry Office under the sole registration and tax payer number 502.607.084, with share capital of € 513,000,000.00, as incorporated company, in Banco Santander Totta, S.A., as incorporating company.

## INFORMATION TO THE HOLDERS OF COVERED BONDS

The Meeting of Holders of Covered Bonds will be chaired by the Chairman of the General Shareholders' Meeting of Banco Santander Totta, S.A., in the absence of the Common Representative of the Holders of Covered Bonds.

Holders of Covered Bonds are hereby informed that the merger project has already been registered in the Commercial Registry Office and that the merger project and adjoining documentation are at their disposal, for consultation, at Banco Santander Totta, S.A. registered office.

## PARTICIPATION, REPRESENTATION, QUORUM, FUNCTIONING AND EXERCISE OF VOTING RIGHT

Pursuant to the provisions of articles 101-A and 101-C of the Portuguese Companies Code, the Holders of Covered Bonds whose credits have originated prior to the publication of the merger project may meet in the Meeting of the Covered Bonds, within a one month period, to resolve on the merger and in case of non-approval thereof, the exercise of the right to judicially oppose the same, with a view to being collectively represented, on the grounds that said transaction shall hinder the enforcement of their rights, pursuant to the provision of number 2 and 3 of article 101-C of the Portuguese Companies Code.

Participation and functioning of the Meeting of Holders of Covered Bonds shall be governed by the provisions of the Terms and Conditions of the Programme in force at the time of the covered bonds issue, the respective agreement for the appointment the Common Representative (*Common Representative Appointment Agreement*) and also by the relevant legal provisions, notably articles 101-C and 355 of the Portuguese Companies Code and article 14 of the Covered Bonds Law, approved by Decree-Law no. 59/2006, of March 20, as well as the remaining applicable regulatory provisions, including rules and practices of the centralized registration, settlement and clearing securities systems (which, are, pursuant to the Programme, Interbolsa, and/or Euroclear, and/or Clearstream, Luxembourg; “**Clearing Systems**”).

THE HOLDERS OF COVERED BONDS ARE ADVISED TO OBTAIN INFORMATION ALSO FROM THEIR FINANCIAL INTERMEDIARIES, CREDIT INSTITUTIONS, BROKERS, DEPOSITARIES AND OTHER ENTITIES THROUGH WHICH THEY HOLD THE COVERED BONDS (“**INTERMEDIARIES**”) ON ANY PRE-REQUISITES, INSTRUCTIONS OR ADDITIONAL DEADLINES THAT THESE ENTITIES MAY REQUIRE FOR THE PURPOSES OF THE EFFECTIVE EXERCISE OF THEIR RIGHTS.

### **Participation in the Meeting**

The Holders of Covered Bonds who, pursuant to the registry, are holders of the voting rights regarding securities are empowered to exercise such rights, by producing a certificate of ownership for the exercise of rights.

The Holders of Covered Bonds are hereby **ADVISED** that:

- (i) Meeting of Holders of Covered Bonds may be attended by:
  - a. Holders of Covered Bonds or their representatives;

- b. members of the management and supervisory bodies of the issuer and their attorneys;
  - c. financial and legal advisors to the issuer and to the Common Representative;
  - d. chairman of the general shareholders' meeting of the issuer;
  - e. any other person whose presence is approved by the persons attending the Meeting of Holders of Covered Bonds or any other form authorized pursuant to applicable law.
- (ii) Only the following Holders of Covered Bonds may participate in the Meeting of Holders of Covered Bonds:
- a. Holders of Covered Bonds who are registered as holders of bonds, at least, 5 business days prior to the scheduled date for the Meeting of the Holders of Covered Bonds to be held;
  - b. Holders of Covered Bonds who request the respective(s) financial intermediary(ies) with whom their individual securities account is held, being a participant in the Portuguese CSD, i.e. Central de Valores Mobiliários, operated by INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. to obtain the issuance of an ownership and blockage certificate regarding the Covered Bonds which voting rights they wish to exercise and which shall include the following information:
    - i. include the number of bonds which the Holder of Covered Bond holds in the relevant account on a date which is, at least, 5 business days before the scheduled date for the Meeting of Holders of Covered Bonds to be held;
    - ii. mention that the Bonds are registered in a blocked account until the end of the Meeting of Holders of Covered Bonds, pursuant to the provision of article 72 of the Portuguese Securities Code;
- The issuance of the certificate assumes the blocking of the Bonds, pursuant to the provision of article 72, number 1, paragraph a) of the Portuguese Securities Code; this consists of a book-entry registry indicating the grounds for such blockage, blockage period and number of securities encompassed by the operation. During the blockage period, the registry entity is prohibited from transferring the blocked securities.
- (iii) Holders of Covered Bonds mentioned in subset (ii) above who wish to attend the Meeting of Holders of Covered Bonds and exercise their respective voting rights must send to the Chairman of the General Shareholders' Meeting, in order for the latter to receive it in the address set out below up to 3 business days before the Meeting of Holders of Covered Bonds is held, the certificate mentioned in paragraph (ii) b. above, as well as, if they wish to be represented, the proxy letter as described below.
- (iv) Holders of Covered Bonds who do not hold Covered Bonds directly through a financial intermediary that is a participant in the Portuguese CSD, i.e. Central de Valores Mobiliários, operated by INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. and who wish to participate/ be**

**represented in this Meeting of Holders of Covered Bonds should consult with their custodians in advance in order to ensure that they comply with any procedures (of such custodians or other intermediaries, such as Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme) required for them to be able to participate/ be represented in this Meeting of Holders of Covered Bonds.**

- (v) in case of co-ownership, only the co-owner's common representative may participate in the Meeting of Holders of Covered Bonds;
- (vi) the participants in the Meeting of Holders of Covered Bonds shall be accompanied by their identification documents (identity card or equivalent document).

### **Representation of Holders of Covered Bonds**

Holders of Covered Bonds may be represented in the Meeting of Holders of Covered Bonds by a proxy letter addressed to the Chairman of the General Shareholders' Meeting, in its capacity as chairman of the Meeting of Holders of Covered Bonds. Holders of Covered Bonds may also appoint different representatives regarding the Bonds held in different securities accounts (as long as the voting rights are exercised in the same direction).

The proxy letters (which are hereby made available in the form attached to this convening notice) should be received at Rua Áurea no. 88, 1100-063, Lisbon or sent to [secretaria@santander.pt](mailto:secretaria@santander.pt), jointly with the certificate issued by the Intermediary, until 3 business days before the scheduled date for the Meeting of Holders of Covered Bonds to be held.

Except in case of revocation of the powers granted in the proxy letter to the respective proxy, the latter shall be kept in place until the conclusion of the Meeting of Holders of Covered Bonds, including in case of suspension of the meeting.

HOLDERS OF COVERED BONDS WHO DO NOT HOLD COVERED BONDS DIRECTLY THROUGH A FINANCIAL INTERMEDIARY THAT IS A PARTICIPANT IN THE PORTUGUESE CSD, I.E. CENTRAL DE VALORES MOBILIÁRIOS, OPERATED BY INTERBOLSA – SOCIEDADE GESTORA DE SISTEMAS DE LIQUIDAÇÃO E DE SISTEMAS CENTRALIZADOS DE VALORES MOBILIÁRIOS, S.A. AND WHO WISH TO BE REPRESENTED IN THIS MEETING OF HOLDERS OF COVERED BONDS SHOULD CONSULT WITH THEIR CUSTODIANS IN ADVANCE, AS NECESSARY, IN ORDER TO ENSURE THAT THEY TIMELY COMPLY WITH ANY PROCEDURES (OF SUCH CUSTODIANS OR OTHER INTERMEDIARIES, SUCH AS EUROCLEAR BANK S.A./N.V. OR CLEARSTREAM BANKING, SOCIÉTÉ ANONYME) REQUIRED FOR THEM TO BE ABLE TO BE REPRESENTED IN THIS MEETING OF HOLDERS OF COVERED BONDS.

### **Quorum**

The Meeting of Holders of Covered Bonds shall convene as long as any Meeting of Holders of Covered Bonds are present or duly represented.

### **Functioning**

The Meeting of Holders of Covered Bonds is chaired by the Chairman of the General Shareholders' Meeting or, in his absence, by any person who is legally entitled to replace him.

During the Meeting of Holders of Covered Bonds, the Holders of Covered Bonds or their respective representatives may request for true, complete and clear information to be provided to them and the rendering of information may only be refused when its disclosure may cause material damages to the company or the breach of a confidentiality obligation provided for by law.

For the Meeting of Holders of Covered Bonds to resolve on the single item on the agenda, it is necessary that the voting is taken with absolute majority of the Holders of Covered Bonds present or represented.

### **Exercise of voting rights**

Each Bond is granted 1 voting right.

Except if the procedures and regulations of the respective clearing system provide for otherwise, the Holders of Covered Bonds shall not be obliged to vote with all voting rights inherent to the respective bonds held, but shall be obliged to vote solely in a single direction, pursuant to the provision of article 385, n. 1, of the Portuguese Companies Code.

Holders of Covered Bonds may not vote by post.

The resolution of the Meeting of Holders of Covered Bonds shall bind all Holders of Covered Bonds, whether they have been or not present in said meeting and regardless of whether they have voted against the resolution that is adopted.

### **Other information**

The Holders of Covered Bonds may obtain further information or clarifications by submitting a request addressed to [secretaria@santander.pt](mailto:secretaria@santander.pt).

During the Meeting of Holders of Covered Bonds, Holders of Covered Bonds may request information that is reliable, complete and clarifying with respect to the single item in the agenda. Such requests may only be refused if the granting of said information would create serious damages to the issuer or the breach of any confidentiality legal obligations.

Lisbon, 15 September 2017.

The Chairman of the General Shareholders' Meeting  
of Banco Santander Totta, S.A.

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José Manuel Galvão Teles

## HOLDER OF COVERED BONDS REPRESENTATION LETTER

To:

**Chairman of the Meeting of Holders of  
Covered Bonds**

Rua Áurea no. 88

1100-063 Lisbon

Portugal

[●] [●] 2017

In order to attend in the extraordinary Meeting of Holders of Covered Bonds of the covered bonds issue [●], ISIN code [●], issued by [●] (“**Covered Bonds**”),

*[Full name of individual or company which is a Holders of Covered Bonds]*<sup>1</sup>, [holder of identity card no. / passport no. [●], issued by [issuing entity] and valid until [date], with taxpayer no. [●], with address at [●]<sup>2</sup> / registered in the Commercial Registry Office under sole registration and taxpayer number [●], with registered office at [●]<sup>3</sup>] holder of [●] covered bonds, pursuant to the Certificate(s) and Block Voting Instruction(s) no. [●], which copy is hereby attached, to participate in the Meeting of Holders of Covered Bonds on [date] 2017, at [time], at [place], with the following agenda:

**Single item** – Resolve on the merger and, in case of non-approval thereof, the exercise of the right to judicially oppose the same, pursuant to the terms and for the purposes of numbers 2 and 3 of article 101.º-C of the Portuguese Companies Code, in relation to the incorporation of Banco Popular Portugal, S.A., limited liability company by shares, with registered offices at Rua Ramalho Ortigão, 51, Lisbon, registered before the Commercial Registry Office under the sole registration and tax payer number 502.607.084, with share capital of € 513,000,000.00, as incorporated company, in Banco Santander Totta, S.A., as incorporating company.

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<sup>1</sup> Full name (individuals) or firm (companies).

<sup>2</sup> Individuals.

<sup>3</sup> Companies.

**[Full name of individual or company of the representative]**<sup>4</sup>, [holder of identity card no. / passport no. [●], issued by [issuing entity] and valid until [date], with taxpayer no. [●], with address at [●]<sup>5</sup> / registered in the Commercial Registry Office under sole registration and taxpayer number [●], with registered office at [●]<sup>6</sup>].

To whom he/she/it grants powers to represent him/her/it in the Meeting of Holders of Covered Bonds, to consult all documents made available in the Meeting of Holders of Covered Bonds and to discuss the sole item of the agenda, in accordance with the following instructions:

VOTING INSTRUCTIONS:

**Sole item**

**A. Non opposition to the merger**

**B. Non approval of the merger and exercise of right to judicially oppose it**

**C. Abstention**

In addition, he/she/it grants powers and authorizes, in case of any unforeseen events, the representative to act as he/she/it deems to be in the best interest of the principal.

Sincerely yours,

[Signature]<sup>7</sup>

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<sup>4</sup> Full name (individuals) or firm (companies).

<sup>5</sup> Individuals.

<sup>6</sup> Companies.

<sup>7</sup> Signature (individuals) / signature(s), name(s), capacity and companies' stamp (companies).