

ARTICLES OF ASSOCIATION

CAIXA CENTRAL - CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, C.R.L.

CHAPTER I

General Provisions

SECTION I

Business name, registered offices and delegations, territorial remit and duration, cooperative integration, purposes and object

ARTICLE 1

Business name, registered offices and delegations, territorial remit and duration

- 1** - Caixa Central maintains the business name Caixa Central - Caixa Central de Crédito Agrícola Mútuo, C.R.L., henceforth always called Caixa Central, and its registered offices are located in Lisbon, in the borough of São Sebastião da Pedreira, at Rua Castilho no. 233/233-A. Its sphere of action is the national soil and its duration is indefinite.
- 2** - The registered offices of Caixa Central may be transferred to any other location situated in the Municipality of Lisbon, by deliberation of the general board.
- 3** - Delegations of Caixa Central may be set up in order to assure the permanent representation thereof, also by deliberation of the general board, at the management's proposal, and without prejudice to the legal provisions applicable and nor to the stipulations envisaged in the following numbers.
- 4** - Any decision regarding the setting up of delegations of Caixa Central intended for the purposes of performing credit operations with the public, or regarding the performance of these operations in delegations already set up, shall fall to the general assembly, at the proposal of the general board, always without prejudice to the legal provisions applicable.
- 5** - The deliberation to which the above number refers cannot be taken without an analysis having been performed to forecast its repercussions on the business activity of associated companies with registered offices in the municipality or in municipalities bordering that where installation is planned, and without the opinions of these associated companies being heard.

ARTICLE 2

Cooperative integration and purposes

1 - Caixa Central operates within the credit branch of the cooperative sector, to which sub-paragraph d) of no. 1 of article 4 of the Cooperative Code refers, and, as a part of this sector, actively cooperates with the cooperatives of other branches and their regulatory bodies for the strengthening, development and autonomy thereof.

2 - In pursuing its business activity, Caixa Central is guided by the purposes of progress, integration and autonomy of the agricultural savings banks which are its associates, cooperating with them and with their National Federation and regional unions in developing agriculture and improving the physical, social and economic wellbeing of the rural environment, in light of the mutual principles of cooperativism.

3- Caixa Central may promote the improvement of conditions for exercising its business activity and result by participating in Consortia.

ARTICLE 3

Object

1 - The following was established as the object of the Caixa Central:

a) To exercise credit functions and carry out any further acts inherent to banking activity, under the terms envisaged in the applicable legislation;

b) To promote the constitution of the integrated system of mutual agricultural credit and, as its central body, to coordinate and represent it.

2 - The integrated system of mutual agricultural credit is established by the Caixa Central and by its associated agricultural savings banks and organised in accordance with the applicable legislation and with the present articles of association.

3 - In order to perform the functions of coordinating the integrated system of mutual agricultural credit, it shall fall to Caixa Central:

a) To guide and supervise their associates and to intervene in the management thereof, in those cases and under the terms envisaged in the applicable legislation and in these articles of association;

b) To assure compliance by the integrated system of mutual agricultural credit and by the associated agricultural savings banks with the rules regarding solvency and liquidity;

c) To assure, via the means envisaged in the applicable legislation and in these articles of association, the fulfilment of the rights of creditors of the integrated system of mutual agricultural credit;

d) To consolidate its accounts with those of its associates.

4 – The representation functions envisaged in sub-paragraph b) of no. 1 of this article shall be exercised without prejudice to the competencies of the federative bodies, with regard to the associated agricultural savings banks.

SECTION II

As regards the associates

ARTICLE 4

Admission requirements

1 – Without prejudice to other details envisaged in the applicable legislation, all legally incorporated mutual agricultural credit savings banks may be associated with the Caixa Central if they are registered and in operation and if their articles of association state:

a) That the liability of their associates is limited to the share capital subscribed by them;

b) A share capital of at least the minimum amount required by law.

c) That the agricultural savings bank adheres to the Caixa Central and that its dismissal can only take effect after three years have elapsed from the date of admission, and that it shall only take effect on the last day of the year following that during which the notice of termination is given, and following full compliance with the obligations vis-à-vis the Caixa Central, in the event that the latter decides to call in their debts and demand their settlement, in which case it shall also comply with its obligations vis-à-vis the agricultural savings bank;

d) That the agricultural savings bank recognises the jurisdiction of the Caixa Central and accepts its functions in this regard, with regard to laying down guidelines, supervision and intervention, under the terms envisaged in the applicable legislation and in the articles of association of the Caixa Central;

e) That, following the constitution of the integrated system of mutual agricultural credit, and because Caixa Central – without any benefit, including that of repossession of legal assets – guarantees all the obligations of its associates, even when arising from a previous event and for the entire period of duration of the association, under the same terms whereby the guarantor guarantees the obligations of the warrantee, the agricultural savings bank undertakes to reimburse the Caixa Central for all monies the latter may pay on its behalf, under the terms of the said guarantee, within whatever period is stipulated by the Caixa Central, and should it fail to do so, as well as resorting to means to enforce the fulfilment of the said obligations, Caixa Central may intervene in the management of the agricultural savings bank, as per article 55 of these articles of association, or, if the financial standing of the agricultural savings bank seriously

jeopardises the settlement of its credit, the Caixa Central may exclude it from the integrated system of mutual agricultural credit;

f) That, in the event of any threat of insolvency or some other serious imbalance in the financial standing of Caixa Central, and as per the stipulations of the general board, under the terms and conditions envisaged in the law and in these articles of association, it shall subscribe and pay up part of the increase in the share capital of the Caixa Central as necessary to correct this situation, by the proportion of its net worth calculated at the last approved balance sheet, with a limit on the amount of the stake it already holds in the said capital, and which, in the event of an emergency, and in accordance with the stipulations of the above general board, shall make an interim deposit of any amounts necessary up to the maximum amount of its stake in the increase in share capital;

g) That, in the event of dismissal or exclusion, the reimbursement of the equity subscribed and paid up under the terms and for the purposes of the above subparagraph shall be subject to deliberation at the general meeting of the Caixa Central which shall permit the act and set out the terms under which it shall be performed;

h) That any alteration to its articles of association, which renders them not in conformity with that envisaged in the above sub-paragraphs, any serious or repeated failure to comply with the Caixa Central's powers of guidance, supervision or intervention, or any failure to contribute towards fulfilling the rights of creditors, under the terms of subparagraph f) of this article, shall entitle the Caixa Central to exclude it, all without prejudice to any other legal or statutory causes for exclusion.

2 – Any information which the general board of the Caixa Central deems necessary in order for it to reach its decision, must be submitted together with the request for admission.

3 – An appeal may be made at the general meeting against the decision of the general board vis-à-vis the request for admission of an agricultural savings bank. The general meeting shall make a statement at the first subsequent meeting, and the chair of the meeting must therefore include the issue in the order of business, upon the request of any associate or of the agricultural savings bank which requested admission, which may, in this case and for the purpose of being heard, participate in the general meeting, albeit with no entitlement to vote.

ARTICLE 5

Associates' rights

Without prejudice to any others envisaged in law, or which arise from these articles of association, associates have the following rights:

- a)** To obtain funding from the Caixa Central for their business activity, under the general terms of the law;
- b)** To deposit their surplus liquidity with the Caixa Central;
- c)** To use all the services offered by the Caixa Central, under the general terms of the law;
- d)** To participate, via the legal and statutory means envisaged, in the administration and supervision of the Caixa Central and elect and be elected to the governing bodies;
- e)** To receive the balance sheet and any other information as necessary in order to be informed of the business undertaken by the Caixa Central, without prejudice to the rules defending banking confidentiality;
- f)** To receive from the Caixa Central the guidelines necessary in order to pursue their business activity;
- g)** To hold a stake in the profit of the Caixa Central under whatever terms may be generally decided at the general meeting.

ARTICLE 6

Associates' duties

- 1.** Without prejudice to any others envisaged in law, or which arise from these articles of association, associates have the following rights:
 - a)** As soon as they are admitted, to subscribe and pay up equity in the Caixa Central amounting to the equivalent of at least 10% of their net worth, but at most equivalent to 10% of the share capital paid up;
 - b)** By 30th April, to subscribe and pay up a sufficient amount of equity so that their stake will be the equivalent of at least 10% of their net worth, calculated as at 31st December of the previous year, up to a limit equivalent to 10% of the share capital paid up;
 - c)** To punctually pay up the instalments envisaged in the law and in the articles of association, as decided upon at the general meeting or by the general board, within the remit of their powers, or which have been contracted with the Caixa Central;
 - d)** To constitute deposits with the Caixa Central as compulsory under the terms envisaged in these articles of association and, generally, to deposit their surplus liquidity with the said Caixa Central;
 - e)** To comply with the decisions taken by the governing bodies of the Caixa Central, within the remit of their powers, and particularly, to tailor their business activity to the guidelines issued by the Caixa Central, to submit their business activity to supervision by the departments of the Caixa Central and to accept the intervention of the latter in the

management thereof in those cases and under the conditions envisaged in the applicable legislation and in these articles of association;

f) Not to divert the credit received from the Caixa Central from the applications based on which they were contracted;

g) To ensure good faith in their relations with the Caixa Central;

h) To send trial balances from the “Ledger Book” on a monthly basis, by the 15th of the month following that to which they relate, and, on an annual basis by the 15th March, to send the management report, the opinion of the internal audit board, the balance sheet and profit-and-loss account pertaining to the previous year, and also any other information, when requested;

i) To refrain from disclosing externally any company matters which should be considered restricted;

j) To participate, by legal and statutory means, in the administration and supervision of the Caixa Central, accepting and holding those posts to which they were elected, unless there are due grounds for refusal, and cooperating with each other in the pursuit of their purposes and object.

ARTICLE 7

Dismissal

1 – Associates may resign once three years have elapsed commencing from the date of their admission, via a notice of termination.

2 – The dismissal shall take effect on the last day of the year following that during which the associate notified the general board of the Caixa Central of its wish to resign.

3 – The Caixa Central may also require the agricultural savings bank to fulfil all its obligations thereto prior to allowing the resignation to take effect, and the associate should be notified of this within 90 days commencing from the receipt of the notice of termination. Any obligations with a future due date shall fall due and must be fulfilled on the date of resignation.

4 – In the event of the above number, all obligations of the Caixa Central vis-à-vis the associate shall also fall due on the said date.

5 – Without prejudice to the provisions set out in no. 7 of this article, any associate dismissed shall be entitled to a reimbursement of its equity for its nominal value, if the balance sheet does not result in a lower value.

6 – The amount may be reimbursed in one or more instalments, as decided upon by the general board, but the reimbursement must be completed within one year, commencing from the date on which the resignation took effect.

7 – The value of the equity subscribed and paid up under the terms of nos. 3 and 4 of article 32 of these articles of association can only be reimbursed providing that it is permitted by the general meeting, and under the terms, deadlines and conditions stipulated thereby.

8 – Any associate which resigns cannot be readmitted until three years have elapsed from the date on which the resignation took effect, unless otherwise decided upon at the general meeting of the Caixa Central.

ARTICLE 8

Suspension

1 – Once the advisory board has been heard, the general board of the Caixa Central may suspend associates from exercising their corporate rights, if they are seriously fail to comply with the duties envisaged in law or in the articles of association.

2 – The suspension shall not be decided upon until the associate has been given a prior hearing, and shall take effect upon notification thereof.

3 – The suspension shall cease to take effect once the associate has complied with the duties it had failed to comply with, at the decision of the general meeting held immediately thereafter to lift the suspension or exclude the associate. The suspension shall also cease if the associate is dismissed.

ARTICLE 9

Exclusion

1 – Any associates which seriously fail to comply with their corporate duties may be excluded by the general meeting, to wit when such failure to comply may damage the security, credit and solvency of the integrated system of mutual agricultural credit, whose articles of association cease to follow the provisions set out in article 4 of the articles of association of the Caixa Central or which seriously or repeatedly fail to comply with the Caixa Central's powers of guidance, supervision or intervention.

2 – The exclusion process is governed by the provisions set out in the Cooperative Code.

3 – Any associates excluded are entitled to reimbursements as envisaged in no. 5 of article 7 of these articles of association, to be given under the terms of nos. 6 and 7 of the said article, without prejudice to the Caixa Central's right to retain it until the settlement or payment of any compensation to which it may be entitled for any damage arising from

the events which led to the exclusion, and also to meet any costs or debts which, in this case, may be immediately required of the associate excluded.

4 – The associate excluded cannot be readmitted until three years have elapsed from the date of exclusion, unless otherwise decided upon at the general meeting of the Caixa Central.

SECTION III

As regards the governing bodies

SUBSECTION I

As regards the governing bodies in general

ARTICLE 10

Governing bodies

The governing bodies of the Caixa Central are the general meeting, the general board, the management, the chartered accountant and the advisory board.

ARTICLE 11

Representation

1 – Upon admittance, associates should appoint an individual, who is an associate of theirs, to take up the positions on the governing bodies to which they have been elected on their behalf and to represent them at general meetings. The said individual must be especially accredited for this purpose, and the associate must inform the chair of the general meeting of the Caixa Central of the identity thereof.

2 – Associates shall be jointly and severally liable for the individual appointed for any acts or omissions committed thereby.

3 – Associates may, at any time, replace the person appointed, and should do so within a maximum of eight days, in the event of a prolonged absence or impediment, or dismissal of the said individual.

4 – The replacement should be appointed by one or two individuals who are associates of the associate, which the latter should indicate concurrently with the first representative.

5 – In the event that the association's representative is its director, or qualified employee, all communications from the governing bodies of the Caixa Central should be addressed to the associate via this representative.

ARTICLE 12

Election

1 – The members of the general board, of the advisory board and of the board of the general meeting shall be elected by the general meeting from amongst the associates with full corporate rights, by secret ballot, entailing lists including candidates to these posts on the governing bodies, under the terms of the electoral regulations approved by the general meeting.

2 – The term of office for positions on the governing bodies is three years, and re-election is always permitted.

3 – No associate may be elected to a position on any governing body if in arrears with the Caixa Central for more than 10 days on the date on which the electoral gathering of the general meeting is convened, and if the arrears situation has not been brought to an end during the 10 days thereafter.

4 – No associate may belong to more than one governing body of the Caixa Central at the same time, with the exception of the general meeting, or a governing body and the board of the general meeting.

ARTICLE 13

Remuneration

The permanent exercising of functions on the governing bodies is remunerated under the terms stipulated by the general meeting.

ARTICLE 14

Resignation

1 – Associates elected to any position on the governing bodies of the Caixa Central may tender their resignation to the chair of the general meeting, who, once the general board has been heard, shall decide whether to accept.

2 – The resignation of the majority of those holding positions on the general board, the advisory board, or the board of the general meeting shall entail the resignation of the remainder.

3 – Should the above occur, an extraordinary meeting of the general meeting shall be convened, in order to elect holders of the positions on the governing body in question, who shall complete the term of office of the previous holders.

SUBSECTION II

As regards the General Meeting

ARTICLE 15

Composition

The general meeting comprises all the associates with full corporate rights.

ARTICLE 16

Board

- 1** – The general meetings are conducted by the chair of the board. As well as the chair, the board comprises a deputy chairman and a secretary.
- 2** – It falls to the chair to represent the board, to convene general meetings and to invest the members of the governing bodies.
- 3** – When absent or prevented from attending, the chair shall be replaced by the deputy chairman, who, at the start of the general meeting, should propose the election of a representative of an associate present to the board.
- 4** – It falls to the secretary to draw up the minutes of the board of the general meeting and to substitute the chair if he and the deputy chairman are jointly absent or prevented from attending. In such event, the secretary should, at the start of the meeting, propose the election of the representatives of two associates to the board.
- 5** – Should all the members of the board be absent or prevented from attending, the meeting shall be opened by the chairman of the general board or by anyone replacing him, who should propose the election of three representatives of the associates present to form the board of the general meeting.

ARTICLE 17

Jurisdiction

Without prejudice to other provisions envisaged in the law and in the articles of association, it shall fall to the general meeting:

- a)** To elect, suspend and dismiss the holders of positions on the governing bodies;
- b)** To vote on the proposed general direction of the integrated system of mutual agricultural credit;

- c)** To vote on the Caixa Central's proposed business plan and budget plan and the proposed business plan for the integrated system of mutual agricultural credit, for the following financial year, as drawn up by the management for assessment by the general board;
- d)** To vote on the annual report, to be submitted by the general board, regarding its business activity, to wit vis-à-vis the assessment and approval of the annual report and accounts submitted by the management;
- d1)** To vote on the reports and accounts of each financial year of the integrated system of mutual agricultural credit, as drawn up by the management and approved by the general board, and to decide upon the application of the surplus calculated or on the method of covering any losses incurred;
- e)** To exclude any associates;
- f)** To decide upon curtailing the periods envisaged in nos. 4 and 8 of articles 7 and 9, respectively, of the articles of association;
- g)** To decide upon the increase in the share capital and upon how it will be subscribed and paid up;
- h)** To decide upon altering the articles of association;
- i)** To decide upon the remunerations of those holding positions on the governing bodies;
- j)** To decide upon exercising the right to take civil or criminal action against the chartered accountant, directors, managers, other proxies or members of the general board, of the advisory board and of the board of the general meeting.

ARTICLE 18

Meetings

1 - The general meeting shall have three ordinary sessions per year, the first by the 31st March, in order to discuss and vote upon the report by the general board regarding its business activity, to wit vis-à-vis the assessment and approval of the report and accounts of the Caixa Central, pertaining to the previous financial year, as drawn up by the management; the second by the 30th April, in order to discuss and vote upon the report and accounts of the integrated system of mutual agricultural credit; and the third by the 31st December, in order to discuss and vote upon the proposed business plan and budget plan for the Caixa Central and the business plan for the integrated system of mutual agricultural credit for the following year, and also to elect the holders of positions on the governing bodies and to vote on the proposed general direction of the integrated system of mutual agricultural credit, if applicable.

2 - The general meeting shall have extraordinary sessions, convened by the chair of the board, at his own initiative or at the request of the general board, of the management, of the chartered accountant, of the advisory board or of at least 10% of the associates.

3 - Meetings shall be convened at least 30 days in advance by the chair of the board, with further formalities as envisaged in the Cooperative Code.

4 - The reports and accounts and proposed budget and business plan, as well as the opinions pertaining thereto, should be despatched to the associates by the general board at least 15 days prior to the date of the meeting at which they are to be assessed.

ARTICLE 19

Voting rights

1 - At the sessions of the general meeting, to be held each year, under the conditions set out in the following article, each associate may have the number of votes corresponding to the sum of the following parts:

a) One vote;

b) The number of votes which result from dividing the value of the equities, in EUROS, paid up by the associate, by half the quotient obtained by dividing the share capital, also in EUROS, paid up as at 31st December of the previous years by the associates, by the number of associates, rounded down to the nearest unit;

c) The number of votes which result from the quotient obtained by dividing the product of the number of associates by the average daily balances in EUROS of their deposits during the previous year, and by the average daily balances in EUROS of the total deposits made by the associates with the Caixa Central during the same period.

2 - The votes obtained under the terms of the above number shall be multiplied by the quotient obtained by dividing the percentage points of the associate's solvency ratio as at 31st December of the previous year and the percentage points of the minimum solvency ratio stipulated by the Bank of Portugal.

3 - The votes obtained under the terms of number 2, rounded down if necessary, shall be reduced to three times the votes obtained under the terms of number 1, if the result is higher; if the result is equal to or less than zero, the associate will have one vote.

4 - The number of votes which shall fall to each associate must not exceed 10% of the total number of votes and should be stated on the list to be sent to the associates by 30th June of each year, and shall be maintained from the 1st July of that year until the 30th June of the following year.

ARTICLE 20
Voting Regime

1 – Associates may only use the total of the votes calculated under the terms of article anterior when voting upon the following issues:

- a) Election and dismissal of the general board;
- b) Approval of the proposed business plans and budget of the Caixa Central and of the general direction of the integrated system of mutual agricultural credit, and also, of the proposed regulations referred to in no. 2 of article 68 of these articles of association;
- c) Decisions regarding the distribution of surplus from the financial year;
- d) Alteration of the articles of association.

2 – In all other cases, each associate shall have just one vote.

SUBSECTION II A
As regards the general board

ARTICLE 20 A
Composition

1- The general board of the Caixa Central shall comprise seven or nine associates, elected by the general meeting, for a three-year period.

2- Two other associates shall be elected together with the permanent members of the general board, as alternates, who shall be called upon to replace any of the permanent members in performing their functions in the event that they are definitively absent.

ARTICLE 20 B
Jurisdiction

Without prejudice to other provisions envisaged in the law and in the articles of association, it shall fall to the general board:

- a) To elect its chairman;
- b) To appoint and dismiss the directors;
- c) To represent the Integrated system of mutual agricultural credit;
- d) To propose to the General meeting the appointment of the Chartered Accountant;
- e) To deliberate over the acquisition, disposal and encumbering of property, as proposed by the management;
- f) To lay down the conditions under which the management can approve credit operations;

- g)** To draw up a proposed general direction for the Caixa Central and for the Integrated system of mutual agricultural credit for the period of duration of the mandate, for voting at the general meeting at the session whereby it is elected;
- h)** To approve the report and accounts of the Caixa Central, pertaining to the previous financial year, as drawn up by the management, for submission at the general meeting at the first ordinary session of each year;
- i)** To approve the report and consolidated accounts of the integrated system of mutual agricultural credit pertaining to the previous financial year, as drawn up by the management, for voting at the general meeting at the second session of each year;
- j)** To approve the supervisory measures and to decide upon intervening in managing the associates, as proposed by the management;
- k)** To approve the measures necessary in order to guarantee the solvency and liquidity of the integrated system of mutual agricultural credit and of the agricultural savings banks which are its associates, to wit vis-à-vis minimum available cash funds, as proposed by the management;
- l)** To approve the measures necessary in order to comply with the rights of the creditors of the integrated system of agricultural credit, under the terms of chapter IV of the articles of association, as proposed by the management;
- m)** To approve the Group's strategic guidelines, qualitative and quantitative objectives, budgets and business plans for each area of business, as proposed by the management;
- n)** To approve the opening and closure of establishments, as proposed by the Management;
- o)** To deliberate over extending and reducing business activity;
- p)** To deliberate over major changes to the organisation;
- q)** To decide upon establishing or terminating lasting cooperation with other companies;
- r)** To approve the relocation of registered offices and increases in capital, under the terms envisaged in the articles of association;
- s)** To encourage the Group's interfunctional committees;
- t)** To admit associations and suspend them from exercising their rights;
- u)** To issue an opinion regarding the special registration with the Bank of Portugal of the members of the governing bodies of agricultural savings banks belonging to the integrated system of mutual agricultural credit;
- v)** To make every effort to correctly apply the legal and statutory rules and decisions of the general meeting.

ARTICLE 21

Meetings

1. The general board cannot deliberate unless the majority of its members is present or represented.
2. The general board shall hold a plenary session at least once a month.
3. The members of the general board may ask to be represented at a meeting by another member of the general board, via a letter addressed to the chair.

ARTICLE 22

Committees of the general board

1. The general board may, from amongst its members, appoint one or more committees in order to prepare its deliberations or to supervise the execution thereof.
2. During the first month following its election, the board should appoint a committee tasked with permanently supervising the management.

SUBSECTION III

As regards the Management

ARTICLE 23

Composition

The management of the Caixa Central shall comprise three or five directors, appointed by the general board, for a three-year period.

ARTICLE 24

Jurisdiction

Without prejudice to other provisions envisaged in the law and in the articles of association, it shall fall to the management:

- a) To draw up – for assessment by the general board and voting by the general meeting – a proposed business plan and budget plan for the Caixa Central and a proposed business plan for the integrated system of mutual agricultural credit for the following financial year;

- b)** To administrate and represent the Caixa Central, without prejudice to the provisions set out in sub-paragraph c) of article 20 B of the articles of association;
- c)** To draw up the annual report and accounts;
- d)** To set out the business plans for each of the Group's areas of business;
- e)** To set out the business plans for the Group's areas of support and back-up;
- f)** To assure that the execution of the different plans set out is drawn up and controlled;
- g)** To approve the credit operations under the conditions to be laid down by the general board;
- h)** To control the performance of the business units;
- i)** To guarantee the harmonisation and coordination of the companies in which a stake is held;
- j)** To assure the implementation and execution of the Group's Strategic Plan
- k)** To be responsible for the Group's planning and management process;
- l)** To be the technical leader of the Group's interfunctional committees;
- m)** To submit for the approval of the general board the provision of personal and collateral securities and guarantees;
- n)** To submit proposals to the general board regarding the acquisition, disposal and encumbering of real estate.

ARTICLE 25

Meetings

- 1.** The management cannot hold a meeting unless the majority of its members is present.
- 2.** The management shall meet at least once a week.
- 3.** Meetings shall be convened and conducted by the chairman of the management, who shall be appointed and dismissed by the general board.
- 4.** The chairman of the general board may attend meetings of the management, but has no voting rights.

ARTICLE 26

Method of legally binding the company

The joint signature of two directors or of one director and a proxy duly empowered to this effect shall be required in order to legally bind the Caixa Central.

SUBSECTION IV

As regards the Chartered Accountant

ARTICLE 27

Appointment

The chartered accountant is appointed by the general meeting, at the proposal of the general board.

ARTICLE 28

Jurisdiction

The chartered accountant has a special duty to perform all the examinations and checks as necessary for the review and legal qualification of the accounts, under the terms envisaged in the law.

SUBSECTION V

As regards the advisory board

ARTICLE 29

Composition

1 - The Advisory board of the Caixa Central comprises nine Agricultural savings banks, elected by the General meeting, from amongst the associates not represented on its administrative and supervisory bodies.

2 - The advisory board elects its chairman, to whom it falls to convene and conduct its meetings, at the first meeting after entering into office, or on the date when the prolonged absence or impediment of the member initially elected becomes apparent.

3 - Until the chairman is elected, or in the absence or impediment thereof, meetings shall be convened and conducted by the oldest member.

4 - The advisory board shall be advised in its functions by the chartered accountant in charge of the qualification of accounts of the integrated system of mutual agricultural credit.

ARTICLE 30

Term of office

The term of office of the advisory board shall coincide with that of the general board of the Caixa Central.

ARTICLE 31

Jurisdiction

1. It shall fall to the advisory board:

- a)** To give its opinion regarding the Caixa Central's exercising of the powers envisaged in nos. 3 of article 71 of the articles of association and in article 77- A of Statute Law no. 230/95, enacted on 12th September 1995;
- b)** To give its opinion regarding proposals to suspend and exclude associates from the Caixa Central;
- c)** To give its opinion regarding the business plan, the report and accounts of the integrated system of mutual agricultural credit;
- d)** State its position regarding any other issues which the directors of the Caixa Central see fit to submit to it.

SECTION IV

As regards the share capital and reserves

ARTICLE 32

As regards the share capital

1- The share capital of the Caixa Central is variable and unlimited, but shall never be less than 12,500,000 EUROS, divided and represented by nominative equities, and is, at present, fully subscribed and paid up.

2 - The share capital of the Caixa Central may be increased one or more times, via the issue of new equities when new associates are admitted, when any associate increases its stake or by deliberation by the general meeting, which shall also decide upon the method of subscribing and paying up the new equities, or by a total or partial incorporation of the amount of the reserves which may be thus allocated.

3 – The share capital may also be increased one or more times via a deliberation by the general meeting, at the well-founded proposal of the general board, once the advisory board has been heard, by a maximum amount equivalent to the share capital which is subscribed at that time, and the revenue produced by such an increase shall be used to rectify any financial imbalance in the Caixa Central, namely reflected in the reduction of its own funds to a level lower than the legal minimum or in a failure to comply with the prudential ratios and thresholds applicable thereto.

4 – The associates should subscribe and pay up this increase within the period and under the conditions laid down by the general board, in proportion to their net worth, as calculated on the last balance sheet approved.

5 – The share capital can only be reduced by amortising the equities of associates dismissed, excluded or dissolved, and also by deliberation of the general meeting, in order to cover any losses.

ARTICLE 33

Equities

1 – Equities are nominative and have a value of five EUROS each.

2 – Securities representing the capital constituted by incorporating reserves are assigned to the associates, in proportion to the securities they already hold under further conditions as laid down by the general meeting.

3 – Equities subscribed by the associates in compliance with the duties envisaged in subparagraphs a) and b) of article 6 of the articles of association should be fully paid up on the date of subscription.

4 – No associate may subscribe securities representing more than 10% of the share capital paid up in the Caixa Central, calculated in the last balance sheet, nor assign to the subscription a value greater than 35% of the amount of its net worth, except insofar as it is necessary in order to comply with the obligation envisaged in nos. 3 and 4 of the above anterior.

5 – The assignment of equities in the Caixa Central between associates requires authorisation by the general board and is expressly prohibited to outside parties.

ARTICLE 34

Reserves

The following reserves are hereby created, without prejudice to any others which the general meeting sees fit to create:

- a)** Legal reserve, intended to cover any losses from the financial year - 20% of net annual surpluses and any instalments made by associates to this end shall revert to the said reserve until its amount is equal to the share capital;
- b)** Reserve for cooperative training and education intended to fund expenditure defrayed on technical, cultural and cooperative training programmes for associates and managers employed by the Caixa Central - no more than 2.5% of net annual surpluses and also any sums which were in any way obtained for this purposes shall revert to this reserve;
- c)** Reserve for mutualist actions intended to finance reciprocal and mutual aid required by associates or employees - no more than 2.5% of net annual surpluses shall revert to this reserve;
- d)** Special reserve intended to increase the Caixa Central's net worth - whatever sum is decided upon at the General meeting shall revert to this reserve.

SECTION V

As regards the distribution of surpluses

ARTICLE 35

Decision

1 - It is incumbent upon the general meeting to deliberate, via an absolute majority vote, whether part or all surpluses should not be distributed.

2 - **The general meeting may decide, also via an absolute majority vote, upon a payment deadline of more than 30 days for credits of associates vis-à-vis the share in the surplus.**

ARTICLE 36

Distribution

After monies have reverted to the reserves, the net surplus shall be distributed amongst the associates under the terms of the law.

ARTICLE 37

Constraint on the distribution of surpluses

Surpluses may not be distributed until any losses incurred in previous years have been fully set off.

CHAPTER II

As regards the operations of the Caixa Central

ARTICLE 38

Passive operations

In undertaking its business activities, the Caixa Central may:

- a)** Receive deposits or other refundable funds made by associates or third parties;
- b)** Take out loans with legally authorised national or foreign bodies;
- c)** Issue medium and long-term bonds;
- d)** Issue cash bonds;
- e)** Perform fund purchasing operations on the money and exchange markets and on the interbank securities market under conditions to be laid down by the Bank of Portugal.

ARTICLE 39

Active operations

In performing its business activities, the Caixa Central may carry out the following active operations:

- a)** Finance its associates;
- b)** Extend credit for those activities which agricultural savings banks are legally authorised to finance to bodies whose distinctive size, location of registered offices, territorial range of activity and volume of credit they require or the nature of the services they are to be provided with warrant their direct access to the Caixa Central, or, for these same activities, to associates of agricultural savings banks, at the request of the latter, as well as to other bodies under the terms of the law;

- c) Extend credit for other activities and to bodies which may or may not be associates of the agricultural savings banks, under the terms and up to those limits stipulated by the Bank of Portugal;
- d) Subscribe to marketable securities on its own behalf or on behalf of third parties;
- e) Underwrite issues of marketable securities;
- f) Place funds on the monetary and exchange markets and on the interbank securities market;
- g) Provide guarantees ensuring compliance with the obligations taken out by its associates or by those bodies referred to in sub-paragraphs b) and c) and under the conditions set out therein.

ARTICLE 40

Foreign exchange and other operations

- 1 - The Caixa Central may carry out foreign exchange business and perform exchange operations under the same terms as banks.
- 2 - The Caixa Central may carry out types of operations other than those envisaged in the present articles of association, under the terms of the law or with the consent of the Bank of Portugal.

ARTICLE 41

Provision of services

The Caixa Central may act as a depository and as an investment fund manager under the same terms as banks, and provide fund transfer services, safeguard valuables and the hire safes, intermediate in payments and issue and administer capitals and provide other similar services, and also provide technical assistance to its associates and represent them before the Bank of Portugal's clearing services at the Marketable Securities Central Office, on the International Stock Exchange and at other bodies or entities for which such representation is requested by the associates and accepted by the Caixa Central.

ARTICLE 42

Financial applications

The Caixa Central may hold financial interests under the same terms as banks.

CHAPTER III

As regards the exercising of the functions of the Caixa Central

Section I

As regards credit and banking functions

ARTICLE 43

General principle

1 - When carrying out its credit and banking duties the Caixa Central shall keep in mind its aim to obtain the best possible return on existing resources, avoiding competition with its associates

2 - The Caixa Central shall carry out its operations and provide its services through those of its associates with whom it has signed agency agreements, with the exception of those bodies whose distinctive size, location of registered offices, territorial range of business activity, volume of credit they require or the nature of the services with which they are to be provided warrant a direct relationship.

ARTICLE 44

Credit and banking functions

1 - During the course of its credit and banking functions, the Caixa Central:

a) Receives refundable funds from the public in the form of deposits, loans or in any other manner under the law;

b) Invests available resources by granting agricultural credit to third parties who are not associates of its associates, or to associates of the latter, upon request, and by granting any other form of credit under the terms whereby it is authorised to do so and by making such financial investments as it is legally authorised to make;

c) Carries out the business of foreign exchange and performs exchange operations under the general terms of the law;

d) Provides banking services, under the terms of article 41 of these articles of association.

2 - Agricultural credit operations are those classified as such by applicable legislation.

3 - The management of the Caixa Central sets out the terms and conditions under which its operations are to be carried out and its services provided.

SECTION II

**As regards the functions of the central body of the integrated system of mutual
agricultural credit**

ARTICLE 45

Functions of the central body

As the central body of the integrated system of mutual agricultural credit, the Caixa Central has the following duties:

- a)** To guide and supervise its associates and intervene in their management under the terms envisaged in the law and in the articles of association;
- b)** To ensure the solvency and liquidity of the integrated system of mutual agricultural credit and of those agricultural savings banks which are their associates, enforcing any rules in force in this respect;
- c)** To receive its associates' surplus liquidity in the form of deposits, loans or in any other manner permitted under the law;
- d)** To guarantee, by legal and statutory means, that the rights of the creditors of the integrated system of mutual agricultural credit are satisfied;
- e)** To carry out the consolidation of the accounts of the integrated system of mutual agricultural credit on an annual basis;
- f)** To finance its associates' activity;
- g)** To sign agency contracts with its associates;
- h)** To represent its associates before the Bank of Portugal's clearing services;
- i)** In conjunction with the federative bodies, to provide technical support to its associates or to associates of the latter at their request;
- j)** Without prejudice to the responsibilities of the National Federation and its regional branches and in cooperation with them, to represent its associates in their dealings with any public, private and cooperative departments and bodies whose responsibilities or object are connected with mutual agricultural credit and the promotion of the development of agriculture;
- l)** To promote and coordinate any initiatives aimed at discussing and defining specific credit policies for mutual agricultural credit;
- m)** To study and organise a system for analysing and hedging against its associates' credit risks.

SUBSECTION I

As regards the guidance of the associates

ARTICLE 46

Powers of guidance

Without prejudice to the jurisdiction of the Bank of Portugal, when guiding its associates it is incumbent upon the Caixa Central:

- a)** To set out the guidelines necessary to ensure that the integrated system of mutual agricultural credit and those agricultural savings banks which are its associates comply with solvency and liquidity regulations;
- b)** To lay down general rules for granting credit, including providing the associates of its associates with guarantees;
- c)** To lay down general rules as to staff admission, training and qualifications;
- d)** To lay down general rules on the creation of new establishments;
- e)** To lay down general operating and security rules for establishments.

ARTICLE 47

Solvency and liquidity guidelines

In order to ensure that associates comply with regulations relating to the maintenance of their own levels of solvency and liquidity and those of the integrated system of mutual agricultural credit, the Caixa Central shall:

- a)** Disclose all legal rules and regulations in force and define the terms whereby their associates participate in the satisfactory compliance therewith;
- b)** Authorise associates to exceed their prudential ratios and limits under those conditions laid down by the Bank of Portugal.

ARTICLE 48

Guidelines for extending credit

Without prejudice to the jurisdiction of the Bank of Portugal and to the limits set by prevailing legal and regulatory standards in force, it shall fall to the Caixa Central to do the following in order to guide its associates with regard to the extending of credit:

- a)** To set the minimum and maximum interest rates for active and passive operations to be implemented;

- b)** To establish the ratios to be observed by associates between credit extended and other balance sheet items;
- c)** To determine the nature of the guarantees to be required by associates when extending credit;
- d)** To define the nature of activities to be given precedence when extending credit, bearing in mind the general objectives set to ensure progress in agriculture, existing or anticipated market conditions, the amounts, deadlines and guarantees fixed for credit and other criteria to be taken into account, as well as the schemes and conditions applicable to the extending of the said credit;
- e)** To set out the contractual formalities to be observed when extending credit;
- f)** To set out the conditions, object, beneficiaries and formalities to be observed when granting guaranties to associates.

ARTICLE 49

Guidelines on staff admission, training and qualification

1 - In order to provide its associates with guidelines on the admission, training and qualifications of staff, the Caixa Central shall:

- a)** Set out general criteria to be observed by associates when drawing up their permanent staff structure;
- b)** Set out general procedures and criteria to be observed by associates when admitting staff;
- c)** Set out systematic and non-systematic training programmes, procedures and agents aimed at associate's employees;
- d)** Set out criteria and general conditions on staff qualifications, their career structures and promotion;
- e)** Set out CV requirements, experience and other conditions to be met by employees taken on or promoted to management posts at the associates' establishments.

2 - The Caixa Central may, acting alone or in conjunction with other bodies, organise and promote initiatives and provide vocational training services for both its employees and those of its associates.

ARTICLE 50

Guidelines on the creation of new establishments

In order to provide its associates with guidelines on the creation of new establishments, the Caixa Central shall set out the conditions to be taken into account in order to open a new establishment, bearing in mind the financial and operating structure of its

associates, their prospects for development, local needs and other conditions which need to be met.

ARTICLE 51

Guidelines on the operation and security of establishments

In order to provide its associates with guidelines on the operation and security of establishments, the Caixa Central shall:

- a)** Set out the basic minimum requirements to be met by establishments taking into account their location, their main economic activity and the necessary working conditions;
- b)** Set out the rules to be followed by associates in order to guarantee the security of property and people.

SUBSECTION II

As regards the supervision of the associates

ARTICLE 52

Supervision

1 - Without prejudice to the jurisdiction of the Bank of Portugal, it is incumbent upon the Caixa Central to monitor the administrative, technical and financial aspects of its associates as well as their organisation and management.

2 - To ensure the satisfactory performance of its duties, the Caixa Central shall analyse the accounting data and any other information it deems necessary and carry out any direct inspections it feels are appropriate.

3 - The associates of the Caixa Central undertake to provide the latter with any accounting and other data it may request and to grant its representatives access to its establishments and to all documentation to be found therein, as necessary during the performance of their duties.

ARTICLE 53

Guarantees of impartiality

The Caixa Central's supervisory department should be run by a chartered accountant, who shall in no way depend on the orders or instructions of the governing bodies of the Caixa Central.

ARTICLE 54

Impediment to supervision

1 - The following shall be considered as impediments to supervision:

a) Any failure to submit information requested by the Caixa Central;

b) Any repeated submission of incomplete or incorrect information;

c) The creation of obstacles to direct inspection or restricting access to those documents held at the establishments.

2 - The general board shall declare the existence of an impediment to supervision, once the advisory board has been heard, and shall order the immediate suspension of the associate's corporate rights and posts on its governing bodies.

SUBSECTION III

Intervention in management

ARTICLE 55

Intervention in management

1 - The Caixa Central may convene sessions of the general meeting of any agricultural savings bank which is an associate thereof, and intervene therein to provide associates with information and propose such measures as it deems appropriate in order to safeguard its solvency and liquidity.

2 - The Caixa Central may appoint a delegate to monitor the management of any agricultural savings bank which is an associate thereof in the event of any unstable situation, the extent and continuity of which may affect the smooth running of the said savings bank, when the latter's solvency is under threat when serious irregularities have occurred.

3 - It is incumbent upon the delegate referred to in the above number to adopt the measures necessary to rectify those situations which gave rise to his appointment, and the validity of all acts and contracts shall be subject to the approval of the said delegate, within those limits set by the Caixa Central at the time of his appointment.

4 - During this period of intervention, it shall be incumbent upon the delegate of the Caixa Central to set out guidelines, supervise and discipline the departments, and he may be assisted in his duties by the professionals of his choice.

5 - The appointment of the delegate as well as the corresponding powers shall be recorded in a note to the agricultural savings bank's registration, otherwise it shall not take effect with regard to third parties.

6 - The delegate of the Caixa Central referred to in no. 2 of this article can only be appointed for a maximum period of 90 days, unless the management of the agricultural savings bank agrees to extend this period.

7 - The general board shall, within five days, notify the Bank of Portugal and the advisory board of any decisions it takes under the terms of the above numbers, and the reasons upon which they are based.

ARTICLE 56

Intervention at the request of associates

The Caixa Central may intervene in the management of any of its associates at the latter's request and under the terms and conditions agreed upon by both parties.

SUBSECTION IV

As regards the financing of associates

ARTICLE 57

Criteria for decision-making and financing conditions

1 - When deciding whether to provide associates with finance and the respective conditions thereof, the Caixa Central shall bear in mind the actual development needs of its associates, their specific regional localisation, quality of management, compliance with the guidelines in force on mutual agricultural credit, suitability for the development of agriculture, market conditions, costs of available resources and any other factors which may be considered.

2 - The Caixa Central may make the extending of finance dependent upon the prior approval of those operations for which the financing was requested.

ARTICLE 58

Processing

The Caixa Central's financing operations shall be processed in accordance with the stipulations of the general board.

ARTICLE 59

Diversion of credit

The Caixa Central may call in credit early, requiring the immediate repayment thereof, in the event that it has been used for some purpose other than that for which it had been granted, plus any interest outstanding, and any entitlement to preferential rates shall be lost, without prejudice to any statutory, civil and criminal liabilities which may be enforced.

SUBSECTION V

As regards agency contracts

ARTICLE 60

Agency contracts

1 - The Caixa Central may sign contracts with its associates whereby the latter undertake to promote contracts on its behalf, whose object is to perform credit operations or provide those services included in their object, in an autonomous and stable manner and in return for remuneration, within their sphere of operation.

2 - Those contracts to which the above number refers shall be governed by the provisions set out in this subsection and by those which are in force for agency or commercial representation contracts.

3 - Agency contracts may limit the amount of the contracts to be signed by those associates acting as agents, in accordance with the stipulations of the Bank of Portugal and taking into account their organisational structure.

ARTICLE 61

Duty to contract

1 - The Caixa Central is duty-bound to sign agency contracts with any associates who so desire, providing that the latter comply with the following conditions:

a) They are endowed with suitable management, technical, equipment, organisational and staffing conditions;

b) They are entitled to full corporate rights.

2 - However, the Caixa Central may still sign the agency contract even if one or more of the above conditions is not complied with, providing that the associate undertakes to fulfil the said conditions within the time period and under the terms which should be agreed upon, and which shall thereafter form an integral part of the contract.

3 - Any refusal to sign an agency contract must always be well-founded, and an appeal against any such refusal may be made to the general meeting.

ARTICLE 62

Rescission of the contract

1 - The Caixa Central may only dissolve agency contracts on one of the grounds set out below:

a) In the event that any of those conditions referred to in no. 1 of the above article ceases to be met, or if the associate fails to meet the conditions under the terms agreed upon in the contract, as per no. 2 of the said article;

b) In the event that the associate has requested its dismissal or is subject to a process aimed at its exclusion;

c) In the event that the associate fails to comply with its duties as an agent.

2 - Associates may dissolve the agency contract without prejudice to any obligations which have been established until such time as the dissolution takes effect, in the event that the Caixa Central fails to comply with its duties under the contract.

3 - The other party to contract shall be notified of any decision to dissolve an agency contract and of the grounds upon which it was dissolved must always be stated. Dissolution shall take effect as from the date on which the said notification is received.

ARTICLE 63

Agents' duties

In addition to any further provisions set out in the respective contracts, those associates who are agents undertake to:

a) Follow the instructions of the Caixa Central providing that they do not compromise their independence;

b) Provide any information requested of them by the Caixa Central, chiefly those pertaining to customer solvency;

c) Provide the Caixa Central with clarifications as to their market position and future prospects for development;

d) Render its accounts under the terms agreed upon or whenever justified;

e) Not divulge any total or partial information or facts of which they have become aware during their performance of the contract, even after the agency contract has been terminated;

f) Compensate the Caixa Central for any losses incurred owing to a failure, in part or in full, to comply with the contract or owing to deficient compliance therewith.

ARTICLE 64

Agent's rights

In addition to any further provisions envisaged in the respective contracts, associates are entitled to:

- a) Obtain such information from the Caixa Central as necessary to carry on their activity taking into account the circumstances, to wit that relating to the business activity which it undertakes in the associate's field of action;
- b) Be informed, without delay, of the acceptance or refusal of those contracts negotiated and those which were completed without being duly empowered to do so;
- c) Periodically receive a list of those contracts signed and of the commissions due;
- d) Receive the agreed recompense, including special commissions which are cumulative;
- e) Receive compensation from the Caixa Central for any losses it may have incurred owing to a failure, in part or in full, to comply with the contract or owing to deficient compliance therewith.

ARTICLE 65

Recompense

- 1 - The recompense earned by associate agents shall consist solely of those commissions which have been agreed upon. Any expenditure arising from the performance of the contract shall be borne by them.
- 2 - Commissions shall be calculated by determining the return on the operation and the risks involved.
- 3 - The agency contract may envisage the allocation of all or part of the result of the commissions earned by the associate to fund the measures necessary to meet those conditions referred to in no. 1 of article 61 of these articles of association, in the event that it was signed as envisaged in no. 2 of the said article.
- 4 - The associate agent becomes entitled to commission upon signing the contract, though it is only payable insofar as the third party meets his obligations.
- 5 - In the event that the third party ceases to meet its obligations for reasons attributable to the Caixa Central, the associate agent may still demand payment of its commission.

ARTICLE 66

Contract deadlines

Unless agreed otherwise, agency contracts between the Caixa Central and its associates shall be signed for a three-year period, and shall be automatically renewed at the end of this period, for periods of time.

SUBSECTION VI

As regards representation before clearing services

ARTICLE 67

Representation

- 1** - The Caixa Central shall represent those of its associates who so wish and who accept the respective regulations before the clearing services of the Bank of Portugal.
- 2** - The regulations to which the above number refers shall be published by the Caixa Central.

SUBSECTION VII

As regards internal regulations

ARTICLE 68

Internal regulations

- 1** - The Caixa Central shall publish those regulations required for the performance of its duties.
- 2** - Regulations containing the guidelines referred to in articles 49 and 50 of these articles of association should be approved by the general board, at the management's proposal.

CHAPTER IV

Guarantee of creditors' rights

ARTICLE 69

Guarantee by the Caixa Central

- 1** - Following the constitution of the integrated system of mutual agricultural credit, the obligations taken on by those agricultural savings banks which are associates of the Caixa Central -even when they arise from some previous event - shall be fully guaranteed by the latter, under the same terms as the guarantor vouches for the obligations of the warrantee.
- 2** - The Caixa Central shall not benefit from the repossession of legal assets.

3 - The guarantee referred to which no. 1 of this article refers does not encompass the obligations established after such time as the exclusion or dismissal of the agricultural savings bank from the system becomes effective.

4 - The provisions set out in article 648 of the Civil Code do not apply to the guarantee envisaged in this article.

ARTICLE 70

Exercising the right to a refund

1 - Once the obligation has been complied with by the Caixa Central and subrogated to the creditor under the terms of article 644 of the Civil Code, the agricultural savings bank shall comply with this right within the deadline stipulated by the Caixa Central.

2 - Any failure to comply with this right within the period stipulated, providing that it is due, shall in and of itself constitute sufficient grounds for the Caixa Central to intervene in the debtor agricultural savings bank under the terms of article 55 of these articles of association.

3 - Regardless of whether the option envisaged in the above number is used, the Caixa Central may, should the financial position of the debtor agricultural savings bank seriously jeopardise the repayment of its credit, exclude the latter bank from the integrated system of mutual agricultural credit under the terms and for the purposes of article 69 of the legal regime of mutual agricultural credit.

ARTICLE 71

Increasing the own funds of the Caixa Central

1. In the event that the Caixa Central encounters a financial imbalance, namely reflected in the reduction of its own funds to a level lower than the legal minimum or in a failure to comply with the prudential ratios and thresholds applicable thereto, it may require the associate agricultural savings banks to subscribe and pay up an increase in share capital which is sufficient to rectify the situation and up to the limit of the value of the Caixa Central's capital.

2 - The agricultural savings banks shall contribute towards this increase in capital in proportion to their net worth calculated on last approved balance sheet.

3 - In the event of an emergency situation, the general board of the Caixa Central may order their associate agricultural savings banks to make an interim deposit, within a period of eight days, up to the maximum values stated in no. 1, thereafter assigning this deposit to pay up the increase in capital insofar as proves necessary.

4 - The deposits referred to in the above number should be returned to the agricultural savings banks, within a period of 90 days commencing from the dates on which they are

received at the Caixa Central, providing that no increase in capital has been decided upon in the meantime. Any surplus funds should also be returned during the same period, if the increase in capital decided upon is less than the said deposits.

5 - Under the terms set out in the articles of association of the Caixa Central, any future dismissal or exclusion of an agricultural savings bank in no way releases the latter from making the payment to the Caixa Central of the amount calculated under the terms of no. 2 even though such sums are not assigned to the increase in capital.

6 - In the event of the dismissal or exclusion of an agricultural savings bank, equities corresponding to the stake held in the increase in capital referred to in the above numbers may only be returned after a deliberation by the general meeting to permit it.

7 - Without prejudice to the provisions set out in no. 5, any failure by the agricultural savings banks to comply with the obligations envisaged in nos. 1 and 3 shall give rise to the application of the provisions set out in nos. 2 and 3 of article 7o of these articles of association, with the necessary adaptations.

CHAPTER V

As regards the internal organisation and operation

ARTICLE 72

General principle

1 - All Caixa Central's governing bodies and departments shall conduct their business in line with the legal and statutory standards in force, and also with the general guidelines set out for the Caixa Central and for the integrated system of mutual agricultural credit, by the business plan and by the budget which is in force and also by the guidelines laid down for associates, set out under the terms of subsection I of chapter III of these articles of association.

2 - The Caixa Central shall also contract an auditing service with the functions, organisation and under the conditions envisaged in nos. 1 to 4 of article 37 of the legal regime for mutual agricultural credit and agricultural credit cooperatives, approved by article 1 of Statute Law no. 24/91, enacted on 11th January 1991, with the alteration Statute Law no. 230/95, enacted on 12th September 1995.

ARTICLE 73

Internal organisation

The Caixa Central shall carry out its functions via central and regional offices and regional directorates.

ARTICLE 74

Central departments

The central departments operate within the registered offices of the Caixa Central, and are directly answerable to the management.

CHAPTER VI

Final and transitory provisions

ARTICLE 75

Electoral regulations

- 1** - The current electoral regulations remain in force, adapted as necessary, namely with regard to the taking up of office of those associates elected, and to the advisory board.
- 2** - Any queries which may arise in adapting the regulations shall be resolved by the chair of the general meeting.

ARTICLE 76

Mergers and subordinated loans

- 1.** When calculating associates' solvency ratio for the purposes of the provisions set out in number 2 of article 19, those associates resulting from a merger and which sign assistance contracts with the Fundo de Garantia do Crédito Agrícola Mútuo shall – during the period of validity of the said contracts - be attributed the highest solvency ratio of any of the integrated associates or of the incorporating associate, on the date of the merger, whilst the resulting Caixa solvency ratio is lower.
- 2.** For the same purpose, subscriptions of capital and reorganisation operations performed under the terms of the following number shall not be considered.
- 3.** The following votes shall be attributed to the associates, and may be accumulated, while they hold equities in the Caixa Central amounting to more than the amount resulting from compliance with the duties envisaged in sub-paragraphs a) and b) of article 6 of the articles of association voluntarily subscribed within the remit of agreements signed with the Caixa Central and/or the Fundo de Garantia do Crédito Agrícola Mútuo, with the aim of rectifying financial imbalances at any of the institutions which comprise the SICAM, in addition to the votes envisaged under the terms of article 19:

- a)** votes or 1 vote, depending on whether the associate has, respectively, subscribed all or part of the share capital as proposed thereto.
- b)** 1 vote per 750,000 EUROS or fraction of the share capital subscribed, rounded up or down, if necessary, to the nearest equal amount.