

F U N D A Ç Ã O

Bial

-----**ARTICLES OF ASSOCIATION**-----

-----**BIAL FOUNDATION**-----

-----**CHAPTER I - NATURE, NATIONALITY, DURATION, HEADQUARTERS AND PURPOSE**-----

-----**ARTICLE ONE:**-----

The BIAL FOUNDATION, hereinafter referred to as the Foundation, established by its founders, Luís António Silva Duarte Portela and BIAL-Portela & C.^a, S.A., by public deed of 6 May 1994, is a legal entity of private law and public utility, having its own legal capacity, which will be governed by these articles of association and, in all that is omitted herefrom, by the applicable legislation. -----

-----**ARTICLE TWO:**-----

The Foundation is a Portuguese and perpetual institution.-----

-----**ARTICLE THREE:**-----

The Foundation has its headquarters in the municipality of Trofa, at Av. da Siderurgia Nacional, parish of Coronado (S. Romão e S. Mamede). -----

-----**ARTICLE FOUR:**-----

One - The purpose of the Foundation is to promote the scientific study of human being, both from a physical and spiritual perspective.-----

Two - In pursuit of its purpose, the Foundation will: -----

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-----a) introduce prizes aimed at rewarding scientific research work, in particular of a medical nature, including but not limited to the “Prémio BIAL”, in its “Grande Prémio BIAL de Medicina” and “ Prémio BIAL de Medicina Clínica” forms; -----

-----b) create support systems for scientific research projects and the introduction of scientific research grants, including but not limited to the areas of psychophysiology and parapsychology. -----

-----c) promote other such undertakings appropriate to its purpose, as decided by the Board of Directors. -----

CHAPTER II – ASSETS-----

ARTICLE FIVE: -----

The Foundation’s assets comprise:-----

-----a) the initial endowment made by the founders in the founding act; -----

-----b) any resources that may come to it gratuitously, namely through any future donations made to it; -----

-----c) the income from its own assets. -----

ARTICLE SIX: -----

The Foundation may perform all acts necessary to manage its assets, acquiring and disposing of any type of property. -----

CHAPTER III – BODIES-----

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ARTICLE SEVEN: -----

The Foundation's bodies are the following: -----

-----a) The Board of Directors; -----

-----b) The Executive Committee;-----

-----c) The Fiscal Board; -----

-----d) The Scientific Board. -----

-----**SECTION I - BOARD OF DIRECTORS** -----

ARTICLE EIGHT: -----

One – The Board of Directors is composed of five members: the chairman and four other members. -----

Two – The Board of Directors is chaired by the founder Luís António Silva Duarte Portela, or by whom he may appoint for that purpose. -----

Three – Two of the members will be university professors appointed by the Council of Rectors of Portuguese Universities, or by any body with identical structure and functions that may replace it; in the absence of such a body, appointments will be the responsibility of the Rector of the University of Porto. At least one of the members will be a professor at the University of Porto. -----

Four – The other two members will be appointed by the Board of Directors of BIAL - SGPS, S.A., with head-office at Av. da Siderurgia Nacional, parish of Coronado (S. Romão e S. Mamede), municipality of Trofa, with a share capital of fifty-two million, five hundred thousand euros, registered at the Commercial Registry Office of Trofa under the common registration and taxpayer identification number 504660063, or by its successor, in accordance with article twenty four, paragraph three of these articles of association. -----

Five – No person over seventy-five years of age may be appointed as a member of the Board of Directors. -----

ARTICLE NINE:-----

One – The term of office of the Board members is four years. -----

Two – If a Board member is absent or incapacitated, they will be replaced until the end of the four-year term in progress by the entity responsible for appointing them in accordance with the articles of association. -----

ARTICLE TEN:-----

The Board of Directors will be responsible for: -----

-----a) Managing the Foundation’s assets; -----

-----b) Disposing of the Foundation’s assets, in compliance with the applicable laws; -----

-----c) Resolving on proposals to amend the articles of association, change and dissolve the Foundation; -----

-----d) Programming the Foundation’s activities and drawing up and approving its Activity Plan and Budget; -----

-----e) Establishing regulations, namely with regard to any prizes the Foundation may manage and the award of scientific research grants; -----

-----f) Drawing up, submitting to the opinion of the Fiscal Board, and approving, on an annual basis, the Management Report, Inventory, Balance Sheet and Accounts for the financial year, which corresponds to the calendar year; -----

-----g) Electing the two members of the Executive Committee; -----

-----h) Selecting the members of the Scientific Board; -----

-----i) Hiring and dismissing staff; -----

-----j) Appointing proxies; -----

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-----k) Representing the Foundation in and out of court, in the capacity of plaintiff or defendant. -----

-----l) Ensuring compliance with the law, the articles of association and the resolutions of the Foundation's bodies. -----

ARTICLE ELEVEN: -----

The Foundation will be bound by: -----

-----a) The actions of the Chairman of the Board of Directors, while the position is filled by the Founder Luís António Silva Duarte Portela; -----

-----b) The actions of two Board members; -----

-----c) The actions of a Board member in the exercise of powers delegated to them by the Board of Directors; -----

-----d) The actions of a proxy, appointed for a certain and determined act. -----

ARTICLE TWELVE:-----

One – The Board of Directors will meet ordinarily twice a year, and extraordinarily whenever convened by its Chairman, on his own initiative or at the request of any Board member or the Fiscal Board. -----

Two – The quorum for the Board of Directors is three Board members and its resolutions are taken by an absolute majority of votes cast, with no abstentions permitted. -----

Three – The Chairman has the casting vote. -----

Four – Minutes of all meetings will be drawn up in the appropriate book and signed by all in attendance. -----

SECTION II - EXECUTIVE COMMITTEE -----

ARTICLE THIRTEEN: -----

One – The Executive Committee forms part of the Foundation’s Board of Directors and is made up of three members, with a Chairman and two other members. -----

Two – The Executive Committee is automatically chaired by the Chairman of the Board of Directors. -----

Three – One of the members of the Executive Committee will be chosen from among the two members of the Board of Directors appointed by the Council of Rectors of Portuguese Universities or by any body with identical structure and functions that may replace it or, in the absence of such a body, by the Rector of the University of Porto. ---

Four – The other member will be chosen from among the two members of the Board of Directors appointed by the Board of Directors of BIAL - SGPS, S.A., or by its successor, in accordance with article twenty four, paragraph three of these articles of association. -

ARTICLE FOURTEEN: -----

The term of office of the members of the Executive Committee shall always be the same as the term of office for the Board of Directors to which they belong. -----

ARTICLE FIFTEEN: -----

The Executive Committee is responsible for: -----

-----a) The day-to-day management of the Foundation, including all actions aimed at implementing resolutions previously passed by the Board of Directors or which consist in undertaking powers that do not involve disposing of the Foundation’s assets or substantial changes to the Activity Plan and Budget approved by the Board of Directors;

-----b) Awarding scientific research prizes and grants; -----

-----c) Organising symposiums and other scientific events; -----

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-----d) Negotiating and contracting the services necessary for conducting the programmed activities; -----

-----e) Managing the Foundation's staff. -----

ARTICLE SIXTEEN: -----

One – The Executive Committee will meet ordinarily six times a year, and extraordinarily whenever convened by its Chairman, on his own initiative or at the request of any other member. -----

Two – The quorum for the Executive Committee is two members and its resolutions are taken by an absolute majority of votes cast, with no abstentions permitted. -----

Three – The Chairman has the casting vote. -----

Four – Minutes of all meetings will be drawn up in the appropriate book and signed by all in attendance. -----

-----**SECTION III - FISCAL BOARD**-----

ARTICLE SEVENTEEN: -----

One – The Fiscal Board is composed of three members, one of which will be a statutory audit firm or a statutory auditor appointed by the Board of Directors of BIAL - SGPS, S.A. or its successor, in accordance with article twenty four, paragraph three of these articles of association, while the other two will be appointed by the founder, Luís António Silva Duarte Portela, and the Council of Rectors of Portuguese Universities, the latter being responsible for appointing the Chair. -----

Two – Its term of office is four years. -----

Three – If a member of the Fiscal Board is absent or incapacitated, they will be replaced until the end of the four-year term in progress by the entity responsible for appointing them in accordance with the articles of association. -----

ARTICLE EIGHTEEN:-----

The Fiscal Board is responsible for: -----

-----a) Periodically examining the Foundation's accounts; -----

-----b) Examining the Foundation's accounts at the end of each financial year and issuing an opinion on them by 31 March of the following year. -----

----**SECTION IV - SCIENTIFIC BOARD**-----

ARTICLE NINETEEN:-----

One – The Scientific Board is composed of an odd number of members, not less than eleven, chosen by the Board of Directors from among personalities of recognised scientific merit. -----

Two – The term of office for the Scientific Board is four years. -----

Three – If a member of the Scientific Board is absent or incapacitated, they will be replaced until the end of the four-year term in progress, by decision of the Board of Directors. -----

ARTICLE TWENTY:-----

The Scientific Board is responsible for: -----

-----a) Issuing an opinion on the regulations for awarding scientific research prizes and grants; -----

-----b) Issuing an opinion on applications for scientific research grants; -----

-----c) Issuing an opinion on any matter that the Board of Directors may submit for its consideration. -----

ARTICLE TWENTY-ONE:-----

One – The Scientific Board will meet whenever it is convened by the Board of Directors.

Two – The Scientific Board may allocate among its members, according to their respective expertise, the issue of the opinions referred to in paragraph b) of the preceding article. -----

CHAPTER IV – GENERAL AND TRANSITIONAL PROVISIONS-----

ARTICLE TWENTY-TWO:-----

One – The Foundation may change its purpose, either expanding on it or assigning a different one, in accordance with the law. -----

Two – The Foundation may be dissolved in accordance with the law. -----

Three – In the event that the Foundation is dissolved, its assets will revert to the University of Porto.-----

ARTICLE TWENTY-THREE:-----

The persons appointed to hold statutory positions may always be reappointed, without prejudice to article eight, paragraph five. -----

ARTICLE TWENTY-FOUR:-----

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One - The power to appoint the Chairman of the Board of Directors and a member of the Fiscal Board, bestowed on the founder Luís António Silva Duarte Portela by articles eight, paragraph two and seventeen, paragraph one of these articles of association, will fall upon his death to the person or entity duly indicated by said founder in his will and, in the absence of such indication, to his heirs. -----

Two - After the death of the above-mentioned founder, the people or entities with the power to appoint the Chairman of the Board of Directors and a member of the Fiscal Board will be able to designate who should make these appointments in the future.-----

Three - The power to appoint two members of the Board of Directors and one member of the Fiscal Board, conferred on BIAL - SGPS, S.A. in these articles of association, may be irrevocably transferred by the latter, in the form of a public deed and with the express consent of the founder Luís António Silva Duarte Portela, if still alive, to an entity of its choice, and this power may be successively transferred under the same terms. -----

Coronado (S. Romão e S. Mamede), 29 September 2015

Luís Portela

Daniel Bessa

Miguel Portela

Nuno Sousa

Pedro Teixeira