

novobanco

WHISTLEBLOWING POLICY

2022

novobanco Group

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1. Principles and objectives

1.1. As one of its central objectives, novobanco commits itself to fully comply with the series of legal and regulatory provisions by which it is bound. The novobanco also undertakes to observe recommendations from Portuguese and European sources. novobanco believes that the objective of compliance is crucial to protect novobanco's reputation and for the effective protection of its assets.

1.2. In order to comply with this objective, novobanco implements adequate procedures to prevent risk and to detect possible non-compliance situations with its legal and regulatory duties. In this context, it is essential for novobanco to be able to receive communications of irregularities that, as a complement to the internal systems implemented, make it possible to promptly identify possible non-compliance situations and resolve them.

1.3. To that end, novobanco implements specific, independent, autonomous and adequate means of receiving, processing and filing communications of serious irregularities relating to its administration, accounting organisation and internal supervision, and of serious indications of violations of the legal and regulatory duties to which it is bound.

1.4. This Policy establishes the series of internal rules and procedures regarding the aforementioned means, in compliance with the applicable legislation and regulations, in particular Article 116-AA of the General Regime of Credit Institutions and Financial Companies (the "RGICSF"), Article 35 of Bank of Portugal Notice no. 3/2020, Article 305-F of the Securities Code (the "CVM") and Article 20 of Law no. 83/2017, of 18 August establishing measures to combat money laundering and terrorist financing (the "AMLTF").

2. Application of the Policy to the novobanco Group entities

2.1. This Policy is applicable to novobanco and, with the necessary adaptations and internal approvals, to the credit and financial institutions controlled by it: namely novobanco dos Açores, BEST – Banco Eletrónico de Serviço Total and GNB Gestão de Ativos, SGPS, S.A and the companies controlled by it, as well as external branches of novobanco (the “novobanco Group”).

2.2. Coordination between novobanco and novobanco Group entities for the implementation by these entities of the principles applicable according to this Policy shall be undertaken through the novobanco Compliance Department.

3. Concept of irregularity

3.1. For the purposes of this Policy, an Irregularity is any facts or circumstances demonstrating that novobanco is in breach, or is about to breach, wholly or partially, any legal or regulatory duty or internal governance provision to which it is bound, regardless of the causes, context and those involved in the facts or circumstances evidencing the Irregularity.

3.2. In particular, the following situations are considered to be Irregularities:

- a) Any breaches occurring within novobanco in the areas of accounting, internal accounting controls, auditing, combating corruption and committing crimes in the banking and financial areas;
- b) Serious failures relating to the management of the novobanco or its internal supervision, as well as serious indications of a breach of any other duties provided for in the RGICSF, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, the CVM, or other national or European legislation governing the activities of the novobanco;
- c) Failure to comply with anti-money laundering and terrorist financing duties resulting from the AMLTF, Bank of Portugal Notice no. 2/2018, CMVM Regulation no. 2/2020 and other regulations implementing the AMLTF and internally defined policies and procedures and controls;

- d) Serious evidence of violation of the values and ethical standards defined in the novobanco Group's Code of Conduct.

3.3. Complaints submitted by novobanco customers regarding the services provided and attendance to the public in general are not considered Irregularities for the purposes of this Policy and should be processed through the specific channels.

4. Who can communicate irregularities

Irregularities may be communicated to novobanco under this Policy by any employee, agent, commissioner, or person providing services on a permanent or occasional basis to any entity within the novobanco Group, or any other person outside the novobanco Group.

5. Obligation to communicate

5.1. Employees who, by virtue of the duties they perform at novobanco, in the areas of internal audit, risk management and compliance, including with regard to anti-money laundering and terrorist financing, have the duty to communicate serious Irregularities of which they become aware and that relate to the administration, accounting organisation and internal supervision of novobanco or that correspond to serious indications of breach of duties provided for in the RGICSF or in Regulation (EU) No. 575/2013 that are likely to place novobanco or an entity that is part of the novobanco Group in a situation of financial imbalance or that relate to possible violations of the AMLTF, the regulations that implement it and the policies and procedures and controls defined internally.

5.2. Pursuant to the law, this Policy ensures that obligatory communications are submitted to the Compliance Committee and to the Financial Affairs (Audit) Committee of the General and Supervisory Board, in accordance with their regulations, and in accordance with the procedures provided for and described in point 8 below.

6. Irregularity communication channels

6.1. Irregularities should be presented through the following channels, at the choice of the person who is communicating:

- a) By letter addressed to the Compliance Officer and sent to the address Avenida da Liberdade, 195, 10º andar, 1250-142 Lisbon;
- b) Through the form available at www.novobanco.pt or, if the whistleblower is a novobanco employee alternatively through the Somos novobanco (intranet); or
- c) By e-mail via: irregularidades@novobanco.pt.

6.2. Irregularities may also be presented orally, in a meeting, by any novobanco employee or service provider. To that end, a request to schedule a meeting must be submitted through the means mentioned in 6.1 above. In cases where the seriousness of the communication justifies it, the meeting takes place in the shortest possible time.

6.3. The whistleblower of Irregularities in writing is free to choose to communicate anonymously or to subscribe/identify him/herself, in which case he/she may request to remain anonymous.

6.4. Within seven days of receiving a written Irregularity communication that is not made by an unidentified person, an acknowledgement of receipt of the communication shall be sent to the whistleblower.

6.5. Any employee who, under any circumstance, receives a communication that corresponds to the concept of Irregularity must forward it as soon as possible by letter addressed to the Compliance Officer and sent to the address Avenida da Liberdade, 195, 10º andar, 1250-142 Lisbon or by e-mail via irregularidades@novobanco.pt.

6.6. If the Irregularity refers to Compliance matters or targets an employee of the Compliance Department or the Chairperson of the General and Supervisory Board, the communication should be sent by letter to the Chairperson of the Compliance Committee of the General Supervisory Board to the address Avenida da Liberdade, 195, 14º andar, 1250-142 Lisbon, and it is up to the latter to analyse it and, if necessary, to resort to the Internal Audit Department or any other appropriate department within novobanco.

6.7. If the person concerned is the Chairperson of the Compliance Committee of the General and Supervisory Board or any other member of the General and Supervisory Board (other than its Chairperson), the Irregularity should be sent by letter to the Chairperson of the General and Supervisory Board to the address Avenida da Liberdade, 195, 14º andar, 1250-142 Lisbon, who will be responsible for analysing it and, if necessary, to resort to the Internal Audit Department or any other appropriate department within novobanco.

7. Good faith and content of the communications

7.1. All communications must be made in good faith and the whistleblower must have a sufficient level of certainty regarding the Irregularity, so that the investigation has a sufficient degree of reasonableness underpinning it.

7.2. The communication submitted shall specify the Irregularity in question, the facts that constitute it and respective grounds. To the extent possible, it should indicate the date of the occurrence and, if viable, be accompanied by the documents in the whistleblower's possession that prove or demonstrate the Irregularity.

7.3. The deliberate and manifestly unfounded use of the available communication channels, for purposes other than communicating Irregularities, may constitute an offence of various kinds, including disciplinary, civil or criminal.

8. Handling and analysis of the communications received

8.1. The communications received are subject to an analysis, after which, when it is concluded that they are minimally sustained, an assessment is made as to whether there are sufficient grounds for an investigation, and, depending on the result, and after coordination and consultation with the Compliance Committee of the General and Supervisory Board, the Compliance Department either:

- a) Draws up a reasoned report with justification for not taking any action; or
- b) Takes the steps it deems necessary to obtain evidence. To this end, it may request the intervention of the Compliance Department, the Internal Audit Department, other departments or third parties, under the terms of the law.

8.2. In the event an investigation has been carried out following the analysis of the communication, a reasoned internal report is prepared containing the conclusions as to the actual existence of the Irregularity, the measures taken during the investigation (including, if applicable, the report to external competent authorities) and the measures to be taken in the event the existence of an Irregularity is effectively demonstrated.

8.3. Whenever requested by the whistleblower, his/her anonymity is guaranteed in any transmission of information, to all those involved in the process.

8.4. The communicated Irregularities are transmitted to the superiors of the targeted persons, where such transmission does not jeopardise the purposes of the communication procedure and, where appropriate, are transmitted to the respective competent supervisory authority.

8.5. Where the communication is not anonymous, a reply is sent to the whistleblower within two weeks of the conclusion of the procedure for analysing the communication. A reply should necessarily be sent within three months of having sent the acknowledgement receipt referred to in point 6.4 above, if any.

8.6. The Compliance Committee of the General and Supervisory Board and the Financial Affairs (Audit) Committee of the General and Supervisory Board shall, in accordance with their legally and regulatory defined powers, receive quarterly reports prepared by the Compliance Officer regarding the communication of Irregularities.

8.7. Communications of Irregularities concerning accounting, internal accounting controls, auditing and other financial reporting matters should be presented promptly to the Financial Affairs (Audit) Committee of the General and Supervisory Board.

9. Registration of communications and storage

9.1. The communications received are recorded in a specific database, and each record shall contain at least:

- i. Identification number of the communication;
- ii. Date of receipt;
- iii. Channel through which the communication was received;
- iv. Brief description of the facts communicated and analysis of the communication;
- v. Legal classification of the facts;
- vi. Steps taken to investigate the facts communicated;
- vii. Status of the matter;
- viii. Outcome of the investigation;
- ix. Date of sending the reply to the whistleblower, where the communication is not anonymous;
- x. Description of the measures taken or to be taken as a result of the communication or reasons for not taking any measures.

9.2. All communications received under this Policy in paper or electronic form, as well as all reports produced, shall be kept for a period of five years, without prejudice to the time limits defined in respect of the prevention of money laundering and terrorist financing (seven years).

10. Non retaliation

10.1. Communications made cannot, by themselves, serve as a basis for disciplinary, civil or criminal proceedings with respect to the author of the communication, unless after investigation it is concluded that they are deliberate or manifestly unfounded.

10.2. In particular, employees who communicate Irregularities must not be subject to retaliation, discrimination or any other type of unfair treatment.

11. Data protection and confidentiality

11.1. In compliance with the General Data Protection Regulation (GDPR) - Regulation (EU) 2016/679, of the European Parliament and of the Council, of 27 April 2016, it's guaranteed the protection of the personal data of the whistleblower, the suspected offender and third parties that are collected through the aforementioned Irregularity Communicating Channels and that are subject to processing throughout the process of analysing and investigating the Irregularities.

11.2. The personal data collected that are strictly necessary may be transmitted to (i) supervisory or judicial entities, in cases in which the personal data in question are relevant for the fulfilment of the duty to communicate or to process the situations communicated, or (ii) to novobanco group entities or third parties, for the purposes of investigating the Irregularity communicated.

11.3. The identity of the whistleblowers, if known, of the offender and of third parties mentioned in the communication are guaranteed to be kept confidential except when it is legally obliged to disclose this, namely when such information is required to safeguard the rights of defence of those affected by the communication.

11.4. Unauthorised access to communications received, to its database and to reports produced is prevented. To this end, computerised access is only possible through means of authentication.

12. Communication duties

12.1. Reporting duties as regards the communication of Irregularities, in particular as provided for in Bank of Portugal Instruction no. 18/2020 and Bank of Portugal Instruction no. 5/2019 are complied with.

12.2. The communications and reports kept under the terms of paragraph 9 above shall be kept at the disposal of Bank of Portugal, at all times.

13. Responsibility for the irregularities communication system

13.1. The Executive Board of Directors is responsible for ensuring that this Policy is adequately implemented at novobanco, for its periodic review and for its dissemination to all novobanco employees, which shall be carried out through the Compliance Department.

13.2. The Compliance Department is the unit that, in conjunction with the Compliance Committee of the General and Supervisory Board, is responsible for monitoring the implementation of this Policy and for ensuring that the procedure for analysing and handling communications is properly implemented and that the measures deemed appropriate are effectively adopted. For this purpose, they may resort to the support of the Internal Audit Department or other Bank structures whose intervention is strictly necessary.

13.3. Additionally, and notwithstanding what was mentioned in the previous paragraph, the Compliance Department is responsible for managing the communication channels of Irregularities, receiving, and analysing them.

13.4. Monitoring responsibilities are also assigned in the Financial Affairs (Audit) Committee of the General and Supervisory Board regulations' with regard to the reporting of Irregularities, as indicated in paragraphs 8.6 and 8.7 above.

14. Approval by the competent bodies

Following a proposal by the Compliance Department, this Policy has been approved by the Executive Board of Directors of novobanco, by the Compliance Committee of the General and Supervisory Board and by the General and Supervisory Board.

15. Dissemination and clarifications

15.1. This Policy is disseminated to all novobanco employees and is publicly available on the novobanco website, responsibilities attributable to the Compliance Department.

15.2. The novobanco Compliance Department should be contacted for any clarification of this Policy.

16. Revision

This Policy is reviewed annually, although it may, if so decided by the Compliance Committee of the General and Supervisory Board and by the Executive Board of Directors, upon a proposal from the Compliance Department, be updated before the end of that period.