

novobanco

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

2023

novobanco Group

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1 Purpose

The adoption of this policy aims to achieve the following general and specific objectives:

General

- a) To maintain and strengthen confidence in the **novobanco Group** and the financial system;
- b) To ensure high ethical standards in all business lines of the **novobanco Group**;
- c) To mitigate reputational risk with the various stakeholders;
- d) To contribute to a more transparent society, based on business merit;
- e) To preserve, maintain and increase shareholder value;
- f) To maximise business opportunities and enhance the image of the **novobanco Group**;
- g) To protect whistleblowers;
- h) To ensure and promote a culture of compliance with applicable legislation and regulations.

Specific

- a) To clarify the main definitions adopted by the **novobanco Group** within the scope of the risk management model for corruption, bribery and related offences;
- b) To establish the principles and rules of action, across all its activities, which are essential for the Prevention of Bribery and Corruption and related offences ("PBC");
- c) To define the types of behaviour that are absolutely forbidden in this area.

This policy strengthens and does not prevent the application of the provisions set out in the **novobanco Group** Code of Conduct.

2 Specific Rules

2.1 Scope

This policy applies to all processes carried out by the **novobanco Group**, the implementation of which is directly or indirectly related to the current legal and regulatory requirements of PBC.

This policy is binding and generally applicable within the **novobanco Group**, covering:

- The entities of the **novobanco Group** (novobanco, S.A., novobanco dos Açores, BEST Banco Eletrónico de Serviço Total and GNB Gestão de Ativos, SGPS, S.A. and the companies controlled by them, as well as external branches of novobanco);
- The Members of the Governing Bodies of the **novobanco Group**;
- The Managers and Directors of the **novobanco Group**;
- Key Function Holders, under the terms of the RGICSF;
- All other Employees of the **novobanco Group**;
- Third parties, including service providers and subcontractors, representatives, tied agents, promoters and credit intermediaries, in the provisions applicable to them, by expressly adhering to it or by being legally obliged to comply with it.

2.2 Application of the policy to novobanco Group entities

This policy was drawn up by novobanco, S.A. and establishes the rules and principles that must be complied with in terms of PBC, applicable to all Group entities. This policy is made available to the Group's other entities, which must adopt, apply and have it approved by their governing bodies, with the adaptations strictly necessary to suit their operating reality, to guarantee compliance with the legislation and regulations applicable to them in terms of PBC.

2.3 Concepts and definitions

Tied agent – person or company acting on behalf of and/or under the full and unconditional responsibility of the **novobanco Group**, under a non-employment relationship, to present the Bank's financial intermediation services;

Employees of the novobanco Group - members of senior management, key function holders and other employees of subsidiary entities, regardless of the area or unit in which they carry out their tasks and their type of employment with the **novobanco Group**;

Corruption - the intentional practice of a lawful or unlawful act or omission contrary to the law or the functional duties of a given position or office, public or private, in exchange for an advantage or benefit arising from the violation of those same functions;

Active corruption – crime committed by a person who offers, promises or proposes an advantage or benefit in exchange for a specific act or omission. A mere attempt is punishable;

Passive corruption – crime committed by a person who agrees to receive a benefit of any kind in exchange for a specific act or omission. A mere attempt is also punishable;

Sponsor Structure - structural body responsible for contract management with the Counterparty of the **novobanco Group**.

Civil servant - any person performing duties in the following bodies or organisations:

- Services of sovereign bodies (Government, Assembly of the Republic, Presidency and Courts);
- Central Administration (Ministries and their delegated or devolved services);
- Local government (e.g. City/Town Councils, Parish Councils);
- Regional Public Administration (Regional Governments of the Azores and Madeira);
- Independent Regulators/Supervisors (e.g. Bank of Portugal, CMVM, ASF);
- Public Business Sector Entities (EPE);
- Public service concession companies;
- Publicly-owned or majority-owned companies.

Hospitality - service offered or received, in a work context, which results in a legitimate benefit for the **novobanco Group** and which is not exclusively individual or personal for the Person(s) Affected who participate(s) in or enjoy(s) it;

Related Infractions - crimes of improperly receiving/offering an advantage, embezzlement, economic participation in business, extortion, abuse of power, misconduct, influence peddling, laundering or fraud in obtaining or diverting a subsidy, grant or credit, as defined in the following points:

- **Improper receipt/offer of an advantage** - someone who requests, accepts or offers, for themselves, for a public official or for a third party, a pecuniary or non-pecuniary advantage that is not due to them, in the exercise of their functions or because of them;

- **Embezzlement** – someone who unlawfully appropriates, to their own advantage or to the advantage of another person, money or any movable or immovable asset provided to them, in their possession or accessible to them in the performance of their duties.
- **Economic participation in business** - someone who obtains, for themselves or for a third party, illicit economic participation, to the detriment of their functions of administration, supervision, defence or pursuit of a legal business or organisation (e.g. duties of administration/management in a commercial company, with or without harm to the company);
- **Extortion** - an official who receives, for themselves, for the State or for a third party, by inducing error or taking advantage of the victim's error, a pecuniary advantage that is not due to them, or is greater than what is due, namely a contribution, fee, emolument, fine or penalty;
- **Abuse of power** - an official who abuses their powers or violates the duties inherent to their functions, with the intention of obtaining, for themselves or for a third party, an illegitimate benefit or causing harm to another person;
- **Misconduct** - an official who conducts, decides or does not decide, promotes or does not promote a process in which they intervene with the aim of harming or benefiting someone, in the exercise of powers deriving from the office they hold.
- **Influence peddling** - someone who offers or requests an undue advantage in order to exert undue influence, real or supposed, on the pretext of obtaining from a public official an undue advantage for the original instigator of the act or for any other person.
- **Concealing/disguising criminal property** - someone who conceals or disguises the illicit origin, source, location, disposition, movement, ownership of goods, knowing that such goods are the proceeds of a previous crime.

Credit intermediary – person or company acting on behalf of and/or under the full and unconditional responsibility of the **novobanco Group**, under a non-employment relationship, to present the Bank's credit products;

Persons Affected - employees of the **novobanco Group**, as well as their related agents, representatives, credit intermediaries, promoters, subcontractors and associates;

Facilitation payments – advantages promised or given to a public or private official that are not legally required, in order to ensure the performance or speed up a procedure that this public official had the legal duty to perform (e.g. bungs);

Politically exposed person (PEP) - any person who performs prominent public functions at a senior level as listed in Article 2(1)(cc) of Law 83/2017 and Articles 2 and 3 of Law 52/2019, of 31 of July;

Bribery - offering, promising, delivering, authorising or accepting any undue pecuniary or other benefit, by or for any of the Persons Affected, Public Officials or Political Office Holders, in order to obtain or retain business or other undue advantage, relating, for example, to the award of public or private contracts, regulatory licences, taxation, customs matters, judicial and/or legislative proceedings;

Holders of Other Political or Public Positions (HOPPP) - natural persons who, while they cannot be classified as politically exposed persons, hold or have held, in the last 12 months and on Portuguese territory, the positions listed in Articles 2 and 3 of Law no. 52/2019, of 31 of July, which approves the regime for the exercise of functions by holders of political offices and senior public positions;

Advantage - assignment of value, payment, service, loans, meals, entertainment, waiver of penalties or release from outstanding obligations.

3 Principles, Responsibilities, Competences, Governance / Organisational Model

3.1 Principles

The **novobanco Group** considers the phenomenon of corruption, bribery and related offences to be one of the main challenges for society.

The banking sector plays a decisive role in promoting a culture of integrity, based on business ethics, to comply with the principle of legality and contribute to a more transparent society.

The prevention of bribery and corruption is a common commitment for which the Employees and Members of Governing Bodies of the **novobanco Group** are responsible. It requires all of them to adopt ethical conduct, behaviours and preventive controls on a daily basis as part of their duties, as set out in this policy.

In this context, the **novobanco Group** has decided to adopt and apply these internal regulations to prevent and mitigate the risk of corruption, bribery and related offences, and affirm its commitment to achieving the following organisational principles:

- Integrity
- Transparency
- Loyalty
- Professionalism
- Impartiality
- Meritocracy
- Legality
- Predictability of decisions

3.2 Approach to risk

The **novobanco Group** does not tolerate and censures any type of behaviour, attempt, promise or suggestion to commit corruption, bribery or related offences, and takes a zero-failure approach to any type of deviant conduct in this area, within its organisation and other business partners.

3.3 Policies and Procedures

3.3.1 Absolutely forbidden behaviour

Persons Affected are prohibited from accepting:

- Cash or cash equivalents (e.g. pre-paid cards) from customers, suppliers or other third parties;
- Gifts above the unit and annual limits established;
- Gifts/donations beyond the customary business practices allowed;
- Gifts/donations with the expectation of, or suggesting, *quid pro quo*, an exchange of favours or to compromise the decision of the beneficiary;
- Gifts/donations proposed in a non-transparent manner (e.g. using complex legal structures such as “front companies”).

Persons Affected are prohibited from offering:

- Cash or cash equivalents (e.g. pre-paid cards) not associated with business incentive campaigns;
- Gifts/hospitality beyond the customary business practices allowed;
- Gifts/hospitality or facilitating payments to civil servants, suppliers and/or their representatives;
- Donations or sponsorship to political parties or election campaigns, directly to PEP or HOPPP.

The practices mentioned in the previous points, if they involve a breach of the functional duties of a Person Affected, may constitute criminal offences punishable under the terms of the Penal Code or other Portuguese legislation.

3.3.2 Gifts, entertainment and other advantages

As a general rule of transparency, Persons Affected shall not accept or encourage the offer of gifts and/or other advantages from Customers, Suppliers and/or other Third Parties, including their representatives.

3.3.3 Hospitality

As a general rule of transparency, Persons Affected should not accept or encourage the offer of hospitality from Customers, Suppliers and/or other Third Parties, including their representatives.

Hospitality cannot represent a purely personal advantage for the beneficiary and is always considered to be provided at an institutional level to the **novobanco Group**.

Persons Affected who receive hospitality are nominated by their respective line managers according to standards of transparency, opportunity and suitability in relation to their specific functions, and whenever this results in a benefit for the **novobanco Group**.

Persons Affected shall only accept travel expenses when there is a protocol signed at institutional level between the **novobanco Group** and the third-party provider or when they are the result of a previously signed contract.

Persons Affected are absolutely prohibited from suggesting, promising or offering hospitality (e.g. trips or tickets to cultural or sporting events) to public officials, politically exposed persons or representatives of other third parties, that are not owed to them, under the terms of the previous point.

At an institutional level, the **novobanco Group** may reimburse travelling expenses for Customers or Partners in accordance with standards of transparency, timeliness and appropriateness and provided that they result in a benefit for the Institution that is not merely personal or individual.

3.3.4 Sponsorship

The granting of sponsorship by the **novobanco Group** is done through economic support to the sponsored entities, with the direct counterpart of publicising and advertising the Bank and the ultimate goal of strengthening the brand and the business.

The **novobanco Group** does not give sponsorship directly to political parties, election candidates, PEP or HOPPP.

Prior to granting them, the **novobanco Group** analyses requests for sponsorship from foundations and associations governed by public law and other public entities, as well as foundations and legal persons of public utility.

3.3.5 Donations

Donations to third parties are made within the scope of Environment, Social and Governance (ESG) actions, and are aimed at institutions with social, cultural, scientific or similar activities, consistent with the principles, values and organisational culture of novobanco.

The **novobanco Group** does not give donations directly to political parties, election candidates, PEP or HOPPP.

Before granting them, the **novobanco Group** analyses requests for donations from foundations and associations governed by public law and other public entities, as well as foundations and legal persons of public utility.

3.3.6 Counterparties for supplies, subcontracting or provision of services

The risk assessment of bribery, corruption and related offences by Counterparties of the **novobanco Group**, in terms of PBC, for the applicable cases, is carried out under the terms of this policy and associated internal regulations, at three significant points:

- In the pre-contractual phase;
- During the business relationship;
- On contract renewal.

3.3.7 Accounting Obligations

The Persons Affected shall accurately and reliably record all transactions, assets, expenses, as well as any other data of accounting significance, in accordance with the applicable accounting rules, on the information technology systems provided.

The **novobanco Group** does not tolerate the creation or maintenance of alternative or shadow accounting systems, which are taken to mean any form of accounting or bookkeeping not adopted or implemented by the institution, which is liable to conceal or distort the occurrence or details of a transaction or any other business dealing, or to inaccurately reflect the assets and/or liabilities of the **novobanco Group**.

3.3.8 Communication of Irregularities and Whistleblowing

Persons Affected shall immediately oppose any practice of or attempt at bribery, corruption and related offences and actively participate in their prevention. They are also encouraged to activate all the internal warning channels and mechanisms, both formal and informal, in force within the **novobanco Group**.

Whenever they become aware of the practice or mere suspicion of bribery, corruption and related offences, the Persons Affected benefit from confidentiality guarantees with the express possibility of making anonymous reports through the channel for this purpose, under the terms of the Whistleblowing Policy.

3.4 Training

The Persons Affected receive annual training on the prevention of bribery, corruption and related offences appropriate to their category and duties, which may be integrated into training on the Code of Conduct.

The content of the training for Persons Affected is subject to pre-analysis, review and prior favourable opinion by the Regulatory Compliance Officers of the **novobanco Group** entities.

Service providers, subcontractors, representatives, tied agents, promoters and credit intermediaries with a business relationship with **novobanco Group** guarantee that their Employees adhere to the equivalent principles and values set out in this policy.

3.5 Disciplinary Measures and Criminal Sanctions

Infringing the principles and rules of this policy represents a violation of the duties of the employee, which may result in the application of disciplinary action, including dismissal without indemnification or compensation.

The application of disciplinary sanctions does not affect possible cooperation by the **novobanco Group** with the judicial authorities regarding facts that may constitute unlawful criminal or administrative offences.

Non-compliance with the principles and rules contained in this policy by partners and other third parties considered to be Persons Affected may constitute grounds for cancellation of the contract, appropriately and in proportion to the breach.

Violation of the rules and duties contained in this policy, if associated with crimes of corruption and related offences, may also lead to the criminal liability of the offenders by the competent authorities and result in the imposition of fines or prison sentences, depending on the legal framework and the seriousness of the offence, as well as the imposition of additional sanctions, namely a ban on holding office or carrying out activities, restrictions on receiving loans, subsidies or government incentives, loss of assets and, in the case of legal persons, even the dissolution of the company.

3.6 Disclosure

The publication channels of this policy comply with the following principles:

- a) They are proportionate to the nature, size and complexity of the Bank's business;
- b) They shall ensure the confidentiality of the communications received and the protection of the personal data of the whistleblower and suspected infringer.