

2019

Whistleblowing Policy



Novo Banco Group
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1. Principles and Objectives

- 1.1. Novo Banco has among its objectives compliance with applicable legal and regulatory provisions (compliance objective) as well as the recommendations of the European Central Bank, protection of the Novo Banco's reputation and effective protection of its assets.
- 1.2. In order to pursue those objectives, Novo Banco adopts measures aimed at preventing and detecting the risk of fraud and other relevant operational risks and establishes independent, appropriate and autonomous means of receiving, processing, monitoring and filing irregularities involving Novo Banco or entities integrating the Novo Banco Group.
- 1.3. The purpose of this Policy is to establish a set of internal rules and procedures to receive, record and process the reporting of irregularities in accordance with applicable legal, regulatory and internal rules and principles.

2. Application of Policy to Novo Banco Group Entities

- 2.1. Novo Banco shall ensure that its branches and banking Subsidiaries adopt the procedures established in this Policy, with the approval of the respective managements bodies, as applicable.
- 2.2. For the purposes of this Policy, a Subsidiary shall mean a credit institution, headquartered in or outside of Portugal, directly or indirectly controlled, managed or owned by NOVO BANCO which consolidates with it for accounting purposes (full consolidation method).
- 2.3. Novo Banco and its branches and banking subsidiaries shall coordinate through the Compliance Department to implement this Policy.

3. Concept of Irregularity and Complaint

- 3.1. Irregularities shall be:
 - a) Violations within NOVO BANCO in the fields of accounting, internal accounting controls, auditing, the fight against corruption and banking and financial crime in accordance with Resolution No. 765/2009 of CNPD (National Data Protection Commission).

- b) serious irregularities related to the management of the institution and its internal supervision as well as serious indications of breach of duties under the Legal Framework of the Credit Institution or the Regulation (EU) n.º 575/2013 of the European Parliament and the Council.
 - c) Those relating to possible breaches of Law No. 83/2017, the regulations which implement it and the policies, procedures and internally defined controls on the prevention of money laundering and terrorist financing.
- 3.2. Complaints shall be all situations not classified as Irregularities, namely those related to customer service and service to the general public. Reporting of Complaints, in the Customer's perspective, shall be carried out through the usual channels.

4. Irregularity Communication Channels

- 4.1. Irregularities are reported in writing and presented through the following channels, at the choice of the person who is reporting:
- a) Addressed to the Compliance Committee of the General and Supervisory Board (Avenida da Liberdade, 195, 14º andar, 1250-142 Lisbon); or
 - b) Through the Form available at NBWeb; or
 - c) Via e-mail irregularidades@novobanco.pt.
- 4.2. Novo Banco ensures that the employee who reported the irregularity is provided with confirmation of receipt of the communication.
- 4.3. Without prejudice of the provisions below in 4.3., the Compliance Committee of the General and Supervisory Board is the recipient of the communications made through the channels indicated in a) to c) above. The Compliance Committee of the General and Supervisory Board shall report as soon as possible to the whole General and Supervisory Board the cases it deems relevant.
- 4.4. Where the impacted individual is the Chairperson of the Compliance Committee of the General and Supervisory Board, the irregularity shall be reported in writing to the Chairperson of the General and Supervisory Board.

5. Who can report

- 5.1. Irregularities may be reported by Employees, representatives, commissioners, persons who provide services on a permanent or occasional basis in any entity of the Novo Banco Group, or any other person.
- 5.2. The communications are addressed to the Chairperson of the Compliance Committee of the General and Supervisory Board.

6. Employees subject to an obligation to communicate

- 6.1. Employees who, by virtue of their duties in Novo Banco, particularly in the areas of internal audit, risk or compliance management or the responsible for the legal framework of money laundering and terrorist financing have the duty to report to the Compliance Committee of the General and Supervisory Board of the serious Irregularities they are aware of and which are related to the management, accounting organisation and internal supervision of the credit institution or that correspond to indications of breach of duties provided for in the General Regime of Credit Institutions and Financial Companies or in Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26th June, that are likely to place Novo Banco or an entity comprising the Novo Banco Group in a situation of financial imbalance.
- 6.2. The obligation to communicate includes, in particular, the following situations, even if these do not place Novo Banco or any entity of the Novo Banco Group in a situation of financial imbalance:
 - a) Risk of breach of prudential standards and limits, in particular the minimum levels of capital adequacy;
 - b) Abnormal decrease in deposit balances;
 - c) Materially relevant devaluation of the assets of the credit institution or relevant losses in other commitments of the credit institution, even though without immediate recognition in the financial statements;
 - d) Risk of inability for the credit institution to have the liquid assets to meet its obligations as the latter mature;
 - e) Difficulties in financing to meet net cash requirements;

- f) Existence of materially relevant contingencies of fiscal or reputational nature, or resulting from the application of measures or sanctions by administrative or judicial authorities, in Portugal or abroad.

7. Good faith and Anonymous Communications

- 7.1. All communications must be made in good faith, should have a sufficient level of certainty that provides sufficient reason to launch an investigation and shall indicate the respective grounds.
- 7.2. The deliberate and unfounded use of available channels of communication may constitute a violation of a diverse nature, including disciplinary, civil or criminal.
- 7.3. Anonymous communications are admitted.
- 7.4. Novo Banco ensures that, when requested by the complainant, the information is transmitted anonymously to the Executive Board of Directors and other responsible bodies.

8. Non retaliation

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

9. Powers of the General and Supervisory Board

- 9.1. The General and Supervisory Board shall be responsible for managing the Irregularities communication system, ensuring the confidentiality of communications.
- 9.2. Upon receipt of the communication:
 - a) The General and Supervisory Board shall analyse the communication assessing the existence of sufficient grounds for an investigation or drawing up a reasoned report with the justification of non adoption of measures;
 - b) If there is a basis for an investigation, the General and Supervisory Board shall take the steps it deems necessary, in particular, obtain evidence and may, for this purpose, request the intervention of the Compliance Department, of the Audit and Inspection Department and other departments or third parties, in accordance with the law;

- c) In the end, the General and Supervisory Board shall prepare a reasoned internal report containing the conclusions and measures adopted (including, where appropriate, communication to competent external authorities).
- 9.3. The General and Supervisory Board shall keep a record of all communications of irregularities falling within the scope of this Policy. The record shall contain:
- a) Identification number of the communication;
 - b) Date of receipt;
 - c) Channel through which the communication was received;
 - d) Brief description of the reported situation;
 - e) Measures adopted as a result of the communication;
 - f) Subject status (closed or pending);
 - g) Identification of person who sent the communication;
 - h) Identification of the accused.
- 9.4. In view of the investigation that has been carried out and the assessment made by the General and Supervisory Board, the latter shall issue its opinion and decide on the measures to be taken.
- 9.5. The General and Supervisory Board shall prepare an annual report, to be submitted to the Bank of Portugal, describing the means of communication provided for in this Regulation and a brief indication of the communications received and the respective processing.
- 9.6. Communications and reports shall be kept on paper or other durable medium for at least 5 years.

10. Data Protection and Confidentiality

- 10.1. Pursuant to the General Data Protection Regulation (GDPR) - Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, Novo Banco shall guarantee the protection of the personal data of the person who makes the communication and of the suspect of violation, collected through the communication means made available.
- 10.2. Novo Banco shall guarantee the confidentiality of the identity of the person who makes the communication, except when it is legally obliged to disclose it, in particular when this information is required to safeguard the rights of defence of

those concerned, for example in the investigations or subsequent legal proceedings.

10.3. Novo Banco may transmit the personal data collected to (i) supervisory entities or judicial entities, in cases where the personal data in question are relevant for the fulfilment of a duty to communicate or process reported situations, or (ii) entities of the Novo Banco Group or to third parties, for the purpose of investigating the reported irregularity.

11. Approval by the Executive Board of Directors

This Policy has been approved by NOVO BANCO's Executive Board of Directors and upon recommendation of the Compliance Department, by the General and Supervisory Board.

12. Legal and Regulatory Framework

12.1. Community law: Article 71 of Directive 2013/36/EU of the European Parliament and of the Council of 26th June and Regulation (EU) 575/2013 of the European Parliament and of the Council of 26th June.

12.2. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Regulation on Data Protection).

12.3. National law: Article 116-AA of the General Regime of Credit Institutions and Financial Companies (Decree-Law no. 298/92, of 31st December) and article 441.

12.4 Decision taken by the Portuguese data Protection Authority (Comissão Nacional de Protecção de Dados) nº. 1093/2017.

13. Clarifications

Please contact the Novo Banco Compliance Department's Conduct Regulation and Conflict of Interest Unit for any clarifications with regard to this Policy.

14. Revision

The Policy is reviewed every two years. However, it may be updated at a shorter notice if so decided by the General and Supervisory Board or by the Compliance Department.



Head-Office of Novo Banco in Lisbon.