

**novobanco**

**ANTI-BRIBERY &  
CORRUPTION POLICY**

2020

novobanco Group



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# 1. Introduction

1. Corruption and bribery represent one of the key challenges for modern companies. Fighting them requires a joint effort by all sectors of society, including banking, which plays an important role in promoting a culture of public integrity.
2. The reactive approaches used up to now have shown themselves to be insufficient in fighting this phenomenon, so it has proven necessary to adopt a new risk-based preventive paradigm to minimise the impact of corruption and bribery on civil society and in the economy. In light of this new paradigm, the fight against the practices of corruption and bribery becomes everyone's responsibility, requiring the development of a new set of preventive duties and methodologies that are cross-sectional with organisations, domestic and international, and public and private entities.
3. In this context, novobanco decided to adopt and implement this Anti-Corruption Policy ("Policy" or "ABC Policy") in order to prevent and mitigate the risk of corruption and bribery and of practices related thereto, reaffirming its commitment in building a more upright society.
4. Bribery and corruption practices may expose novobanco and its employees and collaborators to criminal and regulatory liability, and it may cause severe reputational and financial damages to novobanco and its stakeholders.
5. This Policy is based upon the following main principles:
  - a) Zero tolerance to bribery, corruption and related activities;
  - b) Protection of whistle-blowers;
  - c) High ethical standards;
  - d) Loyalty and transparency to clients and stakeholders.
6. The adoption of this Policy reflects novobanco's commitment to fight and prevent bribery and corruption and to conduct business in an ethical and lawful manner.

## 2. Scope

1. This Policy sets out the main principles and rules for preventing bribery and corruption, in line with applicable anti-bribery and anti-corruption laws.
2. This Policy aims to:
  - a. Outline principles and rules for conducting business with integrity and with high ethical standards;
  - b. Define the type of behaviours that are strictly forbidden in light of anti-bribery and anti-corruption laws;
  - c. Promote a culture of compliance and ethics among novobanco's employees and stakeholders.
3. This Policy applies to novobanco as a whole: Directors, Management, employees, temporary and full-time, as well as its tied agents, representatives, credit intermediaries, promoters, outsourcers and associates.
4. This Policy strengthens and does not prevent the application of the provisions set out in novobanco 's **Code of Conduct** <sup>(1)</sup>.
5. The novobanco will promote, through its Compliance Department, the adoption of policies analogous to this Policy by the other entities of the novobanco Group, hereby understood as its banking and financial Branches and Subsidiaries directly or indirectly dominated or controlled by the novobanco Group, which consolidate with it for accounting purposes (consolidation method).

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(<sup>1</sup>) Available at:  
<https://www.novobanco.pt/content/dam/novobancopublicsites/docs/pdfs/compliance/ingles/Code%20of%20Conduct.pdf.coredownload.inline.pdf>

### 3. Definitions

<b>Bribery</b>	Convincing another person, through a gift or the promise of a patrimonial or non-patrimonial advantage, to provide a false deposition, statement, testimony, report, interpretation or translation.
<b>Corruption</b>	The offering, promise, solicitation, acceptance or transfer, directly or indirectly, of any payment or any other improper retribution, monetary or not, motivated by the practice or omission of one or more acts. Similar to corruption is the improper receipt of advantage, influence peddling, embezzlement, economic participation in the company, extortion, abuse of power, bribery and the violation of secrecy.
<b>Credit Intermediary</b>	Person or corporation acting on behalf of and / or under the full and unconditional responsibility of novobanco, under a non-employment relationship, to present the Bank's credit products.
<b>Holder of high public office</b>	<ul style="list-style-type: none"> <li>a) Public administrators;</li> <li>b) Holders of the managing body of a company owned by the State, when designated by the latter;</li> <li>c) Directors and officers of companies that are part of the local business sector;</li> <li>d) Members of the governing bodies of public institutions;</li> <li>e) Members of independent public entities provided by the Constitution or by law;</li> <li>f) Top level management officers and similar</li> </ul>

<b>Holder of political office</b>	<p>a) The President of the Republic;</p> <p>b) The President of the Assembly of the Republic;</p> <p>c) Elected Members of the Assembly of the Republic;</p> <p>d) Member of Government;</p> <p>e) Elected Members of the European Parliament;</p> <p>f) The Representative of the Republic in the autonomous regions;</p> <p>g) Members of the governing body of an Autonomous Region (Madeira, Açores);</p> <p>h) Members of the representative body of the local government.</p>
<b>Officeholder</b>	<p>a) Civil servants;</p> <p>b) Administrative agents;</p> <p>c) Arbitrators;</p> <p>d) Jurors;</p> <p>e) Specialists;</p> <p>f) When called upon to carry out or participate in carrying out an activity that falls within administrative civil or jurisdictional service or, under the same circumstances, carry out functions in public utilities bodies or take part in them;</p> <p>g) Managers, holders of supervisor bodies and workers for companies that are public, nationalised, of public capital or majority owned with public capital and also companies that are concessionaires of public services.</p>
<b>Outsourcer</b>	Any person, physical or moral, with whom the bank has celebrated any outsourcing contract.
<b>Promoter</b>	Person acting on behalf of and /or under the full and unconditional responsibility of novobanco, under a non-employment relationship, to present the Bank's banking products (other than credit).
<b>Public official</b>	<p>a) Officeholder;</p> <p>b) Holders of high public positions;</p> <p>c) Holders of political positions.</p>

<b>Tied agent</b>	Person or corporation acting on behalf of and /or under the full and unconditional responsibility of novobanco, under a non-employment relationship, to present the Bank's financial intermediation services.
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## 4. Powers of the Compliance Department

1. Notwithstanding the competences proper to the General and Supervisory Board of novobanco and the respective Committees, it is the responsibility of the Compliance Department to promote the implementation, execution, monitoring and revision of this Policy.
2. The Compliance Department may recommend the adoption of procedures to prevent corruption and bribery that are more demanding than those provided in this Policy, whenever deemed necessary by circumstances, i.e., when the risk of corruption and bribery is not merely residual.
3. The Compliance Department has authority to conduct onsite assessments, including, but not limited to, internal investigations, in order to evaluate the level of compliance of novobanco's operations with the principles and rules set out in this Policy.

## 5. Prohibited Behaviours

1. In addition to their obligations under novobanco's Code of Conduct, novobanco as a whole, including Directors, Management, employees, tied agents, representatives, credit intermediaries, promoters, outsourcers and associates are prohibited from promising or offering, directly or indirectly, any type of advantage, monetary or not, to public officials or employees of other entities that is not owed to them ("active corruption"). Such practices may constitute crimes punishable under the terms of the Penal Code or other legislation, namely the Laws mentioned in Clause no. 14 of this Policy.
2. The novobanco as a whole, including Directors, Management, employees, tied agents, representatives, credit intermediaries, promoters, outsourcers and

associates are prohibited from requesting or receiving, directly or indirectly, any type of advantage, monetary or not, from customers, public officials or employees of other private entities that is not owed to them (“passive corruption”). Such practices may constitute crimes punishable under the terms of the Penal Code or other legislation, namely, the Laws mentioned in Clause no. 14 of this Policy.

3. Included in the previous prohibitions are facilitation payments. A “facilitation payment” is any advantage that is promised or given to a public official and that is not legally required, in order to ensure the performance or speed up a procedure that this public official had the legal duty to perform.
4. An “advantage” is anything of value, including, but not limited to, payments, services, loans, meals, entertainment and the release from outstanding penalties or obligations.

## 6. Gifts and Hospitality

1. In principle, gifts and hospitality may not be offered or received by any novobanco employee, agent, representative, intermediary or member of a decision-making body.
2. However, gifts, services or other advantages, including meals, entertainment and travel expenses, given or received by a novobanco employee, agent, representative, intermediary or member of a decision-making body may be accepted if protocol, courtesy or other special circumstances exist, as sometimes happens with different cultures where refusing a gift might be considered offensive or inappropriate. All such gifts, services or other advantages, if they exceed the allowance / waiver next indicated, shall also be reported to the Compliance Officer and, when possible, delivered to the Compliance Department, who may decide that such gifts be forfeited in favour of a charitable organization, among those in a list sanctioned by the Executive Board of Directors, or in favour of the Bank.
3. An “allowance / waiver” for the cases in the preceding number is set at EUR 200, per person / entity on an yearly basis. Related persons or entities are considered a single person or entity, for this limit.
4. When considering whether the offering or acceptance of a gift, a service or another advantage, including meals, entertainment and travel expenses, complies with usage or social customs or whether protocol, courtesy or other special circumstances exist,



novobanco as a whole, including Directors, Management, employees, tied agents, representatives, credit intermediaries, promoters, outsourcers and associates should consider, among other aspects:

- a. whether giving or receiving the gift, service or other advantage is reasonable and proportionate given the circumstances and context;
  - b. whether the offering or acceptance is done in a transparent manner;
  - c. whether there is an expectation or appearance of *quid pro quo*;
  - d. whether it could create an appearance that the beneficiary's judgement is compromised and whether the other party is a public official.
5. Gifts in cash or its equivalent are strictly prohibited under any circumstances.
  6. The novobanco may reimburse travel expenses of clients or partners if they are reasonable and incurred in the context of a legitimate corporate activity. Likewise, novobanco employees, agents, representatives, intermediaries or members of a decision-making body, if authorized by the Compliance Department, may be reimbursed of travel expenses under the same conditions, provided that they are not prohibited by law (if applicable<sup>2</sup>).
  7. If there is a doubt regarding whether the offering or acceptance of a gift, a service or another advantage, including meals, entertainment and travel, falls under the above exception in 2., novobanco as a whole, including Directors, Management, employees, tied agents, representatives, credit intermediaries, promoters, outsourcers and associates should, whenever possible, consult with the Compliance Department before offering or accepting the advantage in question.

## 7. Donations

1. Donations to political parties and/or political campaigns on behalf of novobanco are strictly prohibited, pursuant to articles 8 and 16 of the Law on Political Party and Electoral Campaign Financing.

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<sup>2</sup> E.g., MIFID2 requirements.

2. Charitable donations on behalf of novobanco are prohibited, unless they are coherent with novobanco's corporate values and cultural patronage and are expressly authorized by the Executive Board of Directors.

## 8. Third Party Risk

1. Before entering into a contract for consortium, joint venture or any other type of intercompany cooperation, as well as contracts for supply and/or vending, novobanco shall perform a risk evaluation in order to determine the degree of risk of corruption or bribery of the other party and/or of the operation at stake.
2. The Compliance Department may establish, according to a risk-based approach, general or specific requirements and procedures for any *due diligence* to determine the degree of risk of corruption or bribery of the other party. Possible requirements and procedures may include:
  - a) Conducting research on potential business partners;
  - b) Analysing the other party's anti-bribery and anti-corruption policies;
  - c) Obtaining information on the legal structure and ultimate beneficial owners of the other party;
  - d) Gathering information on the connection between the other party and public bodies and public officials;
  - e) Reviewing relevant corporate documents;
  - f) Inquiring persons related to the other party's organization.
3. Whenever the degree of risk of corruption or bribery is not merely residual, novobanco shall require the other party to implement measures to mitigate this risk, namely to adopt an anti-bribery and anti-corruption policy with similar standards to this Policy and to provide adequate training on the prevention of corruption and bribery to its employees.
4. If it is not possible to implement measures to mitigate the other party's risk of corruption or bribery or if the other party does not implement the measures required by novobanco, the Executive Board of Directors, under the Compliance Department's

advice, shall consider terminating negotiations with the other party, taking into account the inherent degree of risk of corruption or bribery.

5. The Compliance Department shall periodically review existing relationships to assess whether there has been an increase of the degree of risk of corruption or bribery of the other party or whether the original risk assessment did not correctly determine the degree of risk of corruption or bribery of the other party.
6. When reviewing existing relationships, the Compliance Department shall employ a risk-based approach and specific measures may include, among others:
  - a) Requesting proof of analysis of undocumented payments, and eventually, subsequent control of such payments;
  - b) Requiring periodical certification with applicable anti-corruption and anti-bribery laws;
  - c) Requiring occasional meetings to assess and review new business arrangements.
7. If there has been an increase of the degree of risk of corruption or bribery of the other party or whether the original risk assessment did not correctly determine the degree of risk of corruption or bribery of the other party, the Executive Board of Directors, under the Compliance Department's advice, shall consider employing the measures set out in 3. and 4. above.

## 9. Accounting Obligations

1. The novobanco as a whole, including Directors, management, employees, tied agents, representatives, credit intermediaries, promoters, outsourcers and associates are reminded of the prohibition from creating or maintaining alternative or shadow accounting systems, when acting on novobanco's behalf.
2. The novobanco as a whole, including Directors, Management, employees, tied agents, representatives, credit intermediaries, promoters, outsourcers and associates, when applicable, shall record accurately and reliably all transactions, assets, expenses, as well as any other data with accounting significance, as per applicable accounting rules and in provided IT systems.

3. For the purposes of 1. and 2. above, “alternative or shadow accounting systems” should be understood as any form of accounting or bookkeeping not adopted or implemented by novobanco, which is liable to conceal or distort the occurrence or details of a transaction or any other business dealing or to inaccurately reflect novobanco’s assets and/or liabilities.

## 10. Training

1. The novobanco employees shall receive training on the prevention of corruption and bribery suitable to their category and functions. The training on the prevention of corruption and bribery may be part of a general training on compliance.
2. New employees shall receive training on the prevention of corruption and bribery within 3 months of joining novobanco.
3. The training programme on the prevention of corruption and bribery must discuss, at least, the following topics:
  - a) The importance of preventing corruption and bribery;
  - b) Definition of corruption and bribery and other basic notions;
  - c) Duties of preventing corruption and bribery;
  - d) Duty of reporting;
  - e) Consequences of violation of the duties of preventing corruption and bribery and of reporting.
4. The novobanco employees shall receive refresher training regarding the prevention of corruption and bribery periodically, particularly when there are significant legislative changes.

## 11. Disciplinary Action

1. Violating this Policy represents a violation of the duties of the employee, which may result in the application of disciplinary actions, including dismissal without indemnification or compensation.

2. The application of disciplinary sanctions does not affect the possible reporting by novobanco of facts that may constitute illicit criminal or administrative offences.

## 12. Communication of Irregularities and Whistleblowing

1. Employees of novobanco must communicate any suspected practices of corruption and bribery.
2. The reports shall be made under the terms of the Policy of Communication of Irregularities/Whistleblowing of novobanco <sup>(3)</sup> and benefit from the same warranties provided therein.

## 13. Monitoring and Reporting

1. Monitoring of this Policy is ensured by the Compliance Department, which shall take the steps it deems suitable (including sharing information with competent legal authorities), considering the risk of each situation and the respective mitigation measures implemented.
2. Without prejudice to the due diligence required under this Policy, the Compliance Department shall perform a periodic risk analysis of the Bank's ABC profile, every two years, or whenever warranted by circumstances, namely, when there are significant legislative changes or when there is a concrete increase in the risk of corruption and bribery related to the activity of novobanco.
3. When monitoring the Bank's compliance with this Policy, the Compliance Department must pay special attention to factors with a heightened risk of corruption and bribery, such as:
  - a) Payments made or received without documentary support;

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<sup>(3)</sup> Available at:  
<https://www.novobanco.pt/content/dam/novobancopublicsites/docs/pdfs/compliance/ingles/Whistleblowing%20Policy.pdf.coredownload.inline.pdf>

- b) Discrepancies between invoices and agreed upon values;
  - c) Requests for payment in cash or to non-cooperating fiscal jurisdictions;
  - d) Business dealing with persons or companies with relevant connexions to jurisdictions with a high Corruption Perception Index;
  - e) Business dealing with persons or companies with relevant connexions to the public sector;
4. The results of monitoring this Policy shall be presented by the Compliance Department, within the time period and to the bodies and committees that this Department deems convenient, namely the General Supervisory Board, the Executive Board of Directors, the Compliance Committees or others.

## 14. Legal Framework and Best Practices

For more information about the relevant legal framework, please see:

- a) **Penal Code**, approved by Decree-Law No. 400/82, of 23 October <sup>(4)</sup>;
- b) **Law of Crimes that are the Responsibility of Holders of Political Positions**, approved by Law No. 34/87, of 16 July <sup>(5)</sup>;
- c) **Penal Regime of Corruption in International Commerce and in the Private Sector**, approved by Law No. 20/2008, of 21 April <sup>(6)</sup>;
- d) **Law on Political Party and Electoral Campaign Financing**, approved by Law no. 19/2003, of 20 June <sup>(7)</sup>.

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<sup>(4)</sup> Consolidated version available at: [https://dre.pt/web/guest/legislacao-consolidada/-/lc/115959478/201908291228/diploma?did=34437675&\\_LegislacaoConsolidada\\_WAR\\_drefrontofficeportlet\\_rp=indice&q=c%C3%B3digo+penal](https://dre.pt/web/guest/legislacao-consolidada/-/lc/115959478/201908291228/diploma?did=34437675&_LegislacaoConsolidada_WAR_drefrontofficeportlet_rp=indice&q=c%C3%B3digo+penal)

<sup>(5)</sup> Consolidated version available at: [https://dre.pt/web/guest/legislacao-consolidada/-/lc/67055375/201908291229/diploma?did=34492375&\\_LegislacaoConsolidada\\_WAR\\_drefrontofficeportlet\\_rp=indice&q=CRIMES+DA+RESPONSABILIDADE+DE+TITULARES+DE+CARGOS+POL%C3%8DTIC OS](https://dre.pt/web/guest/legislacao-consolidada/-/lc/67055375/201908291229/diploma?did=34492375&_LegislacaoConsolidada_WAR_drefrontofficeportlet_rp=indice&q=CRIMES+DA+RESPONSABILIDADE+DE+TITULARES+DE+CARGOS+POL%C3%8DTIC OS)

<sup>(6)</sup> Consolidated version available at: [https://www.pgdlisboa.pt/leis/lei\\_mostra\\_articulado.php?nid=983&tabela=leis](https://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=983&tabela=leis)

<sup>(7)</sup> Consolidated version available at: [https://dre.pt/web/guest/legislacao-consolidada/-/lc/66960263/view?p\\_p\\_state=maximized](https://dre.pt/web/guest/legislacao-consolidada/-/lc/66960263/view?p_p_state=maximized)

- e) **Convention of the United Nations against Corruption**, ratified by Portugal on 28 September 2007 <sup>(8)</sup>;
- f) **Convention on the Fight against Corruption of Foreign Public Agents in the International Commercial Transactions of the Organisation of Cooperation and Economic Development**, ratified by Portugal on 23 November 2000 <sup>(9)</sup>;
- g) **Convention regarding the Fight against Corruption Involving Employees of the European Communities or the Member States of the European Union**, ratified by Portugal on 15 November 2001 <sup>(10)</sup>;
- h) **Framework Decision 2003/568/JAI of the Council**, of 22 July 2003 <sup>(11)</sup>;
- i) **Criminal Law Convention on Corruption of the Council of Europe**, ratified by Portugal on 07 May 2002 <sup>(12)</sup>;
- j) **Additional Protocol to the Criminal Law Convention on Corruption of the Council of Europe**, ratified by Portugal on 12 March 2015 <sup>(13)</sup>;
- k) **Recommendation of the Counsel for the Prevention of Corruption on Plans for Preventing the risks of Corruption and Related Infractions**, of 01 July 2015 <sup>(14)</sup>.
- l) **Action Programme Against Corruption of the Committee of Ministers of the Council of Europe**, of 21 November 1996 <sup>(15)</sup>;
- m) **Resolution (97) 24 of the Committee of Ministers of the Council of Europe regarding the Twenty Guideline Principles of the Fight Against Corruption**, of 06 November 1997 <sup>(16)</sup>;

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<sup>(8)</sup> Available in Portuguese at: <https://dre.pt/application/conteudo/642261>

<sup>(9)</sup> Available in Portuguese at: <https://dre.pt/application/conteudo/506040>

<sup>(10)</sup> Available in Portuguese at: <https://dre.pt/application/conteudo/604406>

<sup>(11)</sup> Available in Portuguese at: <https://eur-lex.europa.eu/legal-content/PT/TXT/PDF/?uri=CELEX:32003F0568&qid=1567086784719&from=PT>

<sup>(12)</sup> Available in Portuguese at: <https://dre.pt/application/conteudo/583376>

<sup>(13)</sup> Available in Portuguese at: <https://dre.pt/application/conteudo/66012660>

<sup>(14)</sup> Available at

[https://www.cpc.tcontas.pt/documentos/recomendacoes/recomendacao\\_cpc\\_20150701\\_2.pdf](https://www.cpc.tcontas.pt/documentos/recomendacoes/recomendacao_cpc_20150701_2.pdf)

<sup>(15)</sup> Available in English at:

<https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806ccfb6>

<sup>(16)</sup> Available in English at:

<https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806cc17c>

- n) **Evaluation Report regarding the Prevention of Corruption in Portugal by the Group of States Against Corruption**, of 04 December 2015 <sup>(17)</sup>;
- o) **Summary of the Guidelines for Integrity Compliance of the World Bank Group** <sup>(18)</sup>;
- p) **Guidelines for the Anti-Bribery and Corruption Compliance Programme of the Wolfsberg Group** <sup>(19)</sup>.

## 15. Transition Period

1. This policy is applicable as of this date of approval, for all new activities, persons and transactions.
2. Notwithstanding the above, all existing relations under 8. (Third Party Risk) above will be reassessed, on a risk-based approach, within the next two years.

## 16. Revision

This Policy shall be reviewed at least every 2 years or whenever warranted by circumstances, specifically, when significant legislative changes occur.

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<sup>(17)</sup> Available in English at:  
<https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806c7c10>

<sup>(18)</sup> Available in English at: <https://www.worldbank.org/content/dam/documents/sanctions/other-documents/sanctions-board/Summary%20of%20Integrity%20Compliance%20Guidelines.pdf>

<sup>(19)</sup> Available in English at: <https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/3.%20Wolfsberg-Group-ABC-Guidance-June-2017.pdf>