

2019

Anti-Bribery & Anti-Corruption Policy



Novo Banco Group
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1.

Introduction

1. Corruption and bribery represent one of the key challenges for modern companies and 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. Faced with 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 across organizations and public and private entities.
3. In this context, Novo Banco ("NB") decided to adopt and implement this Anti-Bribery & Anti-Corruption Policy ("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.

2.

Scope of application

1. This Policy is applicable to NB.
2. This Policy applies to all NB Employees, temporary and full-time, as well as its agents, representatives, intermediaries and members of governing bodies.
3. This Policy strengthens and does not harm compliance with the obligations provided in NB's Code of Conduct.
4. Directly or indirectly NB will promote, through its Compliance Department, the adoption of policies analogous to this Policy by the other entities of the NB Group, hereby understood as its banking and financial Branches and Subsidiaries directly or indirectly dominated or controlled by the NB Group, which consolidate with it for accounting purposes (full consolidation method).

3. Definitions

Corruption	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 are the improper receipt of advantage, embezzlement, economic participation in the company, extortion, abuse of power, bribery and the violation of secrecy.
Receiving improper advantage	The offering, promise, solicitation, acceptance or transfer, directly or indirectly, of any payment or any other improper retribution, monetary or not, motivated by the functions carried out by the beneficiary.
Influence peddling	The offering, promise, solicitation, acceptance or transfer, directly or indirectly, of any payment or any other improper retribution, designed to repay the abuse of influence, actual or alleged, of the beneficiary with a public entity.
Embezzlement	The appropriation or illegitimate use of any good that has been delivered, whether in possession of, or accessible by virtue of the functions carried out.
Economic participation in business	Damage to patrimonial interests, in the context of legal business, that the damaging party had, by virtue of his functions, the duty to administer, oversee, defend, or carry out, with the intention of obtaining illicit economic participation, as well as the receipt of goods for purposes relative to patrimonial interests, that the damaging party had, by virtue of his functions, the-duty to administer, oversee, defend, or carry out.
Extortion	The receipt of goods through misleading or taking advantage of the error of the victim, as well as the receipt of goods delivered by virtue of the use of violence or threat of serious harm.

Abuse of power	The abuse of power or violation of the duties inherent to the functions, with the intention of obtaining illegitimate benefit or causing harm to others, that does not fit within the framework of another practice.
Bribery	Convincing another person, through a gift or the promise of a patrimonial or non-patrimonial advantage, to give false testimony, statement, evidence, report, interpretation or translation.
Violation of secrecy	The disclosure or use of a third-party secret, the knowledge of which arises from the exercise of functions.
Facilitation payments	Payment or any other retribution promised or given to a public officer, in order to ensure the performance or speed up a procedure that this public officer had the legal duty to perform.
Public officer	<ul style="list-style-type: none"> a) Employees; b) Holders of high public office; c) Holders of political office.
Employees	<ul style="list-style-type: none"> a) Civil servants; b) Administrative agents; c) Arbitrators; d) Jurors; e) Specialists; f) Any person who has been 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; g) Managers, holders of supervisory bodies and workers for companies that are public, nationalised, of public capital or with majority participation of public capital and also

	companies that are concessionaires of public services.
Holder of high public office	<ul style="list-style-type: none"> a) Public administrators; b) Members of management bodies of State owned companies, when appointed by the State; c) Members of executive boards of companies that are part of the local business sector; d) Members of the governing bodies of public institutions; e) Members of independent public entities provided by the Constitution or by law; f) Top level management officers and similar
Holder of political office	<ul style="list-style-type: none"> a) The President of the Republic; b) The President of the Assembly of the Republic; c) Deputy to the Assembly of the Republic; d) Member of Government; e) Deputies of the European Parliament; f) The Representative of the Republic in the autonomous regions; g) Members of the governing body of the autonomous region; h) Members of the representative body of the local government.
Intermediary	Person acting on behalf of and under the full and unconditional responsibility of NB, under a non-employment relationship.

4.**Powers of the Compliance Department**

1. Notwithstanding the competences proper to the General and Supervisory Board of NB 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 propose 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 are not merely residual.

5.**Prohibited Payments**

1. NB employees are prohibited from promising or offering, directly or indirectly, any type of payment or other type of retribution, monetary or not, to public officers or employees of other entities, that is not owed to them. Such practice may constitute a crime punishable under the terms of the Penal Code.
2. Employees of NB are prohibited from requesting or receiving, directly or indirectly, any type of payment or retribution, monetary or not, from customers, public officers or employees of other private entities, that is not owed to them.
3. Included in the previous prohibitions are facilitation payments.
4. Excluded from the above-referenced prohibitions are non-monetary offers, according to usage and social customs, that do not exceed two hundred euros per person (€ 200.00). Any gifts given or received by a NB employee not falling under this exception must be communicated promptly and in writing to the Compliance Department and recorded by the latter.
5. Gifts of greater value 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. However, all such gifts shall also be reported to the Compliance Officer, delivered to the Compliance Department and become NB's property.

6.**Consortiums and Joint Ventures**

1. Whenever NB enters into a contract for consortium, joint venture or any other type of intercompany cooperation, it shall perform *due diligence* to determine the degree of risk of corruption or bribery of the other party.
2. Whenever the degree of risk of corruption or bribery is not merely residual, NB shall require the other party to implement measures to mitigate this risk, namely to provide training on the prevention of corruption and bribery to its employees.

7.**Accounting Obligations**

1. Employees of NB are prohibited from creating and maintaining alternative accounting systems.
2. The employees of NB shall record accurately and reliably all transactions, assets, expenses, as well as any other data with accounting significance, under the terms provided for this purpose.

8.**Training**

1. The Employees do NB 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. 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.

3. The Employees of NB shall receive refresher training regarding preventing corruption and bribery whenever circumstances so require, namely when there are significant legislative changes.

9.

Disciplinary Responsibility

1. Violating this Policy represents a violation of the duties of the worker, 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 NB of facts that may constitute an illicit criminal or administrative offence.

10.

Communication of Irregularities and Whistleblowing

1. Employees of NB 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 NB ⁽¹⁾ and benefit from the same warranties provided therein.

11.

Monitoring and Report

1. Monitoring of this Policy is ensured by the Compliance Department, which shall take the steps deemed necessary, including sharing with competent legal authorities, considering the risk of each situation and the respective mitigation measures implemented.
2. The Compliance Department shall perform a periodic risk analysis every two years, or whenever circumstances so require, 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 NB.
3. 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

(1) Available at: <https://www.novobanco.pt/site/cms.aspx?srv=207&stp=1&id=880979&fext=.pdf>

Department deems convenient, namely the General and Supervisory Board, the Executive Board of Directors, the Compliance Committees or others.

12.

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 ⁽²⁾;
- b) **Law of Crimes that are the Responsibility of Holders of Political Office**, approved by Law No. 34/87, of 16 July ⁽³⁾;
- c) **Penal Regime of Corruption in International Commerce and in the Private Sector**, approved by Law No. 20/2008, of 21 April ⁽⁴⁾;
- d) **Convention of the United Nations against Corruption**, ratified by Portugal on 28 September 2007 ⁽⁵⁾;
- e) **Convention on the Fight against Corruption of Foreign Public Agents in International Commercial Transactions of the Organization for Economic Cooperation and Development**, ratified by Portugal on 23 November 2000 ⁽⁶⁾;
- f) **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 ⁽⁷⁾;
- g) **Framework Decision 2003/568/JAI of the Council**, of 22 July 2003 ⁽⁸⁾;
- h) **Criminal Law Convention on Corruption of the Council of Europe**, ratified by Portugal on 07 May 2002 ⁽⁹⁾;

⁽²⁾ 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

⁽³⁾ 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

⁽⁴⁾ Consolidated version available at: https://dre.pt/web/guest/legislacao-consolidada/-/lc/67038180/201908291250/diploma?did=34457975&LegislacaoConsolidada_WAR_drefrontofficeportlet_rp=indice&q=lei+20%2F2008 a

⁽⁵⁾ Available in Portuguese at: <https://dre.pt/application/conteudo/642261>

⁽⁶⁾ Available in Portuguese at: <https://dre.pt/application/conteudo/506040>

⁽⁷⁾ Available in Portuguese at: <https://dre.pt/application/conteudo/604406>

⁽⁸⁾ Available in Portuguese at: <https://eur-lex.europa.eu/legal-content/PT/TXT/PDF/?uri=CELEX:32003F0568&qid=1567086784719&from=PT>

⁽⁹⁾ Available in Portuguese at: <https://dre.pt/application/conteudo/583376>

- i) **Additional Protocol to the Criminal Law Convention on Corruption of the Council of Europe**, ratified by Portugal on 12 March 2015 ⁽¹⁰⁾;
- j) **Recommendation of the Counsel for the Prevention of Corruption on Plans for Preventing the risks of Corruption and Related Infractions**, of 01 July 2015 ⁽¹¹⁾.
- k) **Action Programme Against Corruption of the Committee of Ministers of the Council of Europe**, of 21 November 1996 ⁽¹²⁾;
- l) **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 ⁽¹³⁾;
- m) **Evaluation Report regarding the Prevention of Corruption in Portugal by the Group of States Against Corruption**, of 04 December 2015 ⁽¹⁴⁾;
- n) **Summary of the Guidelines for Integrity Compliance of the World Bank Group** ⁽¹⁵⁾;
- o) **Guidelines for the Anti-Bribery and Corruption Compliance Programme of the Wolfsberg Group** ⁽¹⁶⁾.

13.

Revision

This Policy shall be reviewed at least every 2 years or whenever circumstance so require, specifically, when three have been significant legislative changes.

⁽¹⁰⁾ Available in Portuguese at: <https://dre.pt/application/conteudo/66012660>

⁽¹¹⁾ Available at: http://www.cpc.tcontas.pt/documentos/recomendacoes/recomendacao_cpc_20150701_2.pdf

⁽¹²⁾ Available in English at: <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806ccfb6>

⁽¹³⁾ Available in English at: <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806cc17c>

⁽¹⁴⁾ Available in English at: <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016806c7c10>

⁽¹⁵⁾ Available in English at: <https://www.worldbank.org/content/dam/documents/sanctions/other-documents/sanctions-board/Summary%20of%20Integrity%20Compliance%20Guidelines.pdf>

⁽¹⁶⁾ Available in English at: <https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/3.%20Wolfsberg-Group-ABC-Guidance-June-2017.pdf>