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**PLAN FOR THE PREVENTION OF RISKS OF CORRUPTION AND  
RELATED OFFENCES  
(2023-2025)**

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## CONCEPTS

<b>Benefit</b>	<p>"Benefit" means any advantage or promise of an advantage, including but not limited to:</p> <ul style="list-style-type: none"> <li>a. gifts (including any present, gratuity, benefit, discount, service, promotional items, loans, gift cards, award or other tangible or intangible property with monetary value, for which the recipient does not pay fair market value);</li> <li>b. meals;</li> <li>c. opportunities for travel, transport and accommodations;</li> <li>d. employment (including offers or promises of employment);</li> <li>e. entertainment (including recreational activities and tickets);</li> <li>f. personal or business favours; or</li> <li>g. donations.</li> </ul>
<b>Code of Conduct</b>	<p>Pursuant to article 7 of Decree-Law 109-E/2021 of 9 December, the Code of Conduct establishes a set of principles, values and procedural rules for all managers and employees in matters involving professional ethics. The novobanco Code of Conduct disseminates the principles by which novobanco's managers and employees should be guided in their activities, in order to promote an ethical conduct in line with novobanco's principles, to promote respect and compliance with all applicable legislation and regulations, and a transparent regime of relations with the outside world.</p>
<b>Corruption</b>	<p>"Corruption" shall mean the crimes of corruption provided for in the Criminal Code, as amended, in Law No. 34/87 of 16 July, as amended, in the Code of Military Justice, approved as an annex to Law No. 100/2003 of 15 November, in Law No. 50/2007 of 31 August, as amended, and in Law No. 20/2008 of 21 April, as amended.</p>
<b>Corruption and Related Offences</b>	<p>"Corruption and related offences" are defined as the crimes of corruption, receiving and offering an undue advantage, embezzlement, economic participation in a business, extortion, abuse of power, prevarication, influence peddling, laundering or fraud in obtaining or diverting a subsidy, grant or credit, as provided for in the Penal Code, as amended, in Law No. 34/87 of 16 July, as amended, in the Code of Military Justice, approved as an annex to Law No.</p>

	100/2003 of 15 November, in Law No. 50/2007 of 31 August, as amended, in Law No. 20/2008 of 21 April, as amended, and in Decree-Law No. 28/84 of 20 January, as amended.
<b>Novobanco</b>	" <b>Novobanco</b> " refers to the credit institution Novo Banco, S.A., established on 6 August 2014, following the Resolution applied to Banco Espírito Santo by Banco de Portugal.
<b>Plan</b>	"Plan" refers to this Plan for the Prevention of Risks of Corruption and Related Offences.
<b>Regulatory Compliance Program</b>	Pursuant to article 5 of Decree Law no. 109-E/2021, applicable entities must adopt and implement a "Regulatory Compliance Program" including, at least, a plan for the prevention of risks of corruption and related offences, a code of conduct, a training program and a whistleblowing channel, in order to prevent, detect and sanction acts of corruption and related offences carried out against or through the entity.
<b>General Regime for the Prevention of Corruption</b>	"General Regime for the Prevention of Corruption" refers to Annex I, referred to in Article 1(b) of Decree-Law No. 109-E/2021 of 9 December.
<b>Regulatory Compliance Officer (RCO)</b>	"Regulatory Compliance Officer", or simply "RCO", means the person designated in this Plan, within the meaning and for the purposes of Article 5 (2) and (3) of the General Regime for the Prevention of Corruption.



## **ACRONYMS AND ABBREVIATIONS**

EBD - Executive Board of Directors

GSB - General and Supervisory Board

CMVM - Portuguese Securities Market Commission

DCOMPL- Compliance Department

PPR – Plan for the Prevention of Risks of Corruption and Related Offences

RGPC - General Regime for the Prevention of Corruption

## 1. PURPOSE

Pursuant to Council of Ministers Resolution no. 37/2021 of 6 April, the National Anti-Corruption Strategy 2020-2024 ("**ENAC**") was passed, reinforcing the need to establish and refine mechanisms for preventing corruptive phenomena. In order to achieve this goal, in December 2021, three laws were passed, bringing several innovations in terms of the prevention and repression of corruption. One of these laws is Decree-Law no. 109-E/2021 of 9 December ("**DL no. 109-E/2021**"), which creates the National Anti-Corruption Mechanism ("**MENAC**") and establishes the General Regime for the Prevention of Corruption ("**RGPC**"), which entered into force on 7 June 2022.

The RGPC has established new obligations in terms of compliance, which include the adoption and implementation of a compliance program, which must include a plan for the prevention of risks of corruption and related offences ("**PPR**"). To meet this obligation, and in harmony with the values and principles by which **novobanco ("NB")** conducts its business, **NB** has implemented this Plan for the Prevention of Risks of Corruption and Related Offences ("**Plan**").

The **Plan** provides a brief overview of **NB**, describing (i) the mission and values that guide its business, (ii) the organization of **NB**, including its governance model and organizational structure, and (iii) the internal control and risk management system implemented at **NB**. The scope of application of the **Plan** is also defined, as well as the different responsibilities and competencies regarding its implementation and execution.

The **Plan** also includes an explanation of the methodology used to identify the areas of activity exposed to risks of corruption and related offences and the specific risks themselves. The risks applicable to **NB** are then identified and graded based on their **likelihood of occurrence** identifying the **seriousness of their impact**, and the **preventive and remedial measures** implemented or to be implemented to deal with each of these risks.

Finally, the way the **Plan** will be managed is established, including how it will be monitored and controlled, its revision and updating, as well as its dissemination.

The Plan applies during the three-year period 2023-2025, and takes effect on **3 May 2023**, the date of its approval by the EBD.



## 2. OVERVIEW OF NOVO BANCO, S.A.

**NB** is a credit institution incorporated as a public limited company on 6 August 2014, following the Resolution applied to Banco Espírito Santo by Banco de Portugal.

Since its creation, **NB** has shown resilience in overcoming the enormous challenges resulting from its status as a transition bank and the commitments imposed by the European Commission to complete the sale in October 2017 of 75% of the Resolution Fund's stake to Lone Star, through Nani Holdings, SGPS, S.A., which it successfully fulfilled.

**NB** is a universal Portuguese bank that offers the whole spectrum of financial products to individuals, companies and institutional customers, covering the entire national territory and with a strong focus on service and support in the Portuguese business sector. **NB**'s business model is based on two segments of commercial banking: corporate and retail. In both segments, **NB** seeks to anticipate and meet the needs of its customers, offering innovative, effective and transparent banking products and services, based on high standards of ethics and integrity, and on mechanisms for assessing the quality of customer satisfaction.

## 3. MISSION AND VALUES

**NB**'s mission is to fully meet the needs and expectations of its customers and to support Portuguese economic growth, by exploring innovative and sustainable partnerships and solutions and contributing to the ecosystem in a productive and socially responsible manner. It is known as a team that combines efforts and capabilities to deliver the best on each project and to each customer. Always looking to the future, it leverages its experience to embrace new challenges with confidence, transparency and sustainability.

**NB**'s actions are based on five values that define its way of being:

- Collaboration: **NB** collaborates with all stakeholders in order to achieve the best results for customers and for society;
- Dynamism: **NB** continuously transforms and reinvents itself to remain relevant;
- Diversity: **NB** reflects the needs of customers and employees in solutions and plans across all generations;

- Transparency: **NB** upholds authentic, open exchanges of information between all stakeholders; and
- Empathy: **NB** incorporates the voice of customers and society into the way it does business.

## 4. ORGANIZATION

**NB** 's share capital is held by three entities: Lone Star (through Nani Holdings, S.G.P.S, S.A.), the Resolution Fund and the Directorate-General of Treasury and Finance.

**NB's** management is based on a unique governance model that is distinct from the large banks of the national financial system. In line with international best management practices, and arising from its new shareholder structure, on 18 October 2017 **NB** established a General and Supervisory Board ("**GSB**") and an Executive Board of Directors ("**EBD**").

The **GSB** is responsible for supervising, advising and overseeing the management of **NB** and Group companies, as well as the **EBD**, with regard to compliance with the relevant regulatory requirements of the banking business. It meets on a monthly basis, with the Chairman of the **GSB** and the Chairman of the **EBD** maintaining regular communication and dialogue. The activities of the **GSB** are supported by committees, to which it delegates certain powers: the Financial Affairs Committee, the Risk Committee, the Compliance Committee, the Appointments Committee and the Remuneration Committee. These committees are chaired by independent **GSB** members, and their composition complies with legislation in force regarding the majority of independent members (when applicable).

The responsibility and powers of the **GSB** are described by law, in the articles of association and in its internal regulations, including the supervision of all matters related to risk management, compliance and internal auditing, as well as the provision of prior consent on various matters relevant to **NB**.

The **EBD** is responsible for managing **NB**, setting general policies and strategic goals, as well as ensuring that business is conducted in compliance with banking standards and best practices.

The governance model ensures that **NB's** business is monitored with a view to achieving its strategic goals.

The corporate and statutory bodies of **NB** are the General Meeting, the **GSB**, the **EBD**, the Monitoring Committee, the Statutory Auditor and the Company Secretary.



## 5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Internal control is an integral part of the organization's functioning, and combines strategies, policies, processes, systems and procedures aimed at guaranteeing the institution's sustainability in the medium and long term and the prudent exercise of its business.

An efficient and effective internal control system is essential for the organization to ensure:

- The achievement of strategic planning goals, based on efficient operations, the streamlined use of the institution's resources and the safeguarding of its assets;
- The appropriate identification, evaluation, monitoring and control of the risks to which the institution is or may be exposed;
- The existence of complete, relevant, reliable and timely financial and non-financial information;
- The adoption of sound accounting procedures;
- Compliance with legislation, regulations and guidelines applicable to the institution's business, as issued by the competent authorities, and compliance with the internal regulations of the institution itself, as well as with professional and ethical standards and customs and rules of conduct and customer relations.

Internal Control is a responsibility of all members of the management and supervisory bodies and employees of **NB**, who carry out their duties in accordance with internal policies and standards of ethics, integrity and professionalism and with the responsibilities assigned to the structural units, and all of its segments of activity, subcontracted activities and product distribution channels. Each employee has a role, with duties and responsibilities, which contribute towards ensuring the efficiency and effectiveness of Internal Control.

The **EBD** assumes ultimate overall responsibility for **NB** and defines, supervises and is responsible for implementing an appropriate Internal Control System, with a clear organizational structure and independent and efficient risk management, compliance and auditing functions.

In turn, the **GSB** is responsible, among other aspects detailed in the articles of association of **NB**, for ensuring that the **EBD** establishes and maintains adequate, independent and effective internal control, in accordance with the law, regulations and internal policies.



The Internal Control System of the novobanco Group (“**NB Group**”) applies consistently to all the Group's financial entities where there is management control, notwithstanding additional requirements demanded by host territories and the specific nature of the functions involved in the Internal Control System.

The implementation and monitoring of the Internal Control System, with regard to the risks specifically identified in this **Plan**, is entrusted to the **RCO** and **DCOMPL**, through the Interim Report and Annual Report, per the time schedule in Point 8.

## 6. PLAN FOR THE PREVENTION OF RISKS OF CORRUPTION AND RELATED OFFENCES

### 6.1. APPLICABLE SCOPE AND RECIPIENTS

The **Plan** is applicable to **NB** 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 **NB**.

The **Plan** applies to and is intended for all its Employees and Members of Governing Bodies, including its Administrative, Management, Operational and Support areas.

For this purpose, the **Plan** shall bind and oblige any person acting in the name or on behalf of **NB**, irrespective of their position or title of representation.

### 6.2. ASSOCIATED STANDARDS

The **Plan** is approved based on the principles and values set out in the Code of Conduct at **NB** and other regulations and instruments that make up the Regulatory Compliance Program.

**NB** implements permanent measures aimed at preventing and repressing the crime of corruption and related offences, reflected in various internal regulations, of which the following are noteworthy:

#### Policies

- Anti-Bribery and Anti-Corruption Policy;
- Subcontracting Risk Policy;
- Policy for the Execution and Management of Supplier Contracts;
- Conflict of Interest Policy;
- Prevention of Conflicts of Interest in the Contracting and Management of Suppliers;
- Whistleblowing Policy;

- Policy for Transactions with Related Parties;
- Non-Proprietary Channel Business Policy;
- Policy for Handling Complaints;
- General Risk Management Policies for Money Laundering and Terrorist Financing.

## General and Information Standards

- Conflicts of Interest/Transactions with Related Parties;
- Conflicts of Interest - Granting of Credit to Members of the Management and Supervisory Bodies;
- Conflicts of Interest - Credit to Shareholders with Qualifying Holdings;
- Conflicts of Interest/Granting of Credit to Connected Borrowers;
- Acquisition of Bank property by Employees - Conflicts of Interest;
- Activities outside the Bank - Conflicts of Interest;
- Reporting of Irregularities– Whistleblowing;
- New Current Account;
- Employee Accounts;
- Partnership Management;
- Consultation, Negotiation and Management of Suppliers.

## 6.3. REGULATORY COMPLIANCE OFFICER

Based on an integrated view of compliance risk, the EBD of **NB** appointed the *Head of Anti-Financial Crime* as the **RCO** for the prevention of risks of corruption and related offences, who is responsible for executing, controlling and reviewing the **Plan**.

The **RCO** is part of the structure of DCOMPL, and reports hierarchically and functionally to the *Head of Compliance* ("**HoC**").

Notwithstanding the specific powers and responsibilities of the **RCO**, all recipients of the **Plan** are obliged to promote the values that it reflects, and to take on a preventive stance with regard to acts that may constitute a crime of corruption and related offences.

The **GSB**, **EBD** and **HoC** provide the **RCO** with the necessary groundwork to execute, control and revise the **Plan** in order to guarantee proactive risk management and prevention.

## 7. IDENTIFICATION OF RISKS OF CORRUPTION AND RELATED OFFENCES

### 7.1. METHODOLOGY USED

In order to identify, assess and classify the specific risks of corruption and related offences to which **NB** may be exposed, interviews were conducted with various employees of **NB**, belonging to its various constituent areas and departments.

The identified risks were grouped by the following categories:

- I. Risks related to interactions with **suppliers and service providers**;
- II. Risks related to interactions with **public authorities**;
- III. Risks related to the **partnership area**;
- IV. Risks related to **employees**;
- V. Risks related to **credit granting and recovery**;
- VI. Risks related to **conflicts of interest**;
- VII. Risks related to **gifts and hospitality**.

In addition to including a brief description of each risk in the **Plan**, the type of risk (**legal**, **reputational** and/or **organizational**) is also described, indicating the area(s) of activity exposed to it and specifying the causes of the risk.

Once the risks to which each area of activity is subject have been identified, they are graded according to their likelihood of occurrence and degree of impact:

1. To grade the **likelihood of occurrence** of the event, the frequency with which the event could occur at **NB** and the vulnerability of **NB's** assets to risk were considered, taking into account their characteristics and the risk management measures already in place:

Grade	Description	Value
High	Daily or monthly occurrences. The risk may affect the asset in a significant manner, and there are no protective measures in place.	3
Medium	Annual occurrences. The risk may affect the asset moderately, and some protective measures are in place.	2
Low	Sporadic or more frequent occurrences with a low degree of vulnerability, insofar as the risk may affect the asset in a minimal manner, and appropriate protective measures are in place in relation to the event, or the degree of exposure is residual.	1

2. In grading the foreseeable degree of impact, the consequences of the risk on the continuity and competitiveness of **NB's** business were assessed:

Grade	Description	Value
High	The specific risk may have a high impact on the continuity and competitiveness of the business, and/or jeopardize the continuity of the business.	3
Medium	The specific risk may have a moderate impact on the continuity and competitiveness of the business.	2
Low	The specific may have no impact, or a residual impact, on the continuity and competitiveness of the business.	1

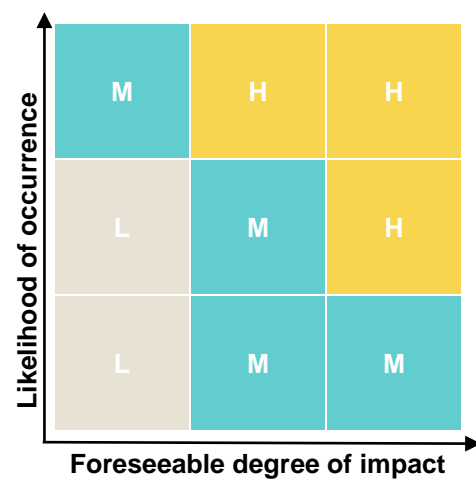
Based on the defined values of likelihood of occurrence and degree of impact, the final risk grading was calculated per the following formula:

$$\text{Risk} = \text{likelihood of occurrence} \times \text{degree of impact}$$

The following risk matrix was then built based on the final risk values, classifying each risk according to a scale of Low(**L**), Medium(**M**) or High (**H**):

Calculated Risk	Risk Class
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L	Low
M	Medium
H	High



## 7.2. CATALOGUE OF IDENTIFIED RISKS

Within the scope of this Plan, taking into account **NB's** operational and business reality, the **DCOMPL** identified the following potential risks related to the phenomenon of corruption and related offences, for internal control purposes:

Process	Description of risk	Type of risk	Area(s) of business	Likelihood of Occurrence	Foreseeable degree of impact	Final risk grading	Causes of the risk
Supplier Management NB_MP0356	Negotiation and determination of contractual conditions of supply or service provision for the purpose of own benefit, or for the benefit of third parties with a close relationship.	Legal	Purchasing	Low	Low	Low	Favouring suppliers/service providers to obtain own benefits or benefits for others. Personal/family ties.
Supplier Management NB_MP0356	Hiring a supplier or service provider who does not offer the most advantageous contractual proposal for <b>NB</b> .	Legal/Organizational	Purchasing	Low	Low	Low	One-off consultation with a supplier or service provider prior to awarding a supply or service contract. Hiring without the signing of a written contract. Improper association or preferential treatment of a given supplier or service provider.
Supplier Management NB_MP0356	Payments to suppliers or service providers without actual delivery, with the risk of invoice discrepancies in relation to the service contracted or provided and the amount actually due.	Legal/Organizational	Purchasing	Low	Low	Low	Absence of control mechanisms and universal rules on the applicable procedure for controlling supplies <i>a posteriori</i> .
Appraisals and Inspections NB_MP0009	Attempt to influence the result of a property valuation carried out by external appraisers for this purpose.	Legal	Credit	Low	Low	Low	Direct contact and personal or family ties with the appraisers or property valuation companies hired.



Process	Description of risk	Type of risk	Area(s) of business	Likelihood of Occurrence	Foreseeable degree of impact	Final risk grading	Causes of the risk
							<b>NB's</b> interest in the decisions to be made by appraisers.
Credit Recovery NB_MP0365	Undue payment of fees to outsourcers responsible for credit recovery.	Legal	Credit	Low	Low	Low	Manipulation of the file containing the information that generates fees. Lack of procedural automation, with a potential error or associated human factor.
Credit Recovery NB_MP0365	Debt forgiveness in return for benefits offered by customers to <b>NB</b> employees.	Legal	Credit	Low	Low	Low	Undue forgiveness of amounts owed by customers, within the scope of recovery processes. Personal and family ties between <b>NB</b> employees and customers.
Credit Recovery NB_MP0365	Payment of outstanding instalments by cheque, with an amount entered into the system that is higher than the amount of the cheque actually received.	Legal/Organizational	Credit	Low	Low	Low	Potential error or associated human factor.
Institutional Communication NB_MP0034	Attempt to influence contact with public entities, namely CMVM, BdP and the Resolution Fund.	Legal/Reputational	Communication	Low	Low	Low	Interest in influencing the decisions to be made by public authorities with regard to <b>NB</b> .
Commercial Promotions NB_MP0060	Favouring the hiring/choice of credit intermediaries.	Legal	Supply Management and Commercial Activity	Low	Low	Low	Selection of credit intermediaries with personal or family ties to <b>NB</b> and/or its employees.

Process	Description of risk	Type of risk	Area(s) of business	Likelihood of Occurrence	Foreseeable degree of impact	Final risk grading	Causes of the risk
Commercial Promotions NB_MP0060	High volume discount paid to credit intermediary partners.	Legal	Supply Management and Commercial Activity	Low	Low	Low	Volume discount determined on the basis of turnover, with the possibility of distorting turnover actually obtained. Potential error/associated human factor.
Commercial Promotions NB_MP0060	Personal relationship between credit intermediaries and <b>NB</b> employees, with undue favouritism.	Legal	Supply Management and Commercial Activity	Low	Low	Low	Motivations for establishing or maintaining good relationships with a particular credit intermediary. Personal and family ties between employees and <b>NB's</b> credit intermediaries.
Asset Management NB_MP0303	Reputational risk of counterparties.	Reputational	Management Control	Low	Low	Low	Absence of reinforced due diligence and screening mechanisms regarding the buyers of NPA credit portfolios, who may not be reputable investors in the market.
Conduct Regulation and of Conflict Interests NB_MP0262	Failure to detect conflicts of interest.	Reputational	Legal and Compliance	Low	High	Medium	Failure to request the identification of connections and interests of <b>NB</b> employees, namely because this depends on employee initiative. Taking advantage of loopholes in the specific rules by those with vested interests.

Process	Description of risk	Type of risk	Area(s) of business	Likelihood of Occurrence	Foreseeable degree of impact	Final risk grading	Causes of the risk
Conduct Regulation and of Conflict Interests NB_MP0262	Improper donation or sponsorship	Reputational	Legal and Compliance	Medium	Medium	Medium	Creation of inappropriate and large donations or sponsorships for third parties.
Conduct Regulation and of Conflict Interests NB_MP0262	Acceptance of benefit, gift or hospitality exceeding the range of socially appropriate conduct in accordance with custom and practice, such as travel, cash gratuities or large gifts or incentives.	Reputational/Legal	Legal and Compliance	Medium	Medium	Medium	Motivations inherent to establishing or maintaining good business relationships.
Conduct Regulation and of Conflict Interests NB_MP0262	Manipulation of the accounts held by employees themselves at <b>NB</b> .	Organizational /Legal	Legal and Compliance	Medium	Medium	Medium	Employees with access to accounts held by them at <b>NB</b> or by other employees who are close to them (e.g. from the same branch, their hierarchical inferiors or superiors).
Conduct Regulation and of Conflict Interests NB_MP0262	Performing duties/activities outside <b>NB</b> that are incompatible with duties performed at <b>NB</b> .	Organizational	Legal and Compliance	Low	Low	Low	Performance of improper external activity with potential conflict of interest.

## 7.3. PREVENTIVE MEASURES IN PLACE



**NB** adopts, within its internal control and governance system, preventive measures to mitigate the risks of corruption and related offences. To reduce the likelihood of their occurrence and impact, **NB** has implemented various regulations and policies to inhibit and discourage its employees and other stakeholders from engaging in corrupt practices and phenomena, in line with the values that have guided its business since it was founded.

In effect, the preventive measures in force are presented below, grouped by the categories referred to in point 7.1, detailed by sub-topics, and contextualized within the macro-processes in force:

### I. Suppliers and Service Providers

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Consultation, negotiation and awarding of contracts	Rules and procedures established in regulations and internal policies concerning the hiring of suppliers/service providers/credit intermediaries and conflicts of interest that describe the procedures to be observed and provide for monitoring and control mechanisms, with an inherent separation of duties in the process of consultation, negotiation and awarding of a certain supply or service.	Purchasing	Supplier Management NB_AN0050
Approval of expenditures	Current rules for the approval of expenditures always based on the need for double authorizations at different hierarchical levels, with the exceptional possibility of delegation of powers.	Purchasing	Supplier Management NB_AN0050
Market consultations	Whenever a supply or service must be procured, the market must be consulted within the scope of the contracts to be executed, where the contacts made and proposals received are recorded.	Purchasing	Supplier Management NB_AN0050
Execution of written contracts	Current procedure requiring all contracts with suppliers or service providers to be done in writing.	Purchasing	Supplier Management NB_AN0050
Subcontracting of credit recovery	Rules in force for the payment of fees to outsourcers responsible for the recovery of overdue retail credit.	Purchasing Credit	Supplier Management NB_AN0050 Credit Recovery NB_MP0365
Due diligence and screening of suppliers and service providers	Current rules and procedures for due diligence and screening applied to suppliers and service providers.	Purchasing	Supplier Management NB_AN0050

## II. Measures applicable to risks related to interactions with public authorities

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Written communication with public entities	Rules and procedures in force for relations with public entities, namely the CMVM, the Market and Rating Agencies. Whenever information is provided to any public entity, and whenever it is necessary for them to make decisions, it is mandatory that all relevant contacts for this purpose be done in writing.	Communication Investor Relations	Institutional Communication NB_MP0034 Investor Relations NB_MP0323

## III. Partnerships area

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Establishment of partnerships	Current rules and procedures established in regulations and internal policies.	Supply Management and Commercial Activity	Commercial Promotions NB_MP0060
Hiring and payment of credit intermediaries	A credit intermediary is not allowed to solicit contracts for the portfolio of an employee in the commercial area with whom he or she has personal or family ties.	Supply Management and Commercial Activity	Commercial Promotions NB_MP0060
Due diligence and screening of buyers of credit portfolios	Adoption of due diligence and screening procedures for purchasers of NPA credit portfolios, for the purpose of assessing investor reputation/suitability.	Management Control	Asset Management NB_MP0303

## IV. Risks associated with employees

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Account ownership by employees	Existence of rules that prohibit employees from holding accounts managed by the branch/area where they work.	Legal and Compliance	Conduct Regulation and Conflict of Interests NB_MP0262

Activities outside of <b>NB</b>	Employees are required to inform <b>NB</b> of all external professional activities carried out, so that any overlapping is approved by their hierarchy, the Coordinating Director, <b>DCOMPL</b> and the Human Capital Department. Current regulations defining the activities that employees may carry out outside <b>NB</b> .	Legal and Compliance	Conduct Regulation and Conflict of Interests NB_MP0262
Second and third levels of analysis of customer data	Current procedure whereby employee customer data, after being entered into the system by the employee of the commercial area, are subject to a second level of analysis by the Operational Resources Department and, depending on the AML risk, also by <b>DCOMPL</b> .	Customer and Account Management	Account Management NB_MP0369

## V. Credit granting and recovery

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Outsourced recovery processes	Internal control of outsourced recovery processes done over the course of recovery activities by a <b>NB</b> team, in accordance with Credit Recovery Policies.	Purchasing Credit	Credit Recovery NB_MP0365
Control and monitoring of values in system	Hierarchical control and monitoring is done for the payment of customer debt amounts entered into the system. If these payments are made by cheque, a copy of the cheque must be included in the system.	Credit	Credit Recovery NB_MP0365
Impartiality in evaluating customer ratings	It is expressly forbidden for customers' ratings to be assessed by employees with whom they have a close relationship of any kind (family, personal or professional).	Credit	Credit Risk NB_MP0171
Duty of justification and hierarchical supervision	The qualitative assessment component of customer ratings is subject to rigorous justification and hierarchical supervision of the rating given ( <i>four eyes principle</i> ).	Credit	Credit Risk NB_MP0171

## VI. Conflicts of Interest

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Declaration on potential conflicts of interest	<b>NB</b> employees are required to declare any family, personal or professional ties which may give rise to actual or potential conflicts of interest over the course of their professional activities. This declaration is kept by <b>DCOMPL</b> .	Legal and Compliance	Conduct Regulation and Conflict of Interests NB_MP0262
Periodic revision of conflict of interest mechanisms	Internal rules and procedures regarding conflicts of interest are revised annually by <b>DCOMPL</b> , in order to adapt them to the challenges associated with the banking and financial business.	Legal and Compliance	Conduct Regulation and Conflict of Interests NB_MP0262

Sanctions for failure to comply with procedures and the duty to disclose conflicts of interest	Disciplinary consequences are provided for in the Conflicts of Interest Policy in the event of omission or non-compliance with the preventive procedures in force.	Legal and Compliance	Conduct Regulation and Conflict of Interests NB_MP0262
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## VII. Gifts and hospitality

Sub-topic	Description of Preventive Measure	Area(s) of business	Macro-process
Rules and analysis of gifts and hospitality received by employees	Current rules on the conditions for the acceptance, recording or rejection of gifts and hospitality, as stated in the Anti-Bribery and Anti-Corruption Policy and the Conflict of Interest Policy. Each gift or hospitality may not exceed the annual amount of €200.00 (two hundred euros) per person or entity offering it, and always to the extent that the gift is socially appropriate as an act of reasonable courtesy, and is given in good faith. Each gift or hospitality is reported to <b>DCOMPL</b> for the purposes of analysis and internal control.	Legal and Compliance	Conduct Regulation and Conflict of Interests NB_MP0262

## 7.4. MEASURES TO BE IMPLEMENTED

With a view to ensuring that the **NB's** internal control and governance system for the prevention of corruption is up-to-date, solid and consistent, the following remedial measures are proposed for implementation during the three-year period of 2023-2025, in addition to those already in force, as mentioned in point 4.2. above:

Macro-process	Description of measure(s) to be implemented
Conduct Regulation and Conflict of Interests NB_MP0262	To teach annual training sessions, with contents pre-validated by <b>DCOMPL</b> and <b>RCO</b> , on the corruptive phenomenon, under the terms of point 4.8. of the Anti-Bribery and Anti-Corruption Policy.
Conduct Regulation and Conflict of Interests NB_MP0262	Internally distribute quarterly universal awareness messages on the phenomenon of corruption, bribery and related offences, to be prepared and disseminated by <b>DCOMPL</b> on the Intranet, per a schedule approved by the <b>RCO</b> and the Director in charge of the area.
Conduct Regulation and Conflict of Interests NB_MP0262	Review and update, on a combined basis, the rules of the Code of Conduct, the Anti-Bribery and Anti-Corruption Policy, the Conflicts of Interest Policy, the Whistleblowing Policy and the Policy for Transactions with Related Parties, as well as the other associated internal regulations and documents.
Conduct Regulation and Conflict of Interests NB_MP0262	Create specific rules, namely an acceptable ceiling for donations to third parties, to be approved annually by the <b>EBD</b> .
Conduct Regulation and Conflict of Interests NB_MP0262	Reformulate the current channel for communicating donations received or to be received by employees and proposals for donations to third parties, for the purpose of the issuing of a prior opinion by <b>DCOMPL</b> .

The implementation status of the above measures will be monitored and reflected in the Interim Evaluation Reports and Annual Evaluation Report referred to below.



## 8. MONITORING AND CONTROL

To properly monitor the Plan, DCOMPL prepares two reports:

- An **Interim Evaluation Report** for situations identified as **high risk**, to be prepared by the end of October each year; and
- An **Annual Evaluation Report**, quantifying the implementation status of the preventive and remedial measures identified, as well as the forecast for their full implementation, to be prepared by the end of April each year.

Both reports are reported to the **EBD** and made available on the Intranet for access, awareness and effective knowledge by all **NB** employees.

## 9. REVIEW AND UPDATE

**DCOMPL** reviews the **Plan** every 3 years and submits it to the **EBD** for approval, and may make adjustments to it whenever it finds relevant changes to the risks, responsibilities or the organic or corporate structure of **NB**, or whenever so justified.

## 10. DISCLOSURE

The Plan is public and accessible to all **NB** stakeholders, and is available for consultation at:

<https://www.novobanco.pt/institucional/o-novobanco/lideranca/compliance>

**DCOMPL** will publish the **Plan** within 10 days of its approval by the **EBD**.