Plan for the Prevention of Risks of Corruption and Related Offences

July 2022

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English version of the Portuguese original. In the event of any discrepancy, Portuguese version must prevail.

1. Background

The General Regime for Prevention of Corruption (GRPC), approved by Decree-Law No. 109-E/2021, of December 9, provides for the adoption and implementation of a Plan for Prevention of Risks of Corruption and Related Offences (PPRCRO)

The PPR establishes the various control mechanisms aimed at preventing, deterring, detecting and investigating any suspicion of corruption or related Offences.

The PPR must be considered within the context of the remaining rules or policies in force at NOS, in particular NOS' Code of Conduct Prevention of Corruption and Related Offences.

1.1. Scope

The PPRCRO is applicable to the NOS Group[1] (see NOS's website), covering the entirety of its organization and activities. The Code applies to all members of the governing bodies and all of the Group's employees (Employees), as well as all persons acting on behalf of NOS (Partners) and all persons or entities that provide services to NOS, whether on a long-term or temporary basis (Suppliers).

1.2. Objectives

NOS' purposes for this plan are:

1. Recognize potential Risks of Corruption and Related Offences (RCRO) and its causes;
2. Set out preventive and corrective measures for reducing the likelihood and impact of RCRO;
3. Establish mechanisms for monitoring and evaluating the effectiveness of the execution of the Plan;
4. Create an environment that deters corruption practices and related offences.

[1] Companies under a controlling or group relationship with NOS, SGPS, SA, under the terms of article 21 of the Securities Code or any other that replaces it.

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1.3. Disclosure

The PPRCRO is released[2] in its most current version:

1. On NOS' Intranet (under Company / Ethics);
2. On the Internet at NOS' official website under Investors / Corporate Governance / Corporate Policies).

[2] The PPRCRO and the "Code of Conduct Prevention of Corruption and Related Offences" are available in the same locations.

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2. NOS Group Context

The assessment of the risks of corruption and related offences is based on NOS' context, its activity and product and services portfolio, its shareholder structure, financing model, governance model and values.

2.1. Activity and portfolio

NOS is the largest communications and entertainment group in Portugal. The businesses operated by NOS Group companies comprise cable and satellite television services, voice and Internet access services, the editing and sale of videograms, advertising on pay-tv channels, operation of movie theatres, movie distribution, production of pay-tv channels, provision of consultancy services in the area of information systems and other more recent businesses such as security systems and insurance distribution.

To gain **more detailed knowledge regarding NOS' activity, please see the** website as well as the Integrated Annual Report, also available at the website.

2.2. Shareholder structure and financing

NOS' shareholder structure has remained stable and committed to creating value for the various *stakeholders*, as published in NOS' website.

The description of NOS funding can also be consulted at NOS' website, namely the types of instruments and funding sources used.

2.3. Governance Model

NOS possesses, among others, the Governing Bodies and Internal Committees, listed below, so as to provide for the various areas of Administration, Supervision and Inspection, contributing, according to their specific capacities, to a more robust risk management and internal control environment.

1. Shareholder's General Meeting
2. Board of Directors (Administration and Supervision) [Regulation]
3. Executive Committee (Administration and Supervision) [Competence Delegation]
4. Audit and Finance Committee (Administration and Supervision) [Regulation]
5. Corporate Governance and Sustainability Committee (Adm. and Supervision) [Regulation]
6. Ethics Committee (Administration and Supervision) [Regulation]
7. Appointments and Assessments Committee (Administration and Supervision) [Regulation]
8. Statutory Audit Board (Inspection) [Regulation]
9. Statutory Auditor (Inspection) [Regulation]

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10. Statutory External Auditor (Inspection)

Figure 1 – Governance model with division of powers between NOS' various governing bodies and internal committees

2.4. NOS Values and Commitments

Values

NOS' values are an expression of its essence and reflect the way in which it intends to conduct its activities, in a bold, inspiring and responsible way towards the *stakeholders*, the planet and society.

Among NOS' values, the one described as "We assume responsibly" stands out as exceptionally relevant for this PPRCRO, meaning that at NOS "we do what must be done, with integrity" and that "we know how to assume individual and collective responsibility for choices and decisions".

Commitments

NOS rejects all practices, active or passive, related to corruption and bribery, as well as all forms of undue influence or illegal conduct, it therefore imposes strict compliance with these principles in its internal and external relations, both with public and private entities.

All behaviours that may constitute a crime of corruption or related offences are expressly prohibited. In particular, all Employees are forbidden, within their professional and institutional scopes, to promise, offer, demand, or imply that they want to receive any kind of undue benefits, to any public or private sectors representatives.

The acceptance and offer of any benefits must always be transparent, ethical, coherent and in strict compliance with the rules.

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The guidelines set out in the Code of Conduct Prevention of Corruption and Related Offences, allow making offers or installing products/services that NOS may provide to public, private or third-sector organizations, within the scope of a previously approved commercial policy or within the scope of the company's social responsibility or its promotional activities.

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3. Internal Control and Risk Management System

In line with the principles set out in the Code of Ethics and the Code of Conduct Prevention of Corruption and Related Offences, NOS has mechanisms for detecting and preventing irregularities, including the NOS Internal Control system (the Internal Control Manual in particular) and the Risk Management processes (in particular, Risk Assessments).

NOS' Internal Control system and Risk Management processes are underpinned by consistent and systematic methodologies, based on international reference standards, such as the Enterprise Risk Management - Integrated Framework, issued by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

Based on the principle that the Business Strategy is implemented through Business Processes which may entail Risks, NOS' internal control and risk management system follows the "3 Lines of Defence" Model, which is structured as follows:

- 1st line: This line comprises the various areas/functions directly in charge of the Processes (process owners), which operate the chosen Business Strategy and manage the Risks, ensuring compliance with internal and external requirements. The Internal Control Manual stands out as the main instrument, with its corresponding internal controls and evidences, and whose maintenance is to be performed by the *process owners* and the internal control contacts of the different areas;

- 2nd line: This line includes Compliance areas/functions (e.g.: Risk Management, Internal Control, Legal, Regulatory, etc.). Risk Assessments, Internal Control Manual management, Policies and Procedures, Regulations such as legal/regulatory/internal requirements and Training stand out as main instruments;

- 3rd line: This line includes Internal audit areas/functions (e.g.: Compliance Audits, Assurance Audits, etc.). Audit Reports stand out as the main instruments, including associated tests and evidences produced.

This model is complemented by an external line of defence, ensured by:

- Statutory External Auditors (e.g., Legal Certification of Accounts, ISO Certifications, etc.);
- Regulators (e.g., sectoral, transversal).

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3.1. Internal Control System

Approach

It permits a continuous review of business processes, ensuring in a preventive, proactive and dynamic manner the maintenance of an acceptable level of risk and control. The Internal Control Manual systematizes and references the controls, simplifying their communication and promoting compliance with them by NOS' various stakeholders.

Method

1. Defining processes, business cycles and data structures;
2. Designing controls;
3. Implementing, communicating and guaranteeing control effectiveness;
4. Analysing and reporting control implementation status metrics;
5. Following the action plans and updating controls.

3.2. Risk Management Processes

Approach

It allows NOS businesses to identify critical risks that could compromise their performance and objectives, and take action to manage such risks. This approach provides for periodic monitoring of risks and implementation of specific corrective actions.

Method

1. Identifying and assessing risks that may impact the business;
2. Exploring risks and their causes;
3. Measuring risks using indicators;
4. Managing risks by adopting actions;
5. Monitoring risks (by monitoring action execution progress as well as changes in risk indicators).

Assessing a risk includes estimating its probability and foreseeable impact.

The assessment should focus on the inherent risk, that is, the risk perceived by each assessor without considering any actions yet to be implemented and that may affect the probability and/or impact (regardless of whether these have been planned or are in progress). However, in assessing inherent risk, the assessor should consider current knowledge regarding mitigation measures already in place.

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For the purposes of risk assessment, in the context of the PPRCRO, the following terminologies, criteria and scales have been adopted:

1. Probability
2. Impact
3. Risk (Probability x Impact)

Probability

The probability assessment should take into consideration a combination of 3 criteria:

- Occurrence (period of occurrence)
- Detection (detection capability)
- Vulnerabilities (ability to exploit vulnerabilities)

Impact

The probability assessment should take into consideration a combination of 3 criteria:

- Financial (costs, income, fines, ...)
- Reputation (image, brand, media, ...)
- Scope (magnitude, quantity, ...)

Risk

Risk assessment scales are described in the table below. The RCRO assessment stems from a combination of Probability and Impact, resulting in the following levels of risk criticality:

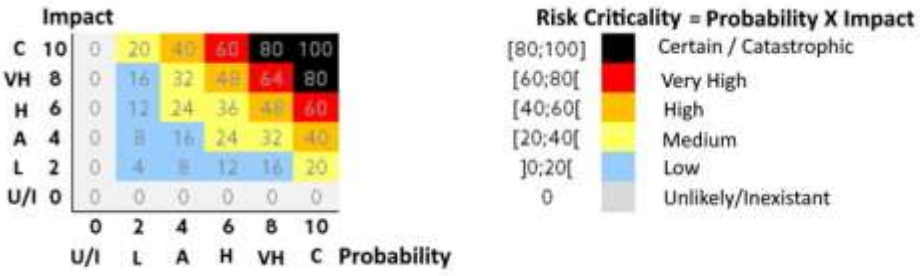

Figure 2 - Probability, Impact and Risk Scales

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4. Risks and Causes

This chapter aims to define the risks of corruption and related infringements, identify their potential causes, and the areas of activity where such risks are more likely to occur.

4.1. Definition of 'risks of corruption and related offences' in the context of NOS

As defined in the Code of Conduct Prevention of Corruption and Related Offences, in NOS' context, and for the purposes of the PPRCRO, Corruption and related offences are understood to mean the crimes of corruption, improper offer or acceptance of gain, influence peddling, laundering and fraud in obtaining or diverting a subsidy, grant or credit, under the terms, namely, of the provisions of article 3 of the GRPC.

The definition for each of these crimes, which constitute risks, is also included in the Annex I of the present PPRCRO.

4.2. Causes of risks related to corruption and related offences

The materialization of the risk of corruption and related offences implies the intervention of one or more of the following actors/*stakeholders*.

External Stakeholders:

1. Partners / Suppliers
2. Customers
3. Public and/or Governmental Entities

Internal stakeholders:

1. Shareholders
2. Employees (including all members of the governing bodies, managers, internal employees and partner employees acting on behalf of NOS, regardless of position/role)

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The materialization of the risk of corruption and related offences stems, therefore, from causes that induce this risk, in NOS' context the following potential causes are especially relevant:

Potential risk-inducing causes

1. Acceptance or offer of goods and services in exchange for advantages and/or special treatment in the course of internal decision processes.
    - This may occur in the course of a relationship with Partners/Suppliers, when hiring Persons, or even in relationships with Customers, by exploiting possible vulnerabilities in processes.

2. Illegitimate use/disclosure/sale or gain/purchase of privileged or confidential information for the benefit or detriment of specific interests.
    - This may occur in the course of a relationship between Employees and Partners/Suppliers/Candidates/Others, by exploiting possible security and privacy vulnerabilities.

3. Omission/tampering/alteration of information in order to condition decisions (own or other's) for the benefit or detriment of specific interests.
    - This may occur due to exploitation by Employees of possible security and privacy vulnerabilities.

4. Preparation/disclosure of incorrect and/or tampered financial information
    - This may occur due to exploitation by Employees of possible security and privacy vulnerabilities or possible vulnerabilities of financial processes.

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4.3. Activities more liable to the risk of corruption and related offences

The table below presents activities deemed as potentially more liable to RCRO, the result of a qualitative analysis, based on knowledge of the NOS businesses and respective processes:

Processes	Activities (exposed to Risks of Corruption and Related Offences)	NOS businesses
1. Supplier and Partner Management (Equipment, goods and services)	1. Procurement Planning 2. Preparation of Consultation 3. Consultation and Negotiation 4. Assignment 5. Contracting 6. Accreditation 7. Order 8. Partner Commissioning 9. Invoice Validation 10. Control 11. Supplier Assessment	Corporate[3] Telco Audio-visual Cinemas Publicity Mediation
2. Human resources Management	1. Resource Planning 2. Recruitment and Selection 3. Integration and Development 4. Employee Exit Management	Corporate[3] Cinemas
3. Customer Management	1. Survey of needs/proposal 2. Negotiation / renegotiation 3. Contracting 4. Execution / Implementation (technical and commercial) 5. Billing/collection (includes litigation) 6. After sales	Corporate[3] Telco Audio-visual Cinemas Publicity Mediation
4. Financial management	1. Accounting 2. Incentives (tax and financial) 3. Tax accounting 4. Revenue Assurance 5. Content Protection 6. Treasury 7. Financial Reporting 8. Sponsorships	Corporate[3] Telco
5. Assets and Property Management (Does not include financial assets)	1. Information and Communication Technologies (ICT) 2. Network equipment 3. Stocks 4. Fleet	Corporate[3] Telco Audio-visual Cinemas
6. Information Management (operational)	1. Customer/Business/Market Knowledge 2. Research & Development	Corporate[3] Telco

[3] Transversal to the several NOS businesses.

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	3. Security 4. Privacy	Audio-visual Cinemas Publicity Mediation
7. Strategy Management	1. Strategy definition and implementation 2. Indicator monitoring and control 3. Reporting (financial and non-financial - includes budget control)	Corporate[3] Telco Audio-visual Cinemas Publicity Mediation
8. Other Stakeholders Management	1. Transactions with Related Parties 2. Regulators 3. Government Authorities and other Public Entities	Corporate[3] Telco Audio-visual Cinemas Publicity Mediation

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5. Prevention Measures and Internal Controls

Reducing the probability of occurrence and the impact of the risks and situations identified above is achieved through the effective implementation of prevention measures and internal controls.

These measures can be of transversal application, usually when they are the responsibility of corporate areas and are addressed to Employees. These measures can also be of specific application, i.e., when they are directed to certain processes/areas.

5.1. Prevention Measures and Internal Controls of Transversal Application

Below is a summary of various preventive measures of transversal and general applicability in the context of NOS:

Code of Ethics

The NOS Code of Ethics reflects the set of principles and rules that govern the internal and external relations of NOS Group's companies with their stakeholders. The Code applies to all members of the governing bodies and all of the Group's employees, as well as all who act on behalf of NOS, represent NOS or provide services to the NOS Group, whether on a long-term or temporary basis.

Channels/Regulation on the Notification of Irregularities (Whistleblowing)

It establishes that any communication of detected Irregularities (whistleblowing) covered by the Regulation will be treated as confidential unless the source expressly and unequivocally requests otherwise. Under no circumstances will any reprisal or retaliation against anyone who provides the information be tolerated.

Code of Conduct Prevention of Corruption and Related Offences

Its objective is to establish a set of principles, values and rules of action, transversal to all NOS activities, to be read together with the other rules or policies in force at NOS, in particular the Code of Ethics and the Whistleblowing Regulation.

Risk Management Policy

Establishes the Risk Management principles and recommendations, and describes in detail the risk management methodology in force, continuous risk monitoring processes and corresponding responsibilities (areas involved in risk management, namely Risk Management and Internal Audit areas).

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Delegation of responsibilities

It explains how duties are to be delegated within the NOS Group, namely as pertains to Transversal Policies (communication, human resources, commercial, others) and Contracting and Procurement Policies. It also defines the levels of delegation with autonomy for contracting obligations and for approving third party documents (Invoices, Debit and Credit Notes from Suppliers, etc.), according to the amounts involved and areas of responsibility.

Regulation on Related-party Transactions

Establishes internal procedures applicable to Related-party Transactions. It covers any transfer of resources, services or obligations between, on the one hand, NOS, SGPS, SA or a subsidiary thereof and, on the other hand, any party related to NOS, as defined in international accounting standards (IAS 24 or other that supersedes it).

Procurement Manual

Establishes the principles and rules regarding the procurement of goods and services to be followed by the companies in the NOS Group. Defines the scope and categories of purchases. It also describes the main stages of the procurement process (planning, execution and control).

Sustainability Requirements for Suppliers and Partners

It lays out guidelines regarding NOS' positioning, commitment and performance as pertains to Sustainability which must be adopted by all of NOS suppliers and partners, including: compliance with all legal requirements in force that are applicable to its activity, as well as the adoption of the best sustainability practices, namely in the areas of human resources, safety and health at work, human rights, ethics, information security, privacy of personal data, business continuity and the environment. It is one of the instruments used for the purposes of prior risk assessment procedures vis a vis third parties that act on behalf of NOS, namely suppliers and partners.

Tax Policy

This policy aims to establish a set of clear principles, values and rules, striving for excellence and committing to the best tax practices, to help guide the Board of Directors' work and create value for all NOS' stakeholders, including its shareholders.

Internal Control Manual

Internal control is a part of every employee's daily routine. These procedures ensure that activity related information streams flow in a way that guarantees the efficiency and effectiveness of all operations and the integrity of disclosed results. Control procedures also play a fundamental role in ensuring compliance with laws and regulations applicable to NOS' activity, and in minimizing the occurrence of fraud events. The Manual of Internal Control aims to document all

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internal control procedures that exist throughout the company's various business and support processes. The documentation contained in the Manual of Internal Control allows for:

- Identifying risks inherent to each process;
- Identifying control objectives pertaining to each control procedure;
- Associating control procedures with the information systems used;
- Defining the evidence left by each of the control procedures.

Control Self-Assessment to the Manual of Internal Control

The Manual of Internal Control and, more specifically, each of the controls that comprise it, is periodically evaluated by the controlling areas regarding its effectiveness and characteristics (method, scope, frequency, responsibilities, ...), ensuring that it is permanently updated.

General Policy on Information Security

This General Policy establishes the principles of Information Security to be observed by NOS' employees and service providers. It also defines the different security levels and domains and their respective control objectives. This Policy is voluntarily based on the adaptation of recommended international standards, such as ISO 27001 and the Technical Guidelines for Security Measures of ENISA - European Union Agency for Cybersecurity (Network and Information Security).

Manual of Security Rules for Users

This document summarizes the main rules to be complied with by NOS' employees and service providers on topics such as: organization, security roles and responsibilities; security of human resources; security of systems and facilities; secure use of ICT resources; information management and classification; incident management; business continuity management; confidentiality of information and privacy of personal data.

Privacy Policies for Customers and Employees

The protection of privacy and personal data is a fundamental commitment of all the NOS Group companies towards their customers and the users of their products and services. In addition to specifying who is in charge of Data Processing and Data Protection, Privacy Policies seek to list and clarify the principles, concepts, methodology and rights involved in the processing of personal data and also to specify security organizational measures and techniques. Compliance with policies and standards involving information security and the protection of personal data is subject to scrutiny, auditing and controls, and it is complemented by an information and training program for NOS' employees and partners.

ISO Certifications on Information Security and Service Management

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NOS has Group companies certified in Information Security (according to the ISO/IEC 27001:2013 standard) and in Service Management (according to the ISO/IEC 20000:2018 standard).

Internal Audit

The Internal Audit Area is responsible for: i) assessing exposure to risk and verifying the effectiveness of risk management and the internal controls of business processes and information and telecommunications systems; ii) propose measures to improve internal controls, aiming at a more effective management of business and technological risks; iii) monitor the evolution of risk exposure associated with the main findings and non-conformities identified in the audits and; iv) report to the Statutory Audit Board with regard to these matters.

The Internal Audit Area provides administrative support to NOS' Ethics Committee, the committee responsible for supervising and upholding NOS' Code of Ethics, for monitoring its application and ensuring its observance by all members of the Company's governing bodies as well as all its employees. It is also responsible for receiving, sorting, distributing and analysing complaints received through the channels assigned for notification of irregularities (whistleblowing) on behalf of NOS' Ethics Committee and Statutory Audit Board.

External Audit (Statutory External Auditor)

In accordance with the rules defined by the Audit and Finance Committee of the NOS Group, the Statutory External Auditors must assess the Internal Control System, namely to verify the effectiveness and operation of the internal control mechanisms and report any issues identified (annual report) as well as to validate the assessment made by the Internal Auditor.

As part of its public interest functions, it is also responsible for verifying the Company's accounts, issuing the legal certification of said accounts and producing an audit report.

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5.2. Prevention Measures and Internal Controls with specific application

The measures with specific applicability, aimed at certain processes/departments, are, for example:

- Procedure Manuals (e.g.: Procurement Manual, Development Model and Performance Manual; Manuals of Business Procedures);
- Regulation on Related Party Transactions (List of Related Parties);
- Functional controls of processes;
- General controls of computer systems and application controls;
- Contracts (with the different stakeholders);
- Segregation of duties;
- Process for recruiting and termination of employment;
- Process for supplier/partner evaluation;
- Compliance monitoring;
- Transversal training and awareness programs/actions aimed at employees on: i) Ethical principles (including policies and procedures to prevent corruption and related offences); ii) Privacy and Security.

5.3. Risk assessment

The initial assessment of Risks of Corruption and Related Offences (first assessment carried out upon entry into force of the General Regime for the Prevention of Corruption, GRPC), based on the knowledge about the NOS businesses and the potential causes of risk described above.

The Matrix of Risks VS Measures, available on Annex II of the present Plan for Prevention of Risks (PPR), contains the following information:

- Processes
- Activities (exposed to Risks of Corruption and Related Offences – RCRO)
- Risk | Cause Level I
- Probability (P) [4]
- Impact (I) [4]
- Risk (R) [4]
- Prevention Measures and Internal Controls

4 Probability, Impact and Risk Scales used in the matrix:
U - Unlikely/Non-existent; L - Low; M - Medium; H - High; VH - Very high; C - Certain/Catastrophic.

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Based on the Matrix of Risks VS Measures (Annex II), the following results stand out:

- Twenty-five causes of risk were assessed, covering 8 macro-processes and 43 types of activities exposed to the Risks of Corruption and Related Offences.
- Overall, the level of exposure to Risks of Corruption and Related Offences varies between Low and Medium; no situations of higher risk were identified.

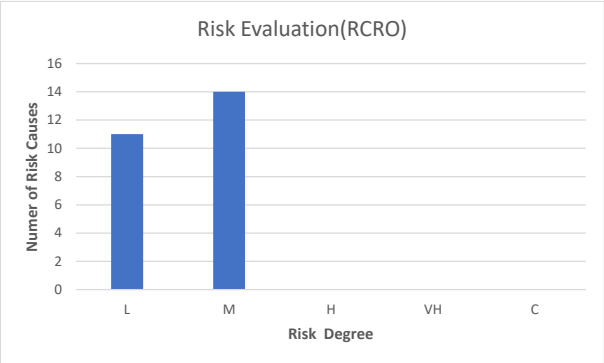

Figure 3 - Summary of the Risks of Corruption and Related Offences (RCRO) Assessment by risk degree

- Considering all the processes and activities assessed, those with the most significant levels of risk (although still within the 'Medium' level) are associated with the processes of Management of Partners and Suppliers (equipment, goods and services) and Customer Management (Large Companies and Public Administration segments).

Processes	Businesses	Activities (exposed to Risks of Corruption and Related Offences)	Risk | Cause Level I
1. Partners and Suppliers Management (Equipment, goods and services)	Corporate Telco Audio-visual Cinemas Publicity Mediation	1. Procurement Planning 2. Preparation of Consultation 3. Consultation and Negotiation 4. Assignment 5. Contracting 6. Accreditation 7. Order 8. Partner Commissioning 9. Invoice Validation 10. Control 11. Supplier Assessment	1. Acceptance or offer of goods and services in exchange for the granting of advantages and/or benefits during the development of internal decision processes.
3. Customer Management [Corporate Segment (Large	Corporate Telco Audio-visual	1. Assessment of needs / proposal 2. Negotiation / Renegotiation	1. Acceptance or offer of goods and services in exchange for the granting of advantages

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Companies and Public Administration)]	Cinemas Publicity Mediation	3. Contracting 4. Execution / Implementation (technical and commercial) 5. Billing / Collection 6. After-sales	and/or benefits during the development of internal decision processes.
			2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests.
			3. Omission/manipulation/ alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests.

- Taking into account **the 'Medium' level of risk and considering the prevention measures** and internal controls in force (see Annex II), the need to establish additional risk mitigation measures was not identified.

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6. Follow-up and Assessment

This section aims to outline the PPRCRO monitoring and evaluation mechanisms.

6.1. Responsibility for the PPRCRO

Without prejudice to the legal or statutory powers conferred on other bodies or employees, the Regulatory Compliance Officer (RCO) appointed by the NOS Board of Directors is responsible for the adoption and implementation of the Code of Conduct Prevention of Corruption and Related Offences, as well as the NOS normative compliance program, which includes the PPRCRO.

The RCO has the independence and decision-making autonomy to adequately guarantee the execution and control of the application of this PPRCRO.

The RCO is allowed access to internal information and to the technical and human resources required for the performance of their duties, including, without limitation, those of the Audit, Risk and Compliance Department, the area which will assist them in the exercise of their duties.

Any situation not provided for in this PPRCRO must be evaluated by the RCO.

6.2. Mechanisms for General Assessment

Bearing in mind the deep involvement of the Audit, Risk and Compliance Department in the identification, assessment, prevention and monitoring of risks, this department is also responsible for carrying out, on behalf of the RCO, a revision of the PPRCRO every three years or for updating it whenever necessary (e.g., a change in the attributions or in the corporate or shareholding governance structure of NOS that justifies the revision of the PPRCRO).

Other mechanisms for general assessment which already exist will naturally include the risks of corruption and related offences in their assessments. Examples of such mechanisms are the assessment of the effectiveness of the Internal Control Manual (*Control Self Assessments*), the Risk Assessment processes, and the Internal and External Audit processes.

6.3. Mechanisms for specific assessment

The execution of the PPRCRO is also subject to the following monitoring process:

- Elaboration of an Interim Assessment Report, in October of each year, for situations identified as high or maximum risk (which on the NOS risk scale correspond to risk situations ≥ "VH - Very High");

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- Production of an Annual Assessment Report, in April of the year following the implementation, including the quantification of the level of implementation of the measures, as well as a forecast for full implementation.

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Annexes

Annex I - Definition of the risks of corruption and related offences in the context of NOS

Corruption

The offer, promise, request, acceptance or transfer, whether directly or indirectly, of any payment or any other undue retribution, be it pecuniary or otherwise, motivated by the practice or omission of one or more acts. Related offences as listed and defined below are considered equivalent to corruption.

Bribery

Persuading another person, through gift or promise of a patrimonial or non-patrimonial benefit, to give false deposition, declaration, testimony, expert opinion, interpretation or translation.

Facilitation payment

Payment or any other retribution promised or offered to a public official, intended to ensure the performance or to expedite a procedure which said public official has a legal duty to perform.

Receipt of undue advantage

The offer, promise, request, acceptance or transfer, whether directly or indirectly, of any payment or any other undue retribution, be it pecuniary or otherwise, motivated by the nature of the functions performed by the beneficiary.

Influence peddling

The offer, promise, request, acceptance or transfer, whether directly or indirectly, of any payment or any other retribution intended to repay the abuse of the influence the beneficiary has or is deemed to have on a public entity.

Laundering

The practice of acts aimed at dissimulating or concealing the illicit origin of goods or advantages obtained through the commission of crimes provided for in article 368-A of the Portuguese Criminal Code, as well as with a view to preventing the perpetrator of said crimes from being criminally prosecuted or subjected to a criminal response.

Fraud in obtaining a subsidy, grant or credit

Obtaining a subsidy or grant by providing inaccurate or incomplete information, omitting relevant information for the purpose of obtaining the subsidy or grant or using a document justifying entitlement to the subsidy or grant obtained through inaccurate or incomplete information.

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Annex II - Matrix of Risk Assessment VS measures

Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
1. Partners and Suppliers Management (Equipment, goods and services)	1. Procurement Planning 2. Preparation of Consultation 3. Consultation and Negotiation 4. Assignment 5. Contracting 6. Accreditation 7. Order 8. Partner Commissioning 9. Invoice Validation 10. Control 11. Supplier Assessment	1. Acceptance or Offer of goods & services in exchange for the granting of advantages and/or benefits during the development of internal decision processes [1-11]	M	H	M	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Procurement Manual 3. Delegation of responsibilities 4. Contracts and/or General Conditions for the supply of products and services 5. Sustainability Requirements for Suppliers and Partners 6. Supplier Purchasing Requirements Applicability Guide 7. Regulation for the provision of services by Statutory Auditors or Statutory Auditor Societies 8. Transversal training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy. Specific training actions on the Procurement Process. 9. Segregation of functions between accreditation, introduction of transactions, calculation of commissions/remunerations, registration/validation/approval of documents, until de-accreditation 10. Invoice registration, accounting and approval processes 11. Monitoring of the compliance of purchase process application 12. Monitoring of Critical Accesses and Circularization of Critical Accesses 13. Process for supplier/partner assessment 14. External Network Audits 15. The Internal Control Manual has a record of a number of Controls related to the life cycle of Suppliers/Partners, namely i) accreditation (integrity), ii) commissions/remuneration, iii) registration/validation/approval of documents, up to iv) de-accreditation 16. The Internal Control Manual has a record of a number of Controls related to the life cycle of inventories, namely planning and procurement
		2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests [2,3]	H	M	M	

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Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
		3. Omission/manipulation/alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests	M	M	M	
2. Human resources Management	1. Resource Planning 2. Recruitment and Selection 3. Integration and Development 4. Employee Exit Management	1. Acceptance or Offer of goods & services in exchange for the granting of advantages and/or benefits during the development of internal decision processes [1-4]	H	L	L	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Process for recruiting and termination of employment *(establishes the security and privacy requirements to be taken into account in the contractual relationship established, namely in the processes of recruitment, admission, mobility and termination of employment)* 3. Employment Contract / Affidavit of Responsibility (namely covering IS/IT Use, Confidentiality and Protection of Personal Data 4. Manual of Development and Performance Model 5. Delegation of NOS powers (in the approval processes inherent to HR Management) 6. Overtime/Prevention Remuneration Policy 7. Regulation on short- and medium-term variable remuneration 8. Single and cross-application performance evaluation process 9. Training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy 10. Segregation of Duties (Admission, Processing, Assessment, Output) 11. Internal Control Manual has a record of a number of Controls related to the life cycle of Employees, namely: Recruitment and Admission of Employees, Master Data of Employees, Remuneration Tables and Compensation Options, Payroll Processing, Performance Assessment, Training, Exiting Employees, Management of the Personnel Function (accounting, taxation, IT)
		2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests [1-4]	M	L	L	
		3. Omission/manipulation/alteration of information in order to condition decisions (own and otherwise) for the benefit or detriment of specific interests [1-4]	M	L	L	

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Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
3. Customer Management	1. Survey of needs / proposal 2. Negotiation / Renegotiation 3. Contracting 4. Procurement (technical and commercial) 5. Billing/collection (includes litigation) 6. After-sales	1. Acceptance or Offer of goods & services in exchange for the granting of advantages and/or benefits during the development of internal decision processes [1-6] *Note: Risk sorted by Customer segments:* *1. Residential, Business (Small and Medium)* *2. Corporate (Large Companies and Public Administration)]*	M	L	L	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Delegation of responsibilities 3. Contracts (and annexes) established with Customers 4. Review and validation of contracts by the legal department (before signing the contract) 5. Document file system 6. Segregation of duties (negotiation, approval, procurement, invoicing and collection) 7. Approval flows embedded in computer application 8. Integrated systems (technical design, commercial solution, contract performance, invoicing and collection) 9. Billing and Collection Plan 10. Billing matrices as support for dunning processes and systems 11. Business Procedure Manuals 12. Monitoring of Critical Accesses and Circularization of Critical Accesses 13. ISO 27001 Certification - Information Security 14. ISO 20000 Certification - Service Management for Corporate Customers (Large Companies and Public Administration) 15. Training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy 16. Internal Control Manual has a record of a number of Controls related to Customer life cycle, namely i) Sales, ii) Order Management, Delivery/procurement service (technical/commercial), iii) Billing, iv) Receipts, collection and litigation and v) Reverse logistics 17. Specific controls for Corporate Customers (Large Companies and Public Administration)
			H	M	M	
		2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests [1-6] Note: *Risk sorted by Customer segments:* *1. Residential, Business (Small and*	M	L	L	

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Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
		Medium) *2. Corporate (Large Companies and Public Administration)]*	H	M	M	
		3. Omission/manipulation/alteration of information in order to condition decisions (own and otherwise) for the benefit or detriment of specific interests [1-6] *Note: Risk sorted by Customer segments:* *1. Residential, Business (Small and Medium)* *2. Corporate (Large Companies and Public Administration)]*	M	L	L	
			M	M	M	
4. Financial management	1. Accounting 2. Incentives (tax and financial) 3. Tax accounting 4. Revenue Assurance 5. Content Protection 6. Treasury 7. Financial Reporting 8. Sponsorships	1. Acceptance or offer of goods & services in exchange for the granting of advantages and/or benefits during the development of internal decision processes.	L	L	L	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Periodic bank reconciliation processes 3. Segregation of functions (e.g., supplier master data, entering transactions and making payments) 4. Delegation of Powers 5. Payment requests/drafts and respective approval workflows recorded through application (traceable) 6. Payment authorizations subject to dual approval 7. Training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy 8. Internal Control Manual has a record of a set of Controls on the functions of asset management, treasury management, financial risk management, financing management, financial investment management and tax management
		2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests.	L	L	L	

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Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
		3. Omission/manipulation/alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests	L	L	L	
		4. Preparation/Disclosure of incorrect and/or manipulated financial information	H	M	M	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Accounting Policies and Procedures and their periodic revision 3. Statutory Auditor/External Auditor 4. Internal Control Manual has a record of a number of Controls on asset management and financial reporting functions (Accounting Policies and Procedures, General Ledger Maintenance, Accounting Closing and Mandatory Information Report)
5. Assets and Property Management *(excludes financial assets)*	1. ICT 2. Network equipment 3. Stock 4. Fleet	1. Acceptance or offer of goods & services in exchange for the granting of advantages and/or benefits during the development of internal decision processes.	H	L	L	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Delegation of responsibilities 3. Employment Contract / Affidavit of Responsibility (namely covering IS/IT Use, Confidentiality and Protection of Personal Data 4. Standard for the acquisition, use and management of equipment 5. Declaration of delivery of equipment 6. Segregation of duties (negotiation, approval, procurement, invoicing and collection) 7. Approval flows embedded in computer application 8. Procedure Manuals (e.g., vehicles, ICT) 9. Rules for "Beta Testers", guaranteeing eligibility criteria, approval, usage and termination rules. 10. Training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy 11. Internal Control Manual has a record of a

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Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
		3. Omission/manipulation/alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests	H	L	L	number of Controls on the functions of stock management (inventory management, disposals and elimination, stock coverage, storage and distribution, as well as reverse logistics), compensation and benefits management, asset management (namely network material), ICT assets
6. Information Management (operational)	1. Customer/Business /Market Knowledge Research & Development Security Privacy	2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests. 3. Omission/manipulation/alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests	M	L	M	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Information Security Policy 3. Processes of Security & Privacy by Design 4. Monitoring of Critical Accesses and Circularization of Critical Accesses 5. ISO 27001 Certification - Information Security 6. Training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy 7. Internal Control Manual has a record of a set of Controls related to the Security and Privacy of assets, namely information (e.g., knowledge management, development and implementation, physical and logical security, ...)
7. Strategic Management	1. Strategy definition and implementation Indicator monitoring and control Reporting (financial and non-financial - includes budget control)	2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests.	M	L	M	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Information Security Policy 3. ISO 27001 Certification - NOS' Information Security Management System 4. Training and awareness programs/actions on i) Ethical principles; ii) Security and Privacy 5. Internal Control Manual has a record of a number of Controls related to NOS' Strategic Planning functions (includes budget and KPI's) and Budget Execution

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Processes	Activities (exposed to RCRO)	Risk | Cause Level I	P	I	R	Prevention Measures and Internal Controls
		3. Omission/manipulation/alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests				
8. Other Stakeholders Management	1. Transactions with Related Parties 2. Regulators 3. Government Authorities and other Public Entities	1. Acceptance or offer of goods & services in exchange for the granting of advantages and/or benefits during the development of internal decision processes.	M	L	M	1. Code of Ethics and Code of Conduct Prevention of Corruption and Related Offences 2. Regulation Transactions with Related Parties 3. Regulation of the Statutory Audit Board 4. Regulation of the Audit and Finance Committee 5. Regulation of the Board of Directors 6. List of Related Parties 7. Delegation of Powers 8. Segregation of duties 9. Internal Control Manual has a record of a number of Controls related to the Financial Reporting function (transactions with Related Parties), Legal and Regulatory function
		2. Use/Disclosure/Sale of privileged and/or confidential information or Obtaining/Purchasing confidential information without legitimacy to do so for the benefit or detriment of specific interests.				
		3. Omission/manipulation/alteration of information in order to condition decisions (own or otherwise) for the benefit or detriment of specific interests				

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