

# **Corruption & Related Offences Risk Prevention Plan**

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## 1. Introduction

The Smartex Corruption and Related Offences Risk Prevention Plan (hereinafter referred to as CRPP) aims to promote and implement a set of measures and procedures to identify, prevent, and mitigate corruption risks and related offenses that may arise within Smartex's activities.

Corruption is defined as any act involving the misuse of a position or power to gain undue advantages, either for personal benefit or for the benefit of third parties, including practices such as bribery, embezzlement, abuse of power, and influence peddling. Additionally, there are related offenses, such as financial fraud and conflicts of interest, whose risks, due to their severity, also need to be identified and prevented.

This plan seeks to create a working environment where ethics and integrity are promoted to ensure that all Smartex leaders, employees, suppliers, and partners act transparently and responsibly, minimizing opportunities for corrupt practices while simultaneously increasing trust in Smartex's operations.

## 2. Legal Framework and Scope of Application

Decree-Law No. 109-E/2021 of 9 December establishes the General Regime for Corruption Prevention (RGPC), imposing the obligation on entities to adopt corruption and related offense risk prevention plans. This legislation requires public entities and large companies to identify corruption risks, implement control measures, and promote a culture of integrity.

Other relevant laws include Law No. 37/2008, which regulates the prevention of economic and financial offenses, and the Penal Code, which defines the crimes of active and passive corruption, embezzlement, and abuse of power, among others – descriptions of which are detailed in Annex I.

Directive (EU) 2019/1937 on whistleblower protection ensures that entities implement safe and confidential reporting channels, ensuring protection against reprisals. Additionally, Regulation (EU) 2017/1939, which created the European Public Prosecutor's Office (EPPO), aims to strengthen the fight against crimes that harm the financial interests of the European Union.

The plan also follows the recommendations of international bodies such as the OECD and the United Nations Convention Against Corruption (UNCAC).

This plan applies to all Smartex social bodies, employees, interns, service providers, suppliers, and partners, regardless of their role or hierarchical level. The CRPP covers all areas of the organization's activity.

### **3. Guiding Principles of the Plan**

Integrity is the central value of this plan and an uncompromisable principle in Smartex's operations. Everyone involved is responsible for acting honestly, avoiding any behavior that could compromise Smartex's ethics. Integrity promotion is ensured through regular training and by the example set by leadership.

Transparency in all activities and decisions is essential to creating trust between Smartex and all its stakeholders. The plan requires that all transactions, decisions, and relevant processes be documented clearly and accessibly, allowing verification and consultation by oversight bodies.

Smartex ensures the accountability of all its employees and partners. Every decision must be accompanied by clear justifications and be subject to internal control mechanisms to ensure compliance with the legal and ethical standards established in the CRPP. Accountability will be reinforced through monitoring and auditing processes.

Deliberation is the strategic approach adopted to identify, assess, and mitigate corruption risks across all Smartex areas. Continuous analysis of internal and external processes allows Smartex to adjust its policies and preventive measures according to evolving risks.

This plan must also be read and interpreted in light of the Smartex Global Code of Conduct, which comprises an introductory section outlining Smartex's core values and a dispositive section containing specific rules of conduct.

## 4. Identification and Evaluation of Corruption and Related Offence Risks

### 4.1. Risk Identification

Smartex has developed and maintains a corruption and related offense risk map that identifies and classifies potential risks in its various organizational areas. This risk map, attached as Annex II, is a dynamic tool that will be periodically updated to reflect new threats or changes in the external environment and internal operations.

The risk identification methodology was based on a detailed analysis of operational and management processes, as well as relationships with third parties. This analysis was and will be carried out in collaboration with various functional areas, based on internal audits, compliance history reviews, and observation of market practices. The methodology aims to anticipate risks before they materialize.

Risk factors are internal and external. Internal risk factors include, notably, deficiencies in internal controls, lack of specific training, conflicts of interest, and lack of monitoring mechanisms. External risk factors include, notably, interactions with suppliers and service providers and undue external influences.

### 4.2. Risk Evaluation and Impacts

Each identified risk was assessed based on its likelihood of occurrence and the potential impact on Smartex's operations. The risk assessment allows the prioritisation of preventive and corrective measures, ensuring Smartex's resources are directed towards the areas that present the greatest vulnerability.

**Figure 1.** Risk Assessment Matrix (Probability X Consequence)

Probability	Consequence				
	1. Insignificant	2.Minor	3.Moderate	4.Major	5.Extreme
5.Frequent	Yellow	Red	Red	Red	Red
4.Likely	Yellow	Yellow	Red	Red	Red
3.Possible	Green	Yellow	Yellow	Red	Red
2.Unlikely	Green	Green	Yellow	Yellow	Red
1.Rare	Green	Green	Green	Yellow	Yellow

- Probability: Defined as a measure of how likely it is that the described risk will occur. The classification is as follows:

1 – Rare; 2 – Unlikely; 3 – Possible; 4 – Likely; 5 – Frequent

- Consequence: Defined by considering the impact of the risk on the company's business continuity or its public and commercial credibility. The classification is as follows:

1 – Insignificant; 2 – Minor; 3 – Moderate; 4 – Major; 5 – Extreme

The consequence levels are maximized whenever the risk involves potential legal non-compliance by the company or its employees.

The prioritization of the implementation of preventive or corrective measures is based on the following risk assessment, calculated by multiplying the probability by the consequence:

- Low Risk: Assessment values up to 3
- Medium Risk: Assessment values between 4 and 9
- High Risk: Assessment values greater than 10

### 4.3. Critical Areas for Corruption and Specific Preventive Measures

The main critical areas identified from the risk map, based on the risk assessment, include:

- **Relations with Component and Raw Material Suppliers**

**Risk:** Smartex relies on suppliers for hardware components, and there is potential for corruption in the supplier selection process, particularly if bribes or undue advantages are offered to secure supply contracts. There is also the risk of choosing suppliers who do not comply with Smartex's Global Code of Conduct.

**Preventive Measures:** Transparent and competitive procurement procedures, as well as independent supplier assessments, are essential to ensuring integrity in supply processes while also ensuring reputable suppliers. At the moment, for all purchases with a high cost the purchaser is required to source several suppliers and present the three best quotations to their manager for approval in order to move forward with the purchase.

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- **Sales and Client Relations**

**Risk:** The sale of hardware and software, particularly with large or international clients, may involve undue commissions or illicit advantages offered to employees or third parties to secure contracts or facilitate product adoption. Similarly, Smartex may sell products to clients who do not comply with Smartex's Global Code of Conduct.

**Preventive Measures:** Implementation of strict codes of conduct for sales and marketing teams, including monitoring client relationships and prohibiting acceptance of gifts or advantages that could influence decisions.

- **Intellectual Property and Technology Protection**

**Risk:** Smartex may face risks of intellectual property theft or patent infringement by employees or partners seeking to gain a competitive advantage.

**Preventive Measures:** Strict protection of intellectual property rights, monitoring access to confidential information, and raising employee awareness about the importance of confidentiality. Currently, all employees, service providers and advisors are required to sign a non-disclosure agreement before commencing their interaction with confidential information.

- **Specialised Personnel Hiring Processes**

**Risk:** The hiring of engineers, developers, and other technical professionals may be subject to nepotism, favoritism, or bribery to secure employment, particularly in high-value positions.

**Preventive Measures:** Clear, impartial, and auditable recruitment processes, involving multiple decision-makers, are in place to minimize favoritism.

## 5. Generic Preventive and Mitigation Measures

### 5.1. Implementation of Internal Control

Smartex is committed to implementing strict internal controls to prevent and detect risk situations. These controls include specific and generic measures.

The specific measures, such as those outlined in section 4.3, are defined according to the highest-risk areas identified in the risk map.

Generic measures, to which Smartex is also committed, include mandatory documentation of all decisions, independent reviews of critical processes, and periodic internal audits to verify compliance with the CRPP. These are detailed as follows.

## **5.2. Regular Monitoring and Audits**

Smartex will conduct regular internal and external audits to monitor the effectiveness of preventive measures and mitigate corruption risks. The audits will be planned based on risk assessment, focusing on the most vulnerable areas. Periodic reviews of audit results will enable continuous updates to internal policies.

## **5.3. Employee Training and Awareness**

All Smartex employees will participate in regular training on corruption prevention and related offenses. These training sessions will cover topics such as identifying risky behaviors, proper use of reporting channels, and the importance of complying with ethics and integrity standards. Ongoing training ensures that employees are aware of their duties and responsibilities in combating corruption.

The specific measures to prevent the aforementioned risks are detailed in Annex IV, as well as in the Risk Management Matrix & Training Plan, which outlines the teams, actions, and timeline to be followed, with participation and evaluation duly written and recorded in a dedicated document for this purpose.

## **5.4. Reporting Channels and Whistleblower Protection**

Smartex has established secure, anonymous, and accessible reporting channels for employees and other stakeholders to report any unlawful or suspicious behaviour related to corruption. These channels comply with Directive (EU) 2019/1937, ensuring that whistleblowers are protected from any form of retaliation or discrimination.

The whistleblower channel is available at <https://denuncias.smartex.ai/#/>.



## 5.5. Relations with Suppliers and Other Entities

Convinced that organizational success stems from formalizing long-lasting partnerships, Smartex considers its suppliers and service providers as integral and essential parts of its value chain. Smartex promotes transparent, constructive, and ethical cooperation based on responsible and sustainable supply chains that ensure safe and healthy working conditions throughout the value creation chain.

Smartex's activities are based on a culture of compliance, ensuring legal conformity in processes and activities and exemplary ethical conduct from all employees at every hierarchical level. The same is required of suppliers, partners, and other entities interacting with Smartex.

To ensure compliance with the law and Smartex's principles, all suppliers and service providers will be bound by the best practices in quality, environment, safety, and compliance. The following preventive measures will be implemented in Smartex's supplier relationships:

- Acceptance by the supplier or service provider of Smartex's rules before signing supply or service agreements.
- Dual validation of order placements.
- Systematic and periodic audits of purchasing processes.
- Prior justification and authorisation by management for visits to supplier premises, with a minimum of two employees attending.
- Written justification to management for participation in lunches, trips, or other supplier-promoted activities.
- Prohibition of accepting goods, services, or any other advantages from suppliers, except for product samples necessary for evaluation or small commercial courtesies, provided that:
  - The value does not exceed the limits mentioned on the Annex III;
  - They are properly registered and communicated to the supervisor;
  - They are occasional and never involve cash or equivalents such as vouchers, credit notes, trips, accommodation, repairs, fuel, or tickets for sports or cultural events;

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- Prohibition of using one's position to obtain undue advantages for oneself or third parties from suppliers or other entities.
- Discouragement of non-professional relationships with suppliers, service providers, and other interested parties.

Smartex only authorizes courtesies of any value when they are duly authorized in writing by management.

Smartex prohibits any form of price collusion with competitor companies for the benefit of the competitors or Smartex itself. Any employee approached for this purpose must immediately report it to the Compliance Officer, who will proceed with the necessary report to the competition authorities.

Any situations that raise doubts should be communicated in writing to the Compliance Officer through the established internal channels.

## 5.6. Client Relationships

As with suppliers, Smartex believes in building healthy, long-lasting partnerships with its clients for mutual benefit.

Gifts are not part of Smartex's sales policy. The only exception is gifts unrelated to orders or those given during the Holidays season. While these practices of courtesy and client loyalty are deemed justifiable, Smartex ensures that they fall within the framework of courtesy relationships and comply with the established legal limits, this plan, and other internal rules.

In Smartex's relationship with clients, it is customary and generally accepted to offer small commercial courtesies, provided that:

- The value does not exceed the limits set in Annex III.
- They are duly validated by management.
- They are offered as acts of appreciation, with no obligation for reciprocation or expectations of other benefits.
- They are offered publicly and transparently.
- They comply with the client's code of conduct.

- They are occasional and never involve cash or equivalents such as vouchers, credit notes, trips, accommodation, repairs, fuel, or tickets for sports or cultural events.

When an employee receives a gift from a client, they are required to deliver the gift to the HR department at Smartex, who will then distribute all collected gifts randomly within the company.

Within the commercial process, paying commissions to third parties to influence or favour product or service orders is strictly prohibited.

## 5.7. Conflict of Interest

Smartex is committed to implementing a rigorous and transparent process for managing conflicts of interest, with clearly defined criteria to ensure impartiality and integrity in all its decisions.

All employees and suppliers will be required to declare potential conflicts of interest, which will be evaluated based on specific criteria, such as the severity of the impact on the business, the direct relationship with their duties, and any potential influence on the company's strategic decisions.

The evaluation will be conducted by the group mentioned in point 9, which will ensure that any interests in question do not compromise the integrity of operations. This process aims to identify potential financial or personal influences that could interfere with each stakeholder's responsibilities.

In the specific case of suppliers, the analysis will be carried out through a due diligence process, including a review of previous relationships and transactions, background checks, and an assessment of any connections that may affect transparency and integrity in negotiations.

If a conflict of interest is identified, mitigation measures will be implemented, which may include excluding the employee from the decision-making process, reassessing the partner, or establishing organisational barriers to ensure the independence of decisions.

## 6. Continuous Monitoring and Evaluation

For continuous monitoring and evaluation purposes, performance indicators will be defined. These indicators will measure, for example, the number of reports, the frequency of training sessions, the

rate of implementation of corrective measures, and audit results. Continuous monitoring allows adjustments to the plan to ensure its effectiveness.

In April of each year, an annual report will be prepared to assess the degree of implementation of the measures in the daily operations of the company. In the following October, an interim report will also be produced to evaluate the results of the plan's implementation in the areas identified as the highest risks.

This CRPP will undergo periodic reviews to ensure it remains effective and appropriate to changes in the external environment and Smartex's internal operations. The review will be conducted every 3 years, or whenever significant changes in identified corruption risks or the applicable legal framework occur.

The implementation and review of the CRPP are the responsibility of an internal working group composed of representatives from Smartex's key functional areas, including the finance department, human resources department, and product development department, supported by the company's legal counsel. This group is responsible for ensuring the effective implementation and updating of the plan as needed.

## **7. Accountability Mechanisms and Disciplinary Measures**

Smartex will implement accountability mechanisms to ensure that all employees and managers are held responsible for their actions. These mechanisms will include audits, performance evaluations, and disciplinary procedures for violations of the rules established in the CRPP.

In the event of a violation of the CRPP or involvement in corrupt acts, Smartex will adopt disciplinary measures proportional to the severity of the offence. These may range from warnings to dismissal with just cause, and in more severe cases, the reporting of acts to the relevant authorities for criminal prosecution.

## **8. Communication Plan**

The CRPP will be communicated clearly and accessible to all Smartex employees. The plan will be disseminated internally through awareness sessions and published on the company's Notion page.

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This dissemination ensures that all employees are aware of their responsibilities and the rules governing Smartex's activities.

Smartex is also committed to being transparent and regularly communicating with suppliers and partners. This communication includes sharing the current plan and the corresponding Code of Conduct, which must be observed in all interactions.

Smartex will publicly disclose information about its corruption prevention policies, audit results, and measures adopted to mitigate risks. This information will be made available on the website and through annual reports.

## 9. Compliance Officer and CRPP Implementation and Review Group

The Compliance Officer is João Sousa Lima, with the Portuguese lawyer licence number 51091P (joaosousalima-51019p@adv.oa.pt; +351 226052140; Avenida da Boavista n.º 2300, 2.º 4100 - 118 Porto, Portugal).

The CRPP implementation and review working group will be composed by Rita Santos, Director of People, António Rocha, CTO and VP of Hardware, Ricardo Ferreira, Director of Finance and João Sousa Lima, Compliance Officer.

## 10. Conclusion

The present Corruption and Related Offences Risk Prevention Plan reflects Smartex's commitment to integrity, transparency, and accountability in all its activities.

Implementing the measures described in this plan will ensure that corruption risks are effectively mitigated, protecting Smartex's reputation and ensuring compliance with applicable national and European legislation.

**Annex I** – Legal Classification of Crimes and Related Offences Applicable and Corresponding Criminal Sanctions under Articles 3 and 7 of the RGPC (follows detailed legal definitions and penalties for corruption-related offences).

## **I. CORRUPTION**

### ***Penal Code***

#### **Article 373 - Passive Corruption**

11. A public official who, either directly or indirectly, with their consent or ratification, solicits or accepts, for themselves or for a third party, a patrimonial or non-patrimonial advantage, or its promise, for the practice of any act or omission contrary to the duties of their office, even if prior to such solicitation or acceptance, is punishable by imprisonment for one to eight years.
12. If the act or omission is not contrary to the duties of the office and the advantage is not due, the offender is punishable by imprisonment for one to five years.

#### **Article 374 - Active Corruption**

1. Anyone who, either directly or indirectly, with their consent or ratification, gives or promises to an official, or to a third party by indication or with their knowledge, a patrimonial or non-patrimonial advantage with the purpose stated in paragraph 1 of Article 373, is punishable by imprisonment for one to five years.
2. If the purpose is as indicated in paragraph 2 of Article 373, the offender is punishable by imprisonment of up to three years or a fine of up to 360 days.
3. Attempt is punishable.

### ***Military Justice Code***

#### **Article 37 - Active Corruption**

1. Anyone who, either directly or indirectly, with their consent or ratification, gives or promises to any person integrated or serving in the Armed Forces or other military forces, or to a third party with their knowledge, a patrimonial or non-patrimonial advantage not due, with the purpose indicated in the previous article and endangering national security, is punishable by imprisonment from one to six years.
2. If the offender of the crimes referred to in the previous paragraph is an officer of a higher rank than the military person they seek to corrupt or exercises command or leadership over them, the minimum applicable penalty is doubled.

**Law 50/2007, August 31, on criminal liability for behaviors likely to affect the truthfulness, loyalty, and fairness of competition and its outcome in sports activities**

**Article 8 - Passive Corruption**

A sports agent who, either directly or indirectly, with their consent or ratification, solicits or accepts, for themselves or for a third party, an undue patrimonial or non-patrimonial advantage, or its promise, to alter or falsify the outcome of a sports competition, even if the solicitation or acceptance precedes it, is punishable by imprisonment of one to eight years.

**II. RECEIPT AND IMPROPER OFFERING OF ADVANTAGE**

***Penal Code***

**Article 372 - Receipt or Improper Offer of Advantage**

1. A public official who, in the exercise of their duties or due to them, either directly or indirectly, with their consent or ratification, solicits or accepts, for themselves or a third party, a patrimonial or non-patrimonial advantage not due, is punishable by imprisonment for up to five years or a fine of up to 600 days.
2. Whoever, either directly or through another person, with their consent or ratification, gives or promises to a public official, or a third party by indication or with their knowledge, a patrimonial or non-patrimonial advantage not due, in the exercise of their functions or due to them, is punishable by imprisonment for up to three years or a fine of up to 360 days.
3. Excluded from the above are socially appropriate conduct and those conforming to established social norms and customs.

***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

**Article 16 - Receipt or Improper Offer of Advantage**

1. A political officeholder who, in the exercise of their functions or due to them, either directly or through another person, with their consent or ratification, solicits or accepts, for themselves or a third party, a patrimonial or non-patrimonial advantage not due, is punishable by imprisonment for one to five years.
2. Whoever, either directly or through another person, with their consent or ratification, gives or promises to a political officeholder, or to a third party by indication or with their knowledge, a patrimonial or non-patrimonial advantage not due, in the exercise of their functions or due to them, is punishable by imprisonment of up to five years or a fine of up to 600 days.

3. A political officeholder who, either directly or through another person, with their consent or ratification, gives or promises to another political officeholder, a holder of a high public office, or a public servant, or to a third party with their knowledge, a patrimonial or non-patrimonial advantage, or its promise, not due, in the exercise of their functions or due to them, is punishable with the penalties provided in the previous paragraph.
4. Socially appropriate conduct and those conforming to established social norms and customs are excluded from the above.

***Law 50/2007, August 31, on criminal liability for behaviors likely to affect the truthfulness, loyalty, and fairness of competition and its outcome in sports activities***

**Article 10-A - Improper Offer or Receipt of Advantage**

1. A sports agent who, either directly or through another person, with their consent or ratification, solicits or accepts, for themselves or a third party, directly or indirectly, an undue patrimonial or non-patrimonial advantage, or its promise, in the exercise of their duties or due to them, from an agent who has, had, or may have a claim dependent on the exercise of their functions, is punishable by imprisonment for up to five years or a fine of up to 600 days.
2. Whoever, either directly or through another person, with their consent or ratification, gives or promises to a sports agent, or a third party by indication or with their knowledge, a patrimonial or non-patrimonial advantage not due, in the exercise of their functions or due to them, is punishable by imprisonment for up to three years or a fine of up to 360 days.
3. Socially appropriate conduct and those conforming to established social norms and customs are excluded from the above.

### **III. EMBEZZLEMENT**

***Penal Code***

**Article 375 - Embezzlement**

1. A public official who unlawfully appropriates, for their own benefit or that of another, money, movable or immovable property, or animals, whether public or private, entrusted to them, in their possession, or accessible due to their functions, is punishable by imprisonment from one to eight years if no harsher penalty is applicable due to another legal provision.



2. If the values or objects mentioned in the previous paragraph are of minor value, according to the terms defined in Article 202, paragraph (c), the offender is punishable by imprisonment of up to three years or a fine.
3. If the public official lends, pawns, or otherwise encumbers the values or objects referred to in paragraph 1, they are punishable by imprisonment of up to three years or a fine if no harsher penalty is applicable due to another legal provision.

## **Article 376 - Misuse of Public Office for Personal Use**

1. A public official who makes use of or allows another person to make use, for purposes other than those intended, of immovable objects, vehicles, other movable objects, or animals of appreciable value, whether public or private, entrusted to them, in their possession, or accessible due to their functions, is punishable by imprisonment of up to one year or a fine of up to 120 days.
2. If the public official, without special reasons of public interest, allocates public money for public use different from that legally intended, they are punishable by imprisonment of up to one year or a fine of up to 120 days.

## ***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

### **Article 20 - Embezzlement**

1. A political officeholder who, in the exercise of their functions, unlawfully appropriates, for themselves or another, money or any movable or immovable property, whether public or private, entrusted to them, in their possession, or accessible due to their functions, is punishable by imprisonment of three to eight years and a fine of up to 150 days, if no harsher penalty is applicable due to another legal provision.
2. If the offender lends, pawns, or otherwise encumbers any objects mentioned in the previous paragraph, with the awareness of causing or potentially causing harm to the State or its owner, they are punishable by imprisonment of one to four years and a fine of up to 80 days.

## **IV. ECONOMIC PARTICIPATION IN A BUSINESS**

### ***Penal Code***

### **Article 377 - Economic Participation in a Business**

1. A public official who, with the intention of obtaining, for themselves or a third party, illicit economic participation, harms patrimonial interests in a legal business that they are

responsible for, in whole or in part, by virtue of their function to manage, supervise, protect, or execute, is punishable by imprisonment of up to five years.

2. A public official who, in any form, receives, for themselves or a third party, a patrimonial advantage by virtue of a civil-legal act related to interests that they were, at the time of the act, in a position of full or partial management, administration, or supervision due to their functions, even without causing harm, is punishable by imprisonment of up to six months or a fine of up to 60 days.
3. The penalty stated in the previous paragraph also applies to a public official who receives, for themselves or a third party, a patrimonial advantage by virtue of the collection, allocation, liquidation, or payment that they are responsible for, in whole or in part, to order or execute, even if there is no harm to the State Treasury or to the interests entrusted to them.

## ***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

### **Article 23 - Economic Participation in a Business**

1. A political officeholder who, with the intention of obtaining, for themselves or a third party, illicit economic participation, harms patrimonial interests in a legal business that they are responsible for managing, supervising, protecting, or executing, in whole or in part, by virtue of their functions, is punishable by imprisonment of up to five years.
2. A political officeholder who, in any form, receives a patrimonial advantage by virtue of a civil-legal act related to interests that they are, at the time of the act, responsible for managing, administering, or supervising, even without causing harm, is punishable by imprisonment of up to six months or a fine of up to 150 days.
3. The penalty stated in the previous paragraph also applies to a political officeholder who receives, in any form, economic advantages by virtue of collection, allocation, liquidation, or payment that they are responsible for, in whole or in part, to order or execute, even if no economic harm is caused to the State Treasury or to entrusted interests.

## **V. EXTORTION**

### ***Penal Code***

#### **Article 379 - Extortion**

1. A public official who, in the exercise of their functions or by means of factual powers derived from them, either directly or through another person with their consent or ratification, receives for themselves, for the State, or for a third party, through misleading or exploiting the victim's error, a patrimonial advantage that is not due or is greater than

what is due, namely contributions, taxes, fees, fines, or penalties, is punishable by imprisonment of up to two years or a fine of up to 240 days if no harsher penalty is applicable due to another legal provision.

2. If the act is committed through violence or threat of serious harm, the offender is punishable by imprisonment of one to eight years if no harsher penalty is applicable due to another legal provision.

## **VI. ABUSE OF POWER**

### ***Penal Code***

#### **Article 382 - Abuse of Power**

1. If the act is committed through violence or threat of serious harm, the offender is punishable by imprisonment of one to eight years if no harsher penalty is applicable due to another legal provision.

### ***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

#### **Article 26 - Abuse of Powers**

1. A political officeholder who abuses their powers or violates the duties inherent to their functions, with the intention of obtaining, for themselves or a third party, an illicit benefit or causing harm to another, is punishable by imprisonment of six months to three years or a fine of 50 to 100 days if no harsher penalty is applicable due to another legal provision.
2. The same penalties apply to a political officeholder who fraudulently makes concessions or enters into contracts for the benefit of a third party or to the detriment of the State.

## **VII. MALFEASANCE**

### ***Penal Code***

#### **Article 369 - Denial of Justice and Malfeasance**

1. A public official who, within the scope of an investigative, judicial, administrative, or disciplinary process, knowingly and unlawfully promotes or fails to promote, conducts, decides, or refrains from deciding or acts within their authority to benefit or harm someone is punishable by imprisonment of up to two years or a fine of up to 120 days.
2. If the act is committed with the intention of benefiting or harming someone, the public official is punishable by imprisonment of up to five years.

3. If such conduct results in the deprivation of liberty of a person, the offender is punishable by imprisonment from one to eight years.
4. The same penalty applies to a public official who, being competent to do so, orders or executes a measure depriving someone of their liberty unlawfully or omits to order or execute it in accordance with the law.
5. In the case mentioned in the previous paragraph, if the act is committed through gross negligence, the offender is punishable by imprisonment of up to two years or a fine.

## **Article 370 - Malfeasance by Lawyers or Solicitors**

1. A lawyer or solicitor who intentionally harms a case entrusted to their care is punishable by imprisonment of up to three years or a fine.
2. The same penalty applies to a lawyer or solicitor who, in the same case, advocates or acts as a solicitor for conflicting interests, with the intention of benefiting or harming one of the parties.

## ***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

### **Article 11 - Malfeasance**

1. A political officeholder who consciously leads or decides unlawfully in a process in which they intervene in the exercise of their functions, with the intention of harming or benefiting someone, shall be punishable by imprisonment from two to eight years.

## **VIII. INFLUENCE PEDDLING**

### ***Law 50/2007, August 31, on criminal liability for behaviors likely to affect the truthfulness, loyalty, and fairness of competition and its outcome in sports activities***

#### **Article 10 - Influence Peddling**

1. Whoever, directly or through another person, with their consent or ratification, solicits or accepts, for themselves or a third party, a patrimonial or non-patrimonial advantage, or its promise, for abusing their real or supposed influence with any sports agent to obtain any decision aimed at altering or falsifying the outcome of a sports competition, is punishable by imprisonment of one to five years if no harsher penalty is applicable due to another legal provision.
2. Whoever, directly or through another person, with their consent or ratification, gives or promises another person a patrimonial or non-patrimonial advantage for the purpose

referred to in the previous paragraph is punishable by imprisonment of up to three years or a fine if no harsher penalty is applicable due to another legal provision.

3. Article 13 applies accordingly.

## **IX. MONEY LAUNDERING OR FRAUD IN OBTAINING OR MISUSING SUBSIDIES, GRANTS, OR LOANS**

### ***Penal Code***

#### **Article 368-A - Money Laundering**

1. For the purposes of the following paragraphs, "advantages" are considered to be assets derived from the commission, under any form of participation, of criminal acts punishable by a minimum prison term exceeding six months or a maximum term exceeding five years, or, regardless of the penalties applicable, from criminal acts such as:
  - a. Pimping, sexual abuse of children or dependent minors, or child pornography;
  - b. Computer fraud and communications fraud, extortion, misuse of guarantee cards or cards, devices, or payment data, counterfeiting of currency or similar instruments, depreciation of the value of metal currency or similar instruments, passing counterfeit currency or similar instruments in concert with the counterfeiter, passing counterfeit currency or similar instruments, or acquiring counterfeit currency to be put into circulation or similar instruments;
  - c. Computer falsification, counterfeiting of cards or other payment devices, use of counterfeit cards or other payment devices, acquisition of counterfeit cards or other payment devices, preparatory acts of counterfeiting, acquisition of payment cards or devices obtained through computer crime, damage relating to programs or other data, computer sabotage, unauthorized access, unauthorized interception, or unauthorized reproduction of protected programs;
  - d. Criminal association;
  - e. Terrorism;
  - f. Trafficking in narcotic drugs and psychotropic substances;
  - g. Arms trafficking;
  - h. Human trafficking, aiding illegal immigration, or trafficking in human organs or tissues;
  - i. Environmental damage, pollution, dangerous activities for the environment, or endangering animals or plants;
  - j. Tax fraud or social security fraud;

- k. Influence peddling, improper receipt of advantage, corruption, embezzlement, economic participation in a business, harmful administration of an economic unit of the public sector, fraud in obtaining or misusing a subsidy, grant, or loan, or corruption with prejudice to international commerce or in the private sector;
  - l. Insider trading or market manipulation;
  - m. Violation of exclusive rights to patents, utility models, or semiconductor product topographies, violation of exclusive rights relating to designs or models, counterfeiting, imitation, and illegal use of trademarks, sale or concealment of products or fraud concerning goods.
2. Assets obtained through the assets referred to in the previous paragraph are also considered as advantages.
  3. Whoever converts, transfers, assists, or facilitates any operation of conversion or transfer of advantages obtained by themselves or another, directly or indirectly, to conceal their illicit origin or to avoid the prosecution or criminal punishment of the author or participant in such offenses, is punishable by imprisonment for up to 12 years.
  4. The same penalty applies to whoever conceals or disguises the true nature, origin, location, disposition, movement, or ownership of the advantages, or the rights related thereto.
  5. The same penalty also applies to whoever, not being the author of the original criminal act from which the advantages derive, acquires, holds, or uses them, knowing, at the time of acquisition or the initial holding or use, their illicit nature.
  6. Punishment for the crimes provided for in paragraphs 3 to 5 occurs even if the place where the original criminal acts were committed or the identity of their authors is unknown, or if such acts were committed outside the national territory, provided that they are not considered legal according to the law of the place where they occurred and are not subject to Portuguese law under Article 5.
  7. The act is punishable even if the criminal procedure related to the original criminal acts from which the advantages derive depends on a complaint and one has not been submitted.
  8. The penalty provided in paragraphs 3 to 5 is increased by one-third if the offender acts habitually or if they are one of the entities referred to in Article 3 or Article 4 of Law No. 83/2017, of August 18, and the offense was committed in the exercise of their professional activities.
  9. If there is full compensation for the damage caused to the victim by the criminal act from which the advantages derive, without causing undue harm to a third party, before the start of the trial in the first instance, the penalty is especially mitigated.

10. The penalty may be especially mitigated if there is partial compensation.
11. The penalty may also be especially mitigated if the offender concretely assists in gathering decisive evidence for identifying or capturing those responsible for the criminal acts from which the advantages derive.
12. The penalty applied under the previous paragraphs cannot exceed the maximum penalty of the most serious of the criminal acts from which the advantages derive.

***Decree-Law No. 28/84, January 20, amending the regime concerning economic and health-related infractions.***

**Article 36 - Fraud in Obtaining Subsidy or Grant**

1. Whoever obtains a subsidy or grant by:
  - a. Providing inaccurate or incomplete information to the competent authorities or entities about themselves or others, which is important for the granting of the subsidy or grant;
  - b. Omitting, in violation of the legal regime governing the subsidy or grant, important information necessary for its concession;
  - c. Using a justificative document for the right to the subsidy or grant or facts relevant to its concession, obtained through inaccurate or incomplete information;

Shall be punished with imprisonment from one to five years and a fine of 50 to 150 days.

2. In particularly serious cases, the penalty shall be imprisonment from two to eight years.
3. If the acts provided for in this article are committed in the name and interest of a legal entity or company, exclusively or predominantly constituted for their commission, the court shall, in addition to the pecuniary penalty, order its dissolution.
4. The sentence shall be published.
5. For the purposes of paragraph 2, cases in which the offender:
  - a. Obtains for themselves or for a third party a grant or subsidy of a considerably high amount or uses false documents;
  - b. Commits the act by abusing their functions or powers;
  - c. Receives assistance from a holder of a public office or employment who abuses their functions or powers;

shall be considered particularly serious.

6. Whoever commits the acts described in paragraphs (a) and (b) of paragraph 1 through negligence shall be punished with imprisonment of up to two years or a fine of up to 100 days.
7. The offender shall be exempt from punishment if:
  - a. They spontaneously prevent the granting of the subsidy or grant;
  - b. In cases where it could not be granted without their intervention, they have made a serious and spontaneous effort to prevent it.

## **Article 37 - Misuse of Subsidy, Grant, or Preferential Loan**

1. Whoever uses benefits obtained as a subsidy or grant for purposes other than those legally intended shall be punished with imprisonment of up to two years or a fine of no less than 100 days.
2. The same penalty applies to whoever uses a benefit obtained through a preferential loan for a purpose other than that specified in the line of credit determined by the legally competent entity.
3. The penalty shall be imprisonment of six months to six years and a fine of up to 200 days when the amounts or damages caused are considerably high.
4. If the acts provided for in this article are repeatedly committed in the name and interest of a legal entity or company and the harm is not spontaneously repaired, the court shall order its dissolution.
5. The sentence shall be published.

## **Article 38 - Fraud in Obtaining Credit**

1. Whoever, when presenting a proposal for granting, maintaining, or modifying the conditions of a loan intended for an establishment or company:
  - a. Provides inaccurate or incomplete written information aimed at accreditation or important for the decision regarding the request;
  - b. Uses documents relating to their economic situation that are inaccurate or incomplete, including balance sheets, profit and loss accounts, general descriptions of assets, or expert reports;
  - c. Conceals deterioration of their economic situation that occurs after the credit request and is important for the decision;shall be punished with imprisonment of up to three years and a fine of up to 150 days.



2. If the offender, acting as described above, obtains a loan of a considerably high amount, the penalty may be increased to imprisonment of up to five years and a fine of up to 200 days.
3. In the case described in paragraph 2, if the crime was committed in the name and interest of a legal entity or company, the court may order its dissolution.
4. The offender shall be exempt from punishment if:
  - a. They spontaneously prevent the creditor from delivering the requested benefit;
  - b. In cases where the benefit could not be delivered without their intervention, they have made a serious and spontaneous effort to prevent the delivery.
5. The sentence shall be published.

## **X. PARTICIPATION IN AN ECONOMIC ENTERPRISE**

### ***Penal Code***

#### **Article 377 - Participation in an Economic Enterprise**

1. A public official who, with the intention of obtaining, for themselves or a third party, an illicit economic benefit, harms patrimonial interests in a legal business that they are responsible for managing, supervising, protecting, or executing in whole or in part due to their function, is punishable by imprisonment of up to five years.
2. A public official who, by any means, receives, for themselves or a third party, a patrimonial advantage by virtue of a civil-legal act relating to interests they were responsible for managing, administering, or supervising due to their functions, even without causing harm, is punishable by imprisonment of up to six months or a fine of up to 60 days.
3. The same penalty applies to a public official who receives, for themselves or a third party, an advantage by virtue of collection, allocation, settlement, or payment duties assigned by their functions, even without causing damage to the State Treasury or interests entrusted to them.

### ***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

#### **Article 23 - Participation in an Economic Enterprise**

1. A political officeholder who, with the intention of obtaining, for themselves or a third party, an illicit economic benefit, harms patrimonial interests in a legal business that they are responsible for managing, supervising, protecting, or executing in whole or in part due to their functions, is punishable by imprisonment of up to five years.

2. A political officeholder who, by any means, receives a patrimonial advantage by virtue of a civil-legal act relating to interests they were responsible for managing, administering, or supervising due to their functions, even without causing harm, is punishable by imprisonment of up to six months or a fine of up to 150 days.
3. The same penalty applies to a political officeholder who receives, by any means, an economic advantage by virtue of collection, allocation, settlement, or payment duties assigned by their functions, even without causing economic damage to the State Treasury or interests entrusted to them.

## **XI. MISREPRESENTATION AND FRAUD IN OBTAINING CREDIT**

### ***Penal Code***

#### **Article 368 - Misrepresentation**

1. Whoever, in the context of a public tender, procurement, or in compliance with a contractual obligation, makes false statements about the quality, origin, quantity, price, condition, or characteristics of goods or services offered or delivered, is punishable by imprisonment of up to two years or a fine of up to 240 days.
2. If the act is committed through fraudulent maneuvers, by using false measurements, weights, or other means of assessment, or by manipulating data, the penalty shall be imprisonment of up to five years.

#### **Article 368-A - Fraud in Obtaining Credit**

1. Whoever, in the application for a loan or in a request for maintaining or changing the terms of a loan granted, knowingly provides false or incomplete information, or conceals relevant facts for the decision to grant, maintain, or change such a credit, is punishable by imprisonment of up to five years and a fine of up to 600 days.
2. In particularly serious cases where the offender obtains a significantly high loan or a reduction of its interest rate by using fraudulent means, the penalty shall be imprisonment from three to eight years and a fine of up to 800 days.

## **XII. PREVARICATION**

### ***Penal Code***

#### **Article 369 - Prevarication and Denial of Justice**

1. A public official who, in the scope of an investigative, judicial, administrative, or disciplinary procedure, knowingly and unlawfully, promotes or fails to promote, conducts, decides or refrains from deciding, or performs any act contrary to their duty or position, is punishable by imprisonment of up to two years or a fine of up to 120 days.
2. If such conduct is carried out with the intent to benefit or harm someone, the public official shall be punished by imprisonment of up to five years.
3. If the aforementioned actions result in the deprivation of a person's freedom, the penalty is imprisonment of one to eight years.
4. The same penalty is applied to a public official who, with the necessary competency, orders or carries out measures depriving a person of their liberty unlawfully or omits to order or carry them out in accordance with the law.
5. If the aforementioned actions are carried out due to gross negligence, the offender shall be punished with imprisonment of up to two years or a fine.

#### ***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

#### **Article 11 - Prevarication**

1. A political officeholder who knowingly conducts or makes decisions against the law in a procedure in which they intervene in the exercise of their functions, with the intention of harming or benefiting someone, shall be punishable by imprisonment from two to eight years.

## **XIII. MISUSE OF PUBLIC FUNDS**

### ***Penal Code***

#### **Article 375 - Misuse of Public Funds**

1. A public official who, in the exercise of their duties, illegally uses public funds or causes harm to state funds is punishable by imprisonment of up to three years or a fine of up to 120 days, if no harsher penalty is applicable due to another legal provision.
2. If the misuse of funds is minor, a fine or a reduced prison sentence may apply, at the court's discretion.

## **XIV. FAVORITISM IN PUBLIC PROCUREMENT**

***Law No. 34/87, July 16, on crimes of responsibility for holders of political positions***

### **Article 23 - Favouritism**

1. A political officeholder who, in the exercise of their functions, manipulates public procurement processes to favor themselves or a third party, in violation of public interest or by misusing their powers, shall be punished by imprisonment of one to five years.

## **XV. MISUSE OF INFLUENCE (INFLUENCE PEDDLING)**

***Law 50/2007, August 31, on criminal liability for behaviors likely to affect the truthfulness, loyalty, and fairness of competition and its outcome in sports activities***

### **Article 10 - Influence Peddling**

1. Whoever, either directly or through another person, with their consent or ratification, solicits or accepts, for themselves or a third party, a patrimonial or non-patrimonial advantage, or its promise, to exploit their actual or supposed influence on any sports agent to obtain any decision aimed at altering or falsifying the outcome of a sports competition, is punishable by imprisonment of one to five years, unless a more severe penalty is applicable under another provision.
2. Whoever, either directly or through another person, with their consent or ratification, gives or promises another person a patrimonial or non-patrimonial advantage to achieve the aforementioned purpose, is punishable by imprisonment of up to three years or a fine, unless a more severe penalty is applicable under another provision.
3. The provisions of Article 13 apply correspondingly.

## **XVI. MONEY LAUNDERING**

***Penal Code***

### **Article 368-A - Money Laundering**

1. For the purposes of the following paragraphs, assets acquired through participation, in any form, in criminal acts punishable with a minimum prison sentence exceeding six months or a maximum sentence exceeding five years, or from the commission of certain serious crimes, are deemed as "advantages." These crimes include but are not limited to: terrorism, trafficking of narcotics, arms trafficking, human trafficking, tax fraud, and other offenses listed.

2. Assets obtained through or derived from these illicit sources are also considered advantages.
3. Any person who converts, transfers, assists in, or facilitates operations to conceal or obscure the origin of assets gained through illicit means for themselves or a third party is punishable by imprisonment of up to 12 years.
4. The same punishment applies to any person who conceals or disguises the true nature, source, location, movement, ownership, or rights related to such assets.
5. Additionally, any person who, knowing the illegal origin of the assets, acquires, possesses, or uses them shall face the same penalties.
6. Criminal responsibility applies even if the underlying offenses are committed outside national borders, provided they are recognized as crimes under Portuguese law.
7. Even if there is no conviction for the underlying crime, money laundering is still punishable under Portuguese law.
8. Mitigation of the penalty may occur if the offender makes reparations or provides significant assistance to authorities.

## **XVII. FRAUD IN OBTAINING PUBLIC FUNDS**

***Decree-Law No. 28/84, January 20***

### **Article 36 - Fraud in Obtaining Public Funds**

1. Any individual who fraudulently obtains subsidies, grants, or other public funds through false documentation, incomplete declarations, or omission of relevant information, shall face imprisonment of up to five years.
2. Serious cases may result in longer prison sentences if substantial sums are involved or the crime impacts public welfare.
3. Offenses committed on behalf of legal entities may result in penalties, including the dissolution of the entity.
4. Fraud related to specific sectors may have additional penalties as deemed necessary by the court.

## **XVIII. EMBEZZLEMENT AND MISMANAGEMENT**

### ***Penal Code***

#### **Article 375 - Embezzlement**

1. A public official who, inappropriately or unlawfully, benefits themselves or a third party by misappropriating funds or assets entrusted to their position is punishable under applicable criminal codes.
2. Specific provisions for cases of minor value or gross negligence may lead to alternative penalties such as fines.

## Annex II – Risk Map

Probability	Consequence				
	1. Insignificant	2.Minor	3.Moderate	4.Major	5.Extreme
5.Frequent					
4.Likely					
3.Possible		<b>IP&amp;TP</b>			
2.Unlikely			<b>C&amp;RMS</b>	<b>S&amp;CR</b>	
1.Rare				<b>SPHP</b>	

### Relations with Component and Raw Material Suppliers (C&RMS)

- Probability – 2 Unlikely
- Consequence – 3 Moderate

### Sales and Client Relations (S&CR)

- Probability – 2 Unlikely
- Consequence – 4 Major

### Intellectual Property and Technology Protection (IP&TP)

- Probability – 3 Possible
- Consequence – 2 Minor

### Specialised Personnel Hiring Processes (SPHP)

- Probability – 1 Rare
- Consequence – 4 Major

## **Annex III – Commercial Courtesy Value Limits**

Limits for commercial courtesies that Smartex employees may offer vary depending on the geographic location where the courtesy is practised and received. The defined values are:

- Western Europe and the United States – €150,00
- Eastern Europe and Asia – €50,00



## Annex IV – Training Plan

Risks Category	Teams Involved	Content	Methodology	Date	Metrics	Attendance
<b>C&amp;RMS</b>	Procurement and Supply Chain Team	Supply chain risk management, contingency planning, supplier ethics	Workshops, case studies, interactive sessions	Bi-annual	Supplier performance, compliance with sourcing policies	Procurement and Supply Chain Teams
<b>S&amp;CR</b>	Sales and Client Relations Teams	Client relations, sales ethics, data handling, customer engagement	Workshops, case studies, interactive sessions	Bi-annual	Client satisfaction scores, ethical data handling	Sales and Client Relations Teams
<b>IP&amp;TP</b>	IT, Legal, R&D	Intellectual property protection, cybersecurity, data privacy	Workshops, case studies, interactive sessions	Bi-annual	IP security incident frequency, audit compliance	IT, Legal, R&D
<b>SPHP</b>	People	Recruitment best practices, bias mitigation, compliance in hiring	Workshops, case studies, interactive sessions	Bi-annual	Recruitment success rates, diversity metrics	HR and Talent Acquisition Teams
<b>All Company</b>	Entire Staff	General compliance, data protection, workplace safety, ethical conduct	Webinars, compliance workshops, quizzes	Annual	Overall compliance rating, incident report frequency	Entire Staff



Revision History			
Version	Date	Description	Author / Reviewer
1.0	31/03/2025	First version approval	Compliance Office