



Anti-Corruption Code of Conduct

(ANNEX A)

Approved on:

Moreira de Cónegos, February 13, 2025

CHAPTER I - GENERAL PROVISIONS**Article 1 – Purpose**

The present Code, in compliance with the provisions of Decree-Law No. 109-E/2021, of December 9, serves as a self-regulation instrument for Vermis – Confecção de Vestuário, Lda., hereinafter referred to as Vermis, in matters of prevention and prohibition of unlawful acts constituting corruption and related offenses. Through its dissemination, the Code aims to promote appropriate prevention mechanisms, foster commitment to this purpose, and encourage recipients to adopt exemplary conduct.

It will thus address good governance in guiding the daily conduct of employees and stakeholders, as well as the ability to influence behaviors, fostering increasing relationships of trust. This Code also seeks to strengthen Vermis' institutional image, strategy, and regulations within the textile industry.

Article 2 – Nature and Purpose of Vermis

Vermis is a company headquartered at Rua de S. Paio Padroeiro 178, Moreira de Cónegos, 4815-298 Guimarães, Portugal. Founded in 1984 in Portugal, Vermis has specialized in shirt manufacturing, securing a leading position in the market. To meet market demands, the company has expanded in recent years to cover a wider range of products, broadening its expertise to produce full looks, coats, trousers, and dresses. At Vermis, excellence in products and services is ensured, establishing an honorable commitment to all clients, based on trust and satisfaction. To achieve this, the company continuously maintains and strengthens a team of qualified professionals and high-quality partnerships. By combining technology with traditional craftsmanship, Vermis invests in innovation, creativity, differentiation, and quality.

Article 3 – Scope of Application

1. The Anti-Corruption Code of Conduct applies, by virtue of the law, employment contracts, and/or statutes, corporate and para-corporate agreements, to all directors, legal or voluntary representatives, and employees (including interns, whether paid or unpaid) of Vermis, regardless of their contractual relationship or hierarchical position.

2. Given Vermis' high standards of excellence and commitment, the company may also require service providers, suppliers, subcontractors, agents, clients, certification entities, or others to adhere to the principles and rules of the Anti-Corruption Code of Conduct, through a written commitment established during the contracting process.
3. In the absence of specific provisions, the obligations set forth herein shall apply to all persons or entities mentioned in paragraphs 1 and 2.

Article 4 – Objectives

The Anti-Corruption Code of Conduct aims to prevent and combat corruption in all its forms by pursuing the following objectives:

- Aligning functional, organizational, and professional practices and guidelines with statutory purposes and legal requirements;
- Identifying, managing, and correcting deviant behaviors that could compromise the mission, reputation, and activities of the company or affect the performance and commitment of its employees;
- Promoting harmony and the strengthening of interpersonal relationships;
- Ensuring compliance with the Compliance Program (PCN) of the General Corruption Prevention Regime (RGPC), as established by Decree-Law No. 109-E/2021;
- Enhancing knowledge, training, and internal operational practices regarding transparency and integrity;
- Facilitating the identification of corruption risks in commercial and industrial activities and defining ways to mitigate them;
- Establishing rules of conduct and ensuring a more effective and uniform application of the legal and regulatory mechanisms designed to combat corruption;
- Raising awareness among all stakeholders about the sanctioning, disciplinary, criminal, and civil liability consequences arising from violations of expected conduct.

Article 5 – Legal and Regulatory Provisions

1. Compliance with the Anti-Corruption Code of Conduct does not exempt the individuals concerned from the obligation to be aware of and comply with other internal rules and applicable legal and regulatory provisions.
2. The Anti-Corruption Code of Conduct establishes and systematizes the principles of action and standards of social, professional, corporate, and statutory conduct. When necessary, the corresponding rules and procedures shall be defined in specific internal regulations.

CHAPTER II – ETHICAL AND LEGAL PRINCIPLES

Article 6 – Ethical and Legal Principles

The activities of all individuals operating within and in collaboration with Vermis shall be guided by the following ethical and legal principles:

- **Principle of Good Faith**

All individuals must act honestly, loyally, and transparently, fulfilling their obligations without any intent to harm, deceive, or gain undue advantage.

- **Principle of Collaboration**

Vermis promotes teamwork and cooperation among all stakeholders, striving to maximize collective performance and achieve legitimate individual and collective goals.

- **Principle of Ethical Performance**

All functions must be carried out with responsibility, integrity, and respect for ethical values, refraining from any practices that compromise ethics, such as corruption or fraud.

- **Principle of Integrity and Moral Suitability**

A commitment to uprightness and honesty must be upheld, respecting ethical principles and avoiding behaviors that could damage personal or corporate reputation.

- **Principle of Impartiality and Objectivity**

Decisions should be made with fairness and based on objective facts, free from personal interests or biases.

- **Principle of Loyalty**

All individuals must act with commitment and fidelity to the company, respecting its values and mission.

- **Principle of Legality**
All activities must be carried out in accordance with the applicable laws and regulations.
- **Principle of Professionalism**
Everyone must adopt appropriate and responsible behavior, striving to meet standards and maintain a high level of quality and seriousness in the performance of their duties.
- **Principle of Responsibility**
Vermis is committed to contributing to the well-being of the community by adopting practices that promote social development, in compliance with the law.
- **Principle of Rigor**
All activities must be carried out in accordance with standards and best practices, ensuring the required quality and safety.
- **Principle of Transparency**
Vermis makes available, in a clear, accessible, and understandable manner, all relevant information regarding its operational management, rules, and key decisions essential for fulfilling its mission.
- **Principle of Truth**
Any appearance of legality resulting from fraud, simulation, or concealment does not exonerate or excuse the violation of this Code and the Law, nor the respective consequences.

Article 7 – Conduct

1. In light of the ethical and legal principles outlined in the previous article, all individuals are required to adopt the following conduct:

- **Individual Competence and Responsibility**
Act in a competent and responsible manner, with dedication and critical thinking, carrying out daily activities with integrity and a high level of professionalism.
- **Training and Development of Skills**
Adopt an attitude of continuous professional development and participate in training and capacity-building actions whenever necessary.
- **Prevention of Conflicts of Interest**
Immediately identify and communicate any direct or indirect situations that may lead to a conflict of interest, in which one could gain personal (financial or otherwise) advantage or favor third parties, and which could influence job

performance. Request an excuse (Annex II or Annex III) when justified, to ensure impartial, objective, and transparent performance of duties. Refrain from using privileged knowledge gained through Vermis for personal or third-party gain, especially in the context of contracting processes. Practice good financial management, document the entire contracting process, and justify all decisions.

- **Prevention of Fraud, Corruption, and Related Offenses**

It is a legal obligation to immediately report any case of suspected fraud or corruption, or related offenses, of which one is aware.

- **Internal and External Interpersonal Relationships**

Ensure an objective and absolute separation between personal interests and Vermis' interests. Promote collaboration and work as a team to achieve common goals. Refrain from soliciting or accepting any benefits, gifts, rewards, payments, invitations, donations, or any other form of gratification that may be related to the duties performed, except for insignificant items that do not exceed mere courtesy, even if masked as apparently legitimate advantages, regardless of their nature.

CHAPTER III – PREVENTION OF CORRUPTION AND RELATED OFFENSES

Article 8 – Scope of Corruption and Related Offenses

1. For the purposes of this Anti-Corruption Code of Conduct, corruption and related offenses are understood to include the crimes of corruption, improper receipt and offering of advantages, embezzlement, participation in an economic business, extortion, abuse of power, misfeasance, influence peddling, money laundering, or fraud in obtaining or diverting subsidies, grants, or credit, as provided in the Penal Code, approved in the annex to Decree-Law No. 48/95, dated March 15, and its current wording.

2. The risk of exposure of Vermis to the crimes identified in the previous paragraph varies depending on the position held by an individual in relation to third parties. The risk may be considered potentially higher when the company acts as the contracting entity in a procurement procedure.

Article 9 – Sanctioning Framework

1. In the event of non-compliance with the rules set forth in the Anti-Corruption Code of Conduct, the following sanctions provided by labor and criminal law may be applied:

- No In the exercise of its disciplinary power, Vermis may apply the following sanctions: Reprimand; Recorded reprimand; Monetary fine; Loss of vacation days; Suspension from work with loss of pay and seniority; Dismissal without indemnity or compensation;
- Under the Penal Code, the practice of corruption and related offenses is associated with the following criminal sanctions:

Passive Corruption: Accepting or receiving money or other benefits of any kind, in order to perform or omit a certain act or acts (penalty of imprisonment from one to eight years).;

Active Corruption: Offering money or other benefits with the aim described in the previous item (penalty of imprisonment from one to five years).

Improper Receipt and Offering of Advantages in Passive Form: When, in the case described in the previous items, the intended act or omission cannot be carried out in the passive position (penalty of imprisonment up to five years or a fine up to 600 days).

Improper Receipt and Offering of Advantages in Active Form: The same as in the previous item, but in the active position (penalty of imprisonment up to three years or a fine up to 360 days).

Embezzlement (Peculato): The act of taking money or valuable items from public funds for personal gain (penalty of imprisonment from one to eight years, unless a more severe penalty applies due to other legal provisions).

Economic Participation in a Business: The action of an employee who, with the intention of obtaining an illicit economic share for themselves or a third party, harms a legal business transaction in relation to the financial interests they are required to safeguard (penalty of imprisonment up to five years or penalty of imprisonment up to six months or a fine up to 60 days).

Abuse of Power: The abuse of power by a political officeholder or the violation of their duties with the intention of obtaining illegitimate benefit for themselves or a third party or causing harm to... (the text appears to be incomplete).

Misfeasance (Prevaricação): Delaying, failing to perform, or improperly performing an act of the function (penalty of imprisonment up to 2 years or a fine up to 120 days; if the act is committed with the intention of harming or benefiting someone, the employee is punished with penalty of imprisonment up to 5 years; if it results in the deprivation of liberty of a person, the agent is punished with penalty of imprisonment from 1 to 8 years).

Influence Peddling (Tráfico de Influência): Requesting, demanding, charging, or obtaining, for oneself or for another, an advantage or a promise of advantage, under the pretext of influencing an act of a public official in the exercise of their duties (penalty of imprisonment from 1 to 5 years, unless a more severe penalty applies under other legal provisions, if the aim is to obtain any illicit decision favorable; penalty of imprisonment up to 3 years or a fine, if a more severe penalty does not apply under other legal provisions, if the aim is to obtain any legal decision favorable).

Money Laundering or Fraud in Obtaining or Diverting Subsidies, Grants, or Credit: Providing false or inaccurate information to authorities in order to access subsidies, grants, or credit (penalty of imprisonment up to 12 years, aggravated by one-third if the agent commits the conduct habitually or if they are one of the entities referred to in Article 3 or Article 4 of Law No. 83/2017, dated August 18, 2017, and the offense was committed in the exercise of their professional activities).).

Chapter IV – Other Provisions

Article 10 – Compliance with the Anti-Corruption Code of Conduct

The Anti-Corruption Code of Conduct is an integral part of Vermis' Compliance Program (PCN), as provided for in the General Regime for the Prevention of Corruption. Its non-compliance may constitute a disciplinary infraction, without prejudice to any civil, administrative, or criminal liability that may arise under the law.

Article 11 – Responsible for Compliance with the Anti-Corruption Code of Conduct

1. Vermis designates Dr. Pedro Miguel Oliveira Magalhães, CEO of the company, as the Responsible for Compliance.
2. The Responsible for Compliance advises employees and collaborators, monitors compliance, and receives information about activities that are not in accordance.

Article 12 – Monitoring and Application of the Anti-Corruption Code of Conduct

Requests for clarification regarding the interpretation or application of the Code of Conduct should be addressed to the Responsible for Compliance.

Article 13 – Whistleblowing Channel for Reporting Irregular Practices

Vermis provides communication channels for reporting alleged irregular practices within its activities, ensuring confidentiality in the handling of reports, as well as protection against retaliation for the whistleblower who reports in good faith and non-anonymously.

In this regard, Vermis allows the submission of reports via email at canal.denuncia@vermis.pt, through written communication (Annex IV) addressed to the Responsible for Compliance as indicated in Article 11. It also allows verbal reports, in which case a record is created and approved by the whistleblower (Annex VI).

Article 14 – Handling of Infractions

For each infraction of the Anti-Corruption Code of Conduct, a report will be prepared that includes the identification of the violated rules, the sanction applied, as well as the measures taken or to be taken, particularly within the framework of the internal evaluation system of the Compliance Program (PCN) (Annex V).

Article 15 – Disclosure and Publication

1. Vermis ensures the publication of the Anti-Corruption Code of Conduct to all interested and affected parties, including its administrators, representatives, employees, collaborators, and other operators, both current and future, as well as on its official website, within 10 days from its implementation and respective revisions or creation.
2. The Anti-Corruption Code of Conduct of Vermis is also subject to disclosure through posting at various Vermis facilities.

Article 16 – Revision

The Anti-Corruption Code of Conduct is reviewed every three years or whenever there is a change in the responsibilities or organizational structure of Vermis that justifies it.

Article 17 – Acknowledgment of the Anti-Corruption Code of Conduct

Vermis promotes the acknowledgment of the Anti-Corruption Code of Conduct by all its employees through the signature of the declaration contained in Annex I, which is an integral part of this Anti-Corruption Code of Conduct and is also included in new employment contracts (Annex VII).

Article 18 – Entry into Force

This version of the Vermis Anti-Corruption Code of Conduct revokes the previous version and enters into force on the day following its approval.

This Anti-Corruption Code of Conduct was approved at a meeting of Vermis' Board of Directors on February 13, 2025.

Annexes

Annex I – Declaration of Acknowledgment of the Anti-Corruption Code of Conduct

Annex II – Declaration of Conflict of Interest

Annex III – Declaration of No Conflict of Interest

Annex IV – Communication of Specific Non-compliance Situation and/or Potential Corruption or Other Related Offenses

Annex V – Model of the Structure of the Offenses Report

Annex VI – Consent for the Registration of a Verbal Complaint

Annex VII – Model Clause to be Included in the Hiring Process as Stipulated in Article 3, Paragraph 2 of this Code

Annex I

Declaration of Acknowledgment of the Anti-Corruption Code of Conduct

_____, performing duties as _____ at Vermis, hereby acknowledge having read the Anti-Corruption Code of Conduct as well as the Internal Regulations of the Whistleblower Channel.

Moreira de Cónegos, _____ of _____ of 202__

Annex II

Declaration of Conflict of Interest

_____, performing duties as
 _____ at Vermis, request to be excused from the duties assigned to me in the
 activity/project _____ as I believe that the conditions to
 safeguard the absence of conflicts of interest are not fully met

_____(Identify the specific reason for the potential conflict of
 interest).

Moreira de Cónegos, _____ of _____ of 202____

Annex III**Declaration of No Conflict of Interest**

_____, holder of the identification document number _____, residing at _____, currently performing the duties of _____ at Vermis - Confecção de Vestuário, Lda, holder of NIPC: 501483004, hereby declare that I am not subject, as of this date, to any conflicts of interest that could undermine the impartiality, independence, and fairness of my conduct, nor any circumstances that might raise doubts about my conduct in performing the stated duties, specifically:

i. Any conflicts of interest related to the performance of institutional functions that may promote preferential treatment or other undue benefits or unequal treatment, namely: a. Family or personal relationships with users/clients; b. Professional or commercial relationships conflicting with professional duties of impartiality;

ii. Having a family member exercising functions, or who has exercised functions during the contract period, in the governing bodies or in the financial management of an entity involved, or in any other position that could be relevant to the procurement process;

iii. Being involved, or having a family member or close person involved, in a job offer or recruitment process for the entity involved in the procurement procedure;

The undersigned further declares, under the commitment of honor, that in the event of the occurrence of any situation that could constitute a conflict of interest, or if such a situation comes to their knowledge, they will immediately inform their superior before any decisions are made, actions are taken, or contracts are signed.

Moreira de Cónegos, _____ of _____ of 202____

Signature,

(Full name)

Annex IV

Communication of Specific Non-compliance Situation and/or Potential Corruption or Other Related Offenses

_____, performing functions as _____ at Vermis, hereby inform, in accordance with the provisions of the Anti-Corruption Code of Conduct, that I have identified the following instances of non-compliance and/or potential fraud:

Moreira de Cónegos, ____ of _____ of 202____

Annex V

Model of the Structure of the Offenses Report

_____, performing functions as _____ at Vermis, has infringed, according to the Anti-Corruption Code of Conduct, the following rule(s), _____, and the following sanctions have been applied _____

_____ and the following internal corrective measures have been/shall be applied to prevent future occurrences _____

Brief description of the action that led to the violation:

Moreira de Cónegos, _____ of _____ of 202____

Annex VI

Consent for the Registration of a Verbal Complaint

I, _____, holder of identification document nº _____, hereby declare that I authorize the entity Vermis - Confecção de Vestuário, Lda (Vermis) to proceed with the registration of my statements as part of an internal report, made at my request during a meeting.

I acknowledge that Vermis - Confecção de Vestuário, Lda acts as the data controller and is obliged to comply with the appropriate technical and organizational measures to ensure that the record of my statements is protected from unauthorized access and modifications.

The record will be retained for 5 years, or until consent is revoked.

Consent can be withdrawn at any time, leading to the secure deletion of the file containing my statements. This deletion may affect the ability of the designated resources at Vermis to receive and process reports of violations.

The withdrawal of consent does not compromise the lawfulness of the processing carried out based on the consent previously given.

Moreira de Cónegos, _____ of _____ of 202____

Annex VII**Binding Clause**

Vermis and _____ hereby establish that, from this day forward, the latter is obliged to comply with the Anticorruption Code of Conduct, as set forth in this annex, which has been fully understood in all its extent and in its precise terms, as stipulated in Article 3, paragraph 2 of the respective document.