

ANTI-BRIBERY AND CORRUPTION POLICY

Joh. Berenberg, Gossler & Co. KG, London Branch

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1. POLICY STATEMENT

- 1.1 It is widely accepted that bribery and corruption causes poverty and suffering, inhibits economic growth, damages business both financially and in relation to reputation. A failure to implement adequate procedures may result in criminal and civil liability and penalties for organisations and individuals. This document sets out the Joh. Berenberg, Gossler & Co. KG, London Branch (referred to as “Berenberg”, “London Branch”, “we”, “our”, “us”) policies and procedures in relation to anti-bribery and corruption. It sets out the principles the London Branch and provides employees with guidance to ensure that obligations with respect to anti-bribery and corruption are met.
- 1.2 It is the policy of Berenberg to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.
- 1.3 We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.4 This policy focuses on the London Branch and is therefore based on the United Kingdom (“UK”) Bribery Act 2010 (the “**UK Bribery Act**”), the UK’s primary legislation covering offences relating to bribery and corruption. The UK Bribery Act makes bribery and corruption illegal and holds UK companies liable if they fail to prevent acts of corruption or bribery by those working for them or on their behalf, no matter where (at home or abroad) the act takes place¹.
- 1.5 The Legal and Compliance teams in the London Branch will continuously review the contents of this policy and amend them as necessary. From time to time, you will therefore be provided with revised versions of this Policy and be notified of the respective changes in detail. Revised versions or amendments of this policy may require changes to other rules and regulations and/or the business practices of the London Branch, individual business units or individual departments. It is your responsibility to know and understand the requirements set out in it.

¹ Berenberg is subject to German anti-bribery and corruption legislation and rules and the US Foreign Corrupt Practices Act 1977 (**FCPA**). If you are a German employee or organising an event in the US, please contact Compliance as there may be additional obligations you will need to consider.

2. ABOUT THIS POLICY

2.1 The purpose of this policy is to:

- (a) set out our responsibilities, and of those working for us or on our behalf, in observing and upholding our position on bribery and corruption; and
- (b) provide information and guidance to those working for us or on our behalf on how to recognise and deal with bribery and corruption issues.

2.2 It is a criminal offence to offer, promise, give, request, or accept a bribe in relation to anyone including public officials. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer if we fail to prevent bribery we can face an unlimited fine, exclusion from tendering for public contracts, and damage to our reputation. We therefore take our legal responsibilities very seriously. Corruption under the UK Bribery Act is understood as the misuse of public office or a position of power for private gain, or the misuse of a position of power in connection with business activities outside the realm of government.

2.3 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, subsidiaries, joint venture partners, consultants, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

3. WHO MUST COMPLY WITH THIS POLICY?

3.1 This policy applies to all persons working for the London Branch or on its behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

3.2 Any breach of this policy will be regarded as a serious matter by the Bank and may in any individual case result in disciplinary action, up to and including dismissal with or without notice.

3.3 Where you have any questions or queries in relation to this policy, or are in any doubt as to its application, in the first instance consult with Compliance.

4. WHO IS RESPONSIBLE FOR THE POLICY?

4.1 The Head of the London Branch has overall responsibility for ensuring this policy complies with our legal obligations, and that all those required to comply with it do so.

4.2 Compliance has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries in relation to it, and monitoring internal systems and controls to ensure they are effective in countering bribery and corruption.

4.3 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

5. WHAT ARE BRIBERY AND CORRUPTION?

5.1 **Bribery** is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

5.2 The bribe does not need to be purely financial. An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

5.3 A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

5.4 **Corruption** is the abuse of entrusted power or position for private gain.

Examples:

Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a public official

You arrange for the business to pay an additional "facilitation" payment to a public official to speed up an administrative process.

The offence of bribing a public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

6. WHAT YOU MUST NOT DO

It is not acceptable for you (or someone on your behalf) to:

- (a) **Bribery:** offer, promise, give, accept or solicit an advantage as an inducement for an action which is illegal, unethical or a breach of trust; or
- (b) **Corruption:** abuse your position or entrusted power for private gain or induce or influence someone to abuse their position or entrusted power for private gain.

7. GIFTS, ENTERTAINMENT AND HOSPITALITY

This policy should be read with Berenberg's *Manual on the prevention of money laundering and the establishment of new business relationships (Document 2041)* and the *London Branch Gifts and Entertainment Policy* which sets out further details on, amongst other things, accepting or offering gifts, entertainment or hospitality.

8. INDUCEMENTS

- 8.1 There is a separate policy on inducements and this policy should be read with Directive 7118 (*Regulations governing to handling of inducements related to investment services*).

9. FACILITATION PAYMENTS AND KICKBACKS

You must not make or accept facilitation payments or "kickbacks" of any kind.

- 9.1 Facilitation payments, also known as 'back-handers' or 'grease payments', are typically small, unofficial payments made in return for a business favour or advantage to secure or expedite a routine or necessary action. They are not common in the UK, but are common in some other jurisdictions.
- 9.2 You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by Berenberg or on its behalf, or that might suggest such a payment will be made or accepted. If you are asked to make a payment on behalf of Berenberg, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt or invoice that details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with Compliance in the first instance.

10. DONATIONS

- 10.1 We do not make contributions to public officials, public service employees, government officials, government representatives, members of parliament, politicians, or representatives of political parties.
- 10.2 We only make charitable donations that are legal and ethical under local laws and practices. No donation may be offered or made without the prior approval of the Corporate Communications Department. In case of any doubt, Legal and Compliance must be consulted.

11. RECORD-KEEPING

- 11.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 11.2 All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

12. YOUR RESPONSIBILITIES

- 12.1 You must ensure that you read, understand and comply with this policy. If you are in any doubt as to whether there will be any breach of this policy, please consult with Compliance.
- 12.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or on our behalf. You are required to avoid any activity that might be, or suggest, a breach of this policy.
- 12.3 If you have any concerns or questions about this policy, please speak to your manager or Compliance.

13. HOW TO RAISE A CONCERN

- 13.1 You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- 13.2 If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must refuse it and report it immediately to your manager and Compliance, use the procedure set out in the *Employee's Obligation to Report Document Number 7003* or use the anonymous as soon as possible.

- 13.3 If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your manager and Compliance.

14. PROTECTION

- 14.1 Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

- 14.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your manager, HR or Compliance immediately. If the matter is not remedied, and you are an employee, you should raise it formally using Berenberg's Grievance Procedure, which can be found in the *Guide for UK Colleagues: Employee Handbook January 2015*.

15. TRAINING AND COMMUNICATION

- 15.1 Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary by Compliance.
- 15.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

16. BREACHES OF THIS POLICY

- 16.1 Any employee who breaches this policy may face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 16.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach – or appear to have breached - this policy.

17. EXTRA-TERRITORIAL SCOPE

- 17.1 While the UK Bribery Act is the UK's primary legislation covering offences related to bribery, it is extra-territorial in scope, so that the offence need not have taken place in the UK to still fall within the remit of the legislation and a UK court. There are 3 means through which this can occur:

- (a) **Close connection with the UK:** If the bribe does not take place in the UK, but would constitute an offence if it had occurred here, and the person has a “close connection with the UK” (including being a British citizen, resident or national or legally constituted body incorporated in the UK, including Scottish Partnerships).
- (b) **Associated Persons:** There is no requirement for the bribe to have been committed by a person with close connection to the UK – it is enough to prove that the “associated person” was performing services for the entity with a close connection to the UK to make the latter liable, regardless of where it took place.
- (c) **Commercial organisations not incorporated under UK law or set up as Scottish partnerships:** these will be subject to the UK Bribery Act if it can be demonstrated that they carry on a business or part of a business in the UK regardless of where they are incorporated or formed.

18. POTENTIAL RISK SCENARIOS: "RED FLAGS"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive, is for illustrative purposes only and may be updated from time to time.

If you encounter any of these red flags while working for us, you must report them promptly your manager and/or Compliance or use the procedure set out in Directive 7003 - *Employee’s Obligation to Report*:

	You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
	You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
	A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for Berenberg;
	A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
	A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
	A third party requests an unexpected additional fee or commission to "facilitate" a service;
	A third party requests that a payment is made to "overlook" potential legal

	violations;
	You receive an invoice from a third party that appears to be non-standard or customised;
	A third party insists on the use of side letters or refuses to put terms agreed in writing;
	You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided; or
	A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us