



KBL epb Group Anti-Corruption and Bribery Policy

Definitions of some specific terms used in these policies are given in the attachment (Appendix).

Introduction

All persons and companies are stakeholders in the fight against bribery and corruption. Financial institutions need to be particularly committed as their activities can be highly exposed to it. There is also a clear link between corruption and money laundering, as corruption is a primary money laundering offence.

KBL epb Group staff is expected to **be watchful** for indications of bribery and corruption.

The fight against bribery and corruption is part of KBL epb Group values revolving around the importance to maintain integrity, professionalism, ethics as well as good reputation, while abiding to competition rules, in the full respect of the law. The integrity and ethic values of KBL epb Group are considered as a part of the **Codes of Conduct** of the KBL epb Group entities (including the Rules of Integrity, the Conduct of Business Policy, etc). These Codes are the basis for specific instructions like Group policies, standards and other rules expressing the **values** of the group.

Staff is expected to blow whistles if necessary. Whistleblowers are protected by the **Whistleblowing Code**.

The KBL epb Group Anti-Corruption and Bribery Policy is supported by a range of structures and procedures developed at different levels throughout the Group which also ensure that the objectives of this policy can be met. Beyond KBL epb Group's commitment in the fight against bribery and corruption, KBL epb defines in the present policy basic requirements in that respect. As to the implementation of these principles, you can find a series of examples under the form of Questions & Answers which will be made available and regularly refreshed by Compliance.

These policies and principles will also need to be observed to the **spirit**. Any circumvention (via relatives, promised services in the future or whatever) is prohibited. Please refer to Compliance for any question of interpretation of these policies.

1. Scope

This policy covers the actions of any **KBL epb Group staff** and **all individuals or entities** implementing such activities or representing a KBL epb Group entity in any capacity.

Each Group entity needs to be in line with the principles as set out in this document.

2. Objectives

The objectives of this policy are:

- to affirm **KBL epb Group's position** and measures in the prevention and the fight against corruption and bribery in its activities and operations with the public and private sectors;
- to make clear to any KBL epb Group employee that the direct or indirect offer, the payment, soliciting and acceptance of **bribes in any form** as well as **facilitation payments in favour of public officials** are **unacceptable practices** and that **potentially delicate situations** need to respect **the letter and the spirit of this policy**;
- to outline the measures and **actions taken** and foreseen to implement such position.



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3. Anti-Corruption and Bribery

KBL epb Group's commitment in the fight against bribery and corruption includes the fight against **collusive or coercive practices** in its activities and operations as well as **the offering, by a KBL epb Group entity, of gifts, hospitality and entertainment aiming to induce improper conduct** or to breach a duty to act in good faith, such as influence the award of contracts, theft and misuse of public assets, falsification of accounts to cover diversion of public funds to personal accounts, abuse of official discretion or disclosure of privileged information to help friends and relatives, obtain or retain business through bribery, corruption or the use of abovementioned practices.

Any KBL epb Group entity shall apply a **zero-tolerance policy** if it becomes aware that its staff, consultants or individuals acting as representatives have engaged in **corrupt, collusive, fraudulent, coercive or obstructive practices**. Any KBL epb Group entity will under no circumstances tolerate any member of staff to engage in an act of corruption as defined under this Anti-Corruption & Bribery Policy. **Facilitation Payments** in favour of public officials are forbidden.

Any KBL epb Group entity shall under no circumstances tolerate that any member of its staff is instructed, suggested or condoned to engage in any act of corruption by staff of superior ranking. Any KBL epb Group entity will not tolerate that any refusal to engage in an act of corruption would be detrimental for a member of its staff.

Any case of corruption or non-compliance with the letter or the spirit of the law or this policy will be sanctioned according to the applicable labour contract and the local labour regulations of the persons involved.

4. Gifts and donations

Corruption relates to the public sector as well as to the private sector. Gifts and donations are the most common way of corruption and bribe. As part of measures in the prevention of corruption and bribe within its entities, KBL epb has decided on certain basic requirements concerning the receiving and offering of gifts (presents, commissions, entertainment,...) and donations by KBL epb Group employees (or their equivalents, such as agents). In order to be acceptable, these gifts and donations

- ⇒ should not induce improper behaviour or a breach of the duty to act on good faith, and/or reward such improper behaviour.
- ⇒ need to be within the bounds of good taste, moderation and common sense in a normal business context of fair competition, and should not bring any KBL epb Group entity to embarrassment or harm to its reputation when disclosed publicly.
- ⇒ should not create a loss of independent judgement which would generate a conflict with the interests of (other) clients / suppliers and/or a KBL epb Group entity.
- ⇒ should not be solicited. When it comes to personal initiatives or projects that might involve professional relationships of the bank, it should be made absolutely and undoubtedly clear that such initiatives are purely personal. Furthermore, an authorisation should be given by the relevant Senior Management, who should refer to Compliance for a prior opinion. In any case, it is strictly forbidden for employees with decision powers or influence regarding such professional relationships, to solicit a contribution in any form.

The basic rules related to gifts offered to KBL epb Group employees are described in the Codes of Conduct (including the Rules of Integrity, etc).

As to corporate hospitality and sponsoring, donations by KBL epb Group entities are allowed within the framework foreseen by KBL epb. Some KBL epb Group entities might choose to make political



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donations. These donations which shall respect the text and the spirit of the present policy, should be decided by the relevant ExCo, with prior information to KBL epb Exco.

5. Governance

a) **First person responsible: the employee**

Each and every employee of a KBL epb Group entity is responsible for respecting this policy in his / her day-to-day work and relations with clients, counterparties, suppliers, etc. In case the employee is confronted with a situation that needs interpretation or that might lead to a breach, he must avoid this situation and, if necessary, refer first of all to his line manager. If the latter is not available, or if the question cannot be solved, it can always be escalated to Compliance.

b) **Approval & monitoring by Compliance**

- ⇒ In principle, only the Head of Compliance KBL epb & Group is able to give an interpretation of the principles of this policy. If a decision is needed regarding a significant case, he will revert to his N+1, and afterwards report to the ExCo. Consequently, the Head of Compliance needs to be consulted each time it is unclear whether the request submitted for approval is in line with the principles or when an exception to the principles seems to be appropriate, further to good arguments.
- ⇒ In the course of its Compliance Awareness Programme, Compliance will inform employees about the rules in place, including the present Policy, a.o. during induction training. And in the context of its Compliance Monitoring Programme, Compliance might conduct any testing related to the present Policy.
- ⇒ Furthermore, according to the KBL epb Group's Whistleblowing Policy, Compliance is in charge of analysing each infringement that an employee wishes to notify to them. For example, an employee that discovers that a colleague receives bribes in order to favour a certain supplier, can feel free to inform Compliance, who will perform a discrete analysis. It is underlined that any employee who "blows the whistle" in good faith is protected by KBL epb Group's Whistleblowing Policy.

6. Risk Assessment

Each UK-based entity should perform an Assessment of the Bribery and Corruption Risk to which it may be exposed, based on the lists of risky countries and activities, such as developed by Group Compliance. These lists take into account corruption criteria and information from independent organisms such as Transparency International. This Assessment is to be documented and updated periodically. Then, the Head of Local Compliance should give its opinion on this Assessment.

7. Publication

KBL epb feels strongly about respecting the letter and the spirit of this Policy. Therefore, the Policy is published on KBL epb's website, so that all business providers, service providers and business partners can be informed of KBL epb's requirements, which also apply in the context of any business or services provided to any entity of KBL epb Group.



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Appendix 1 : Definitions

“Bribery” and **“Corruption”**¹: Bribery is paying money or giving a benefit to someone in order to obtain commercial, administrative or political advantage. An obvious example is a supplier who offers money to a company employee to get business from that company. Bribery is a betrayal of trust in which the damage inflicted generally goes well beyond the material value of the bribe. Bribery has an insidious effect on society and it can seriously damage a company’s reputation and undermine its license to operate. Bribery is an indication of **Corruption**, a system based on dishonesty and illegal behaviour by people in positions of authority or power. Corruption can be active (*e.g. paying bribes*) or passive (*e.g. accepting bribes*). A **Corrupt practice** is the offering, giving, receiving, soliciting, directly or indirectly of anything of value to improperly influence the actions (*or the non-actions*) of another party.

A **“Coercive Practice”**² is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

A **“Collusive Practice”**³ is an arrangement between two or more parties designed to achieve an improper or fraudulent purpose, including to influence improperly the actions of another party : e.g. a secret agreement, a connivance; a conspiracy aiming to mislead, to deprive of legal rights, or to obtain an objective forbidden by law typically by defrauding or gaining unfair advantages.

“Corporate Hospitality”⁴ or **“Entertainment”**⁵ is the invitation or participation to any event, offered to or received from an external person by a staff member. It can be in the form of meals, drinks, visits, tickets, private journeys, travels, accommodation.

“Facilitation payments”⁶ are small payments made to facilitate routine government action to which the payer is already legally or otherwise entitled, e.g. payments to an official to secure or expedite routine action, often to avoid bureaucratic delays or inaction if a payment is not made. They are considered in this policy to be a kind of bribes and an indication of corruption.

A **“Gift”** is a benefit which staff members (*or their equivalents, such as agents*) offer to, or receive from, external persons (*clients, suppliers, officials...*) as a mark of appreciation without consideration or value in return. It can be in different forms: presents, movable or immovable property, business gifts, donations, legacy, benefits of an insurance policy, all kinds of services, purchases below the market price, personal price reduction with a supplier...

An **“Obstructive Practice”** is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation. A **Fraudulent Practice** is any action or omission, including misrepresentation, which knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial benefit or to avoid an obligation.

“Whistleblower protection” regards a KBL epb employee or any third party who reveals corruption in a KBL epb entity by reporting issues in accordance with the Whistle-blower procedure.

¹ Active and passive corruption, bribes

² Intimidations, threats

³ Illegal understandings , collusion

⁴ Receptions, lunch or any other form of corporate hospitality

⁵ Hobbies and other activities of any sort (sports, culture, gastronomy, wellness...)

⁶ Transfer, payment of an amount in cash or any other advantage, with the purpose of facilitation or accelerating the provision of a service.



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Appendix 2 : Key Documents available to all employees

Further details regarding to policies within the framework of Anti-corruption, Bribery and Gifts are contained in the following documents:

- ⇒ The Code of Conduct
- ⇒ The Rules of Integrity and the IT Charter
- ⇒ The Whistleblowing Code
- ⇒ The Rules on Conflicts of Interest
- ⇒ The Group Rules on Mandates
- ⇒ Separation of private and professional banking activities (procedure)
- ⇒ The Compliance Awareness Programme

This Policy was inspired by and based upon the August 2011 Wolfsberg Anti-Corruption Guidance (www.wolfsberg-principles.com).