



**MEDIOBANCA**  
INTERNATIONAL (LUXEMBOURG) SA

## **EXCERPT OF ANTI-BRIBERY & CORRUPTION GROUP DIRECTIVE**

**DECEMBER 2019**



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## 1. Purpose and scope

This document (the "Directive") defines the standards to identify and prevent potential bribery and corruption events with the aim of protecting Mediobanca Group's (the "Group") integrity and reputation.

The Directive describes in particular the anti-bribery and corruption model defined by the Group, its general principles, the roles and responsibilities of the internal structures and the internal measures adopted.

The Directive applies to all the Companies within the Mediobanca Group so Mediobanca International (Luxembourg) S.A. (hereinafter the "Bank" or "MBIL") adopted the Group's document considering its peculiarities and Luxembourg laws and regulations.

The recipients of the Directives are the employees, temporary workers or workers on staff lease, interns and consultants operating in MBIL and collaborators acting under an agreement that requires their inclusion in the corporate organisation ("**Staff members**").

### 1.1 Regulatory framework

The Directive has been drawn up taking into account the standards that have been adopted at the international level to tackle bribery and corruption, specifically:

- ◆ UN Convention Against Corruption;
- ◆ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- ◆ International Standards Organization Anti-bribery management systems requirements (ISO 37001).

The Directive shall be applied in conjunction with any internal regulations already in force in MBIL, in particular:

- ◆ Code of Ethics;
- ◆ Code of Conduct;
- ◆ Group Sustainability Policy;
- ◆ Policy for managing money laundering and terrorist financing risk;
- ◆ Internal alert procedure (Whistleblowing Policy);
- ◆ Policy for managing risk of non-compliance;
- ◆ Gift Directive;
- ◆ Group Directive on media relations, speaking policy, marketing and social media channels;
- ◆ Group procurement process management Directive.



## 2. Anti-bribery & corruption model

The Group anti-bribery model is imbued with the general principle of tackling bribery and corruption and is based on the clear identification of the roles and responsibilities of the internal structures and on the implementation of adequate measures.

### 2.1 Core values

The Group and MBIL uphold the core values of integrity, transparency, proper conduct and responsibility in every jurisdiction where they do business and in no cases they tolerate active or passive bribery.

In particular, the Group and the Bank:

- ◆ ensure that any conduct in breach of the principles of the Directive or any potential bribery shall be analyzed and investigated thoroughly and that disciplinary actions shall be taken in addition to any applicable regulatory fines;
- ◆ undertake to fight bribery and corruption in their business activities, by promoting integrity and proper conduct;
- ◆ strive to prevent bribery and corruption by third parties having links to the Group or the Bank, by reporting to the competent authorities any bribery that may be attempted in their dealings with counterparties;
- ◆ do not discriminate on the workplace and support Staff members that refuse to bribe, even when this refusal may have caused negative consequences for the business.

### 2.2 General measures

The Group anti-bribery and corruption model comprehends the following essential elements:

- ◆ bribery and corruption risk assessment;
- ◆ education;
- ◆ controls;
- ◆ reporting of suspicions;
- ◆ regular reporting;
- ◆ record-keeping.

#### 2.3.1 Bribery and corruption risk assessment

An analysis of the activities performed by the Group identified the following as areas entailing a higher bribery risk:

- ◆ dealing with the Public Administration (including supervisory authorities);
- ◆ making and receiving gifts;



- ◆ contributions and sponsorships;
- ◆ relations with suppliers and relevant third parties;
- ◆ HR selection and management;
- ◆ mergers and acquisitions.

### **2.3.2 Education**

One of the main objectives of the Group anti-bribery and corruption model is to create and foster a culture that does not tolerate bribery and corruption.

To this end, MBIL shall ensure that its education programme for Staff members and new joiners include anti-bribery topics and shall provide dedicated training for Staff members involved in higher-risk activities when deemed appropriate.

### **2.3.3 Controls**

The Bank processes and procedures provide for first-level controls on the riskier areas.

Control Units shall check compliance with the anti-bribery model within their ordinary control activities.

### **2.3.4 Reporting of suspicions**

The Group requests Staff members, partners and relevant third parties to report promptly any suspected bribery event.

To this end, the Group provides dedicated, secure and confidential channels, as set out by the Whistleblowing Policy.

### **2.3.5 Regular reporting**

In line with the Policy for managing risk of non-compliance, Compliance & AML Unit shall inform Mediobanca Compliance Unit and the Bank's corporate bodies on any relevant anti-bribery issues by reporting them in its regular reports.

### **2.3.6 Record-keeping**

MBIL keeps detailed and complete records of every activity that is relevant for bribery risk (e.g. transaction), also ensuring accurate and complete accounting record-keeping.

## **2.3 Specific measures**

### **2.4.1 Dealings with Public Administration**

Given the significant reputational and non-compliance risks entailed, dealings with the Public Administration shall comply with the letter and the spirit of applicable regulations and the Directive.



Therefore, the following measures shall be adopted when dealing with the Public Administration:

- ◆ Staff members must not make any gifts to members of the Public Administration to influence improperly PA decisions that involve the Bank or one of the Bank's customers;
- ◆ hiring members of the Public Administration who were involved in transactions or negotiations with the Bank in the past 24 months must be approved by the Chief Executive Officer;
- ◆ facilitation payments, made to speed up the completion of an administrative process without influencing its outcome, are banned in any case.

#### **2.4.2 Making and receiving gifts**

The Group prohibits the making/receiving of gifts that – due to their features and circumstances – could appear as made to influence improperly the independence of judgement and of conduct of the involved parties. Exchanging gifts must never jeopardise business integrity or lead to breaching laws or regulations.

In particular, Staff members, before accepting or making a gift (also through third parties), shall confirm in good faith its compliance and request, if provided for by Gift Directive, specific authorizations.

#### **2.4.3 Contributions and sponsorship**

The Group commits to be a responsible member of the communities where it acts and to support those in need, also by promoting several initiatives with a positive social impact, including partnerships, donations and solidarity support both in Italy and in other countries where it acts.

Group Sustainability proposes solidarity initiatives to the CSR Committee, that will monitor their development and budget.

In no case charity contributions, sponsorships or donations shall be used to hide bribery events.

Group Communications selects proposed sponsorships and partnerships for the Group to support communication's initiatives and purposes, after assessing their results in terms of marketing, fame, image and reputation, and submits them to the General Manager of Mediobanca for approval. Institutional cultural, promotional, commercial and political events, such as meetings between the Bank's clients and representatives of the institutional political world, must be notified and authorized in advance by the Group Communications unit which will assess their potential impact in reputational terms.

Contributions for a political cause, to a political party or to linked individuals or entities are prohibited in any tangible or intangible form.

#### **2.4.4 Relations with suppliers and other relevant third parties**

The Group enters into many business relationships with third parties, whose unlawful conduct may negatively impact the Group's reputation as well and, in some cases, may even entail vicarious liability on the Group itself. Therefore, the Group requires its business partners to comply with applicable anti-bribery regulations.



The Group also performs a due diligence activity before entering into relationships with parties entailing a potentially higher risk (e.g. introducing agents) to detect and prevent any bribery events.

The Group and MBIL make the Directive available to third parties which it enters relationships with and contracts with suppliers and introducing agents provide for ad-hoc anti-bribery clauses.

Monies paid to any third party must only constitute fair remuneration for legitimate goods/services provided, therefore they shall never have a bribery purpose, nor shall they be used (even through intermediaries) to bribe.

Relations with third parties are relevant for the Directive if both the following requirements are met: i) a fee is paid to the third party by the Bank and ii) the Bank obtains or maintains business relationships, other advantages or opportunities as a result of the relation with the third party.

#### **2.4.5 HR selection and management**

Job or internship offers, career advancement and education initiatives may be considered a benefit with its own value, therefore giving, offering or promising these kind of activities in order to obtain or maintain an undue economic advantage is considered bribery. HR management within the Group is imbued with objective judgment, competence, professionalism and equal opportunities. To prevent the risk of being seen as bribery and corruption, every HR process on, inter alia, job offers (either full or part time), internship offers (paid or not), education or professional growth initiatives, career advancement or any changes on the job description activities shall consider only the merit and, if applicable, through a competitive process.

#### **2.4.6 Mergers and acquisitions**

Group's involvements in mergers, acquisitions or strategic investments may entail the risk of a company being involved in bribery made by the target or the counterparty.

Therefore, within the due diligence process on potential targets, the Group analyses anti-bribery issues as well. Furthermore, when the transaction is completed, if the reference entity is included in the Group, the entity itself should adopt and apply the Directive.



## Annex: Definitions

**Bribery and corruption:** offering, promising, giving, accepting, receiving or soliciting a tangible or intangible benefit (monetary or not), in order to obtain or maintain an undue advantage in the business activity.

This definition is regardless of:

- ◆ the personal qualification of the recipient of the benefit (national or foreign public official or individual acting on behalf of a company);
- ◆ the place where the benefit is offered or accepted;
- ◆ whether the benefit offer creates an actual undue advantage for the briber;
- ◆ whether the benefit acceptance entails an improper discharge of their duties by the bribed individual.

It shall be noted that offering products and/or services at very discounted/favourable conditions without a business rationale may be considered bribery

**Public Administration:** the State, its various expressions (including at local level) and any organization (and its representatives) that performs an activity for the pursuit of public objectives or objectives in the collective interest, even if it is not organized as a public entity.

**Gift:** anything of value, tangible or intangible, which is promised, offered or received in the course of working activity. This includes, inter alia, benefits, contributions, invitations, hospitality, entertainment and job/collaboration/internship opportunities (including when unpaid).