

Stifel Europe Limited **Bribery and Corruption Policy**

Bribery Act 2010

Section 1: General introduction

The UK's Bribery Act 2010 (the Act) came into effect on 1 July 2011, following publication of relevant guidance by the Department of Justice (DoJ). The scope of the Act includes all firms that conduct business in and/or manage it from the UK. Stifel Europe Limited ("Stifel" or "the Company") has therefore produced this Policy to demonstrate its intention to be compliant with the Bribery Act and how it will achieve its ongoing compliance.

Section 2: Stifel's policy

Introduction

The Act embraces four distinct offences, including the failure of the Company to have in place adequate arrangements to prevent and detect bribery. The Guidance issued by the DoJ indicates the need for all firms to have a clear policy on the prevention of bribery as part of its arrangements for preventing and detecting bribery.

Stifel's policy

The Company insists on honesty, integrity, and fairness in all aspects of its business.

The Company's reputation is built on values as a firm, the values of our employees and our collective commitment to acting with integrity throughout our organisation. The Company condemns corruption in all its forms and will not tolerate it in its business or in those with whom the Company does business. The direct or indirect offer of payment, soliciting or acceptance of bribes is unacceptable.

The Company expects all Personnel to read, understand and comply with this Policy. This Policy is also intended to be of help to all those doing business with the Company or working with or for the Company in any capacity.

If convicted of a bribery offence, the Company risks a significant fine and lasting reputational damage. If any individual is convicted of a bribery offence, that person risks facing up to ten years in prison in addition to the consequences of the Company's disciplinary procedures being activated.

Anyone having any questions about anything set out in this Policy statement, or who needs to discuss any issue arising from it, please contact the Company's Compliance Officer. Requests by external third parties for a copy of our Bribery Act Policy will be handled by the Compliance Officer who will ensure that only a current and up-to-date version of the Policy is issued.

Prohibition

The Company expressly prohibits the following activities from the policy employees:

- Offering
- Giving
- Soliciting, or
- Accepting

any bribe or inducement, to or from any individual, company, or entity in order to gain commercial, contractual, regulatory, or personal advantage.

The Company expects that the policy employees will act in the same manner in accordance with the Bribery Act. The Company refuses to do business with any counterparty that fails to follow the same principles as set out in the Bribery Act.

The Company does not prohibit the following activities, which do not violate the principles of the Bribery Act but requires approval from our compliance department:

- Normal hospitality (proportionate and reasonable to the business)
- Ceremonial gifts
- Fast-tracking a process when it is available to everyone on payment of a fee, or
- Providing resources to assist the person or body to make a decision more efficiently provided that these resources are given for that one purpose only.

If it becomes unclear whether a particular conduct would constitute a corrupt business practice, seek further guidance from the Company's compliance department.

Responsibilities of policy employees

Every employee is responsible for preventing, detecting, and reporting acts of bribery. This prevention obligation includes, but is not limited to:

- Refusing any potential or suspected bribes in an unequivocal manner
- Promoting a culture in one's team and larger organisation which raises awareness of commitment against corruption, and
- Acting ethically and with integrity in carrying out one's responsibilities.

The reporting obligation includes, but is not limited to:

- Reporting any offers or solicitations for bribes or other inducements
- Reporting suspicious behaviour, and
- Reporting any breaches of this policy.

Reports of potential corrupt activities should be directed to the compliance department.

The Company has a right to take disciplinary action towards an employee who fails to follow the guidelines of this policy.

Donations

The Company does not make contributions to political parties or donations to Foundations with political affiliations.

Section 3: The offences

Introduction

The Act provides for four offences. These can be considered as:

- Offering a bribe
- Receiving a bribe
- Bribing a foreign government official
- Failure by a firm to put in place adequate and effective arrangements for the prevention and detection of bribery.

The Guidance issued by the DoJ focuses specifically on the fourth of the offences.

Offences can be committed by simply attempting to bribe another person or seeking to receive a bribe.

Bribes can take the form of money or any other form that can represent value and benefit to the recipient. Stifel has zero tolerance to bribery & corruption and has developed policies and procedures reasonable designed to prevent them, these include:

- Prohibiting staff from paying or accepting any fee or commission or non-monetary benefit in relation to business carried out for a client if this is likely to impair the Company's duty to act in the best interests of its client.
- Investigating all instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution.
- Prohibiting payments either directly or through any third party that might be interpreted as a bribe.

Who can commit the offences?

The first three offences can all be committed by anyone 'associated' with the Company. 'Associated' includes all Personnel and anyone else, personal, or impersonal, holding themselves out to be acting in the name of Stifel or otherwise acting on the Company's behalf.

All three of these offences can be committed anywhere in the world; in that respect the Act has 'extra-territorial' applicability. The offences do not have to have been committed in the UK to be able to be prosecuted in the UK. Furthermore, the offences can be committed without the knowledge or permission of the Company's management. In these cases, the Company can be liable if it cannot demonstrate the reasonableness and adequacy of the preventative arrangements that have been put in place.

This also applies to non-UK businesses with subsidiaries in the UK, and there is no requirement that the bribe be approved by or paid through the UK subsidiary.

Penalties

The Penalties for breaching this Act are:

- Individuals may receive a custodial sentence of up to 10 years, or an unlimited fine.
- Organisations if convicted could receive an unlimited fine.

Business Relationships

All forms of bribery are prohibited, whether they take place directly or through a third party. The Company is ultimately responsible for ensuring that any parties that it does business with (such as Introducing Brokers, Directors, and Intermediaries etc.) are and remain fit and proper. They must be made aware of the Company's policy. Any such agreements require prior approval from a Director.

Unlike the U.S. Foreign Corrupt Practices Act of 1977 (PL 95-213), the Act does not provide an exemption for facilitation payments.

Section 4: What constitutes bribery?

Introduction

Bribery can be viewed from either the side of the person offering the bribe or from the side of the person receiving the bribe. A bribe is any inducement of value to the recipient to fail to perform their own job properly so that the provider of the bribe (or their firm) gains an advantage that would not otherwise have been the case. The recipient of a bribe does not themselves have to fail to perform their job properly if they are in a position to provoke someone else to bring about the advantage by failing to perform their job properly at the instigation of the recipient of the bribe.

Gifts, hospitality, and entertainment

The concepts of gifts, hospitality and entertainment are all recognised as having potential to be used or construed as bribes. The DoJ Guidance makes clear that the Act is not intended to prevent the provision of gifts, hospitality, and entertainment in the normal course of business, provided it is not excessive when considered in the circumstances of each individual case.

In this respect, the DoJ Guidance can be seen as being consistent with the obligations in the FCA's Conduct of Business Rules; the Company judges compliance with the latter to achieve compliance with the spirit of the Guidance on this matter.

Personnel who are in any way uncertain on such issues must seek appropriate guidance and authority from the Compliance Officer before entering into any potentially relevant commitment.

Communication (including training)

The Company's Personnel are made aware of the Act and its implications, both for the Company and for them as individuals. Awareness is communicated to all Personnel at the time of joining and refreshed at intervals thereafter. For operational convenience, communication on Bribery Act matters will be dealt with at the same time as anti-money laundering training is delivered. Any relevant, specific job training needs that may be identified from time to time will be addressed on an arising basis.

Due diligence

Due diligence in the context of the Act does not share the same definition as 'customer due diligence' (CDD) from the Money Laundering Regulations 2017. Nevertheless, serving the one obligation can assist in fulfilling the other and vice versa. Insofar as bribery issues are concerned, there is an ongoing obligation on all associated with the Stifel to be alert to any possible infringement of the Act and to promptly report any such situations to the Compliance Officer. The obligation to be satisfied as to the integrity of third parties prior to entering into business with them, be they clients or otherwise, means that when satisfaction is gained as a result of undertaking CDD, that can contribute to the satisfaction required for the prevention of bribery.

Monitoring and review

No special or additional measures have been required to augment established arrangements for authorising, monitoring, and accounting for disbursements through the settlement of invoices, expenses claims or any other means. All Personnel know that the law requires that they be constantly alert to any knowledge or suspicion of bribery and the requirement that such knowledge or suspicion be brought to the attention of the Compliance Officer immediately.

When warranted, reporting knowledge or suspicion internally can be dealt with in accordance with the Firm's established 'whistle blowing' arrangements and thereby will be within the protections offered by the Public Interest Disclosure Act 1998.