Generali Life Assurance (Thailand) Plc.

ANTI-MONEY LAUNDERING & COUNTER-TERRORISM PROLIFERATION OF WEAPON OF MASS DESTRUCTION FINANCING POLICY

Compliance Function

GIRS GTL_2022_023

LOCAL POLICY

For internal purposes only

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Approved by Board of Directors of Generali Life Assurance (Thailand) Plc.	
Meeting No./Year	5/2022
Date of Meeting	29 September 2022
Signed by	 Mr. Marco ENNILO (Interim Chief Executive Officer)

Document summary

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6.1	2022-09-29	GIRS GTL_2022_023	Audit Finding and Governance updates	Compliance Function
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5	2021-03-24	GIRS GTL_2021_010	IVASS Inspection's Reports on Anti-Money Laundering	Compliance Function
4	2020-03-27	GIRS GTL_2020_07	Issuing IVASS Regulations 44 and Commission Delegated Regulation (EU) 758/2019	Compliance Function
3	2017-11-08	GP_2017_011	Issuing the Fourth Anti-Money Laundering Directive (EU) No. 2015/849 (4AMLD)	Group Compliance

Group versioning and Ownership

Version	Date of issuance	Document code	Reason for and Extent of Changes	Owner
6.1	2022-03-24	GP_2021_011	Audit Finding and Governance updates	Group Anti Financial Crime function
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5	2020-09-23	GP_2020_012	IVASS Inspection's Reports on Anti-Money Laundering	Group AML Function
4	2019-07-31	GP_2019_026	Issuing IVASS Regulations 44 and Commission Delegated Regulation (EU) 758/2019	Group Compliance
3	2017-11-08	GP_2017_011	Issuing the Fourth Anti-Money Laundering Directive (EU) No. 2015/849 (4AMLD)	Group Compliance
2	2014-09-24	n/a	Updates	Group Compliance
1	2012-07-06	n/a	-	Group AML

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Main related internal regulatory references

- Group Code of Conduct
- Group Risk Appetite Framework (RAF)
- Group Directives on the System of Governance
- Compliance Management System Group Policy (Compliance Policy)
- International Sanctions Policy
- Personal Data Protection Policy
- Fit & Proper Policy
- ONE Procurement Group Guideline
- AML & CTF Customer Due Diligence Guideline
- International Sanctions Guidelines

Any substituted/abrogated internal regulations

- n/a

Main related external regulatory references

Regulatory [X] Yes [ ] No

- Fourth Anti-Money Laundering Directive (EU) No. 2015/849 (4AMLD) as subsequently amended and supplemented (5AMLD)
- Commission Delegated Regulation (EU) 758/2019 of 31 January 2019 supplementing Directive (EU) 2015/849
- Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 as subsequently amended and supplemented
- Legislative Decree no. 231/2007 as subsequently amended and supplemented
- IVASS Regulations 44/2019

Relevant for the purposes of Legislative Decree 231/2001 [X] Yes [ ] No

Annexes

- Annex I – List of Key Implementing Requirements

EXECUTIVE SUMMARY

Money laundering (“ML”) can be defined as the process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities.

Terrorism financing (“TF”) can be defined as the provision or collection of funds (either legally or illegally) with the intention of them being used to carry out acts of terrorism, including the financing of the proliferation of weapons of mass destruction.

The Anti-Money Laundering & Counter-Terrorism Financing Group Policy (hereinafter also Group Policy) sets out the framework by which the Generali Group manages its ML and TF risks and establishes the Anti-Money Laundering (“AML”) and Counter-Terrorism Financing (“CTF”) group-wide minimum standards applicable to the Group Legal Entities, in accordance with European AML/CTF legal framework that requires financial groups to establish AML/CTF group-wide policies and procedures.

The roles and responsibilities section defines the tasks that the AG BoD, the Administrative, Management or Supervisory Bodies, the Group/GTL Senior Management, the Group/GTL Anti-Financial Crime functions, the Group/GTL AML Officer, the Group/GTL Money Laundering Reporting Officer and the Employees must discharge within the AML/CTF control framework.

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1 Glossary and Definitions

Acronym/Term	Explanation/Definition
Additional Measures	Additional Measures are defined by the European legal requirements as the measures, including minimum actions, that Group Legal Entities must take in addition to, or instead of, Group AML/CTF standards to manage the ML/TF risk.
Administrative, Management or Supervisory Body (or AMSB)	AMSB means either the administrative body or, where a two-tier board system comprising of a management body and a supervisory body is provided for under national law, AMSB means the management body or the supervisory body or both of those bodies as specified in the relevant national legislation or, where nothing is specified in the relevant national legislation, the management body.
AG	Assicurazioni Generali S.p.A., an Italian insurance and reinsurance undertaking, listed on the Milan Stock Exchange, and ultimate parent company of the Generali Group.
AG BoD	The Board of Directors of AG, which have the broadest management powers for the pursuit of the corporate purpose and being supported by Board Committees with advisory, proposing and investigating responsibilities.
AG BoSA	The Board of Statutory Auditors of AG, which performs supervisory functions to ensure compliance with the applicable laws, regulations, and the articles of associations and the implementation of appropriate administration standards, as well as the adequacy of the organizational, administration and accounting model and its implementation.
AML/CTF (Compliance) Program	The AML/CTF Compliance Program is a comprehensive framework or set of initiatives aimed at the mitigation of the risks taken into consideration. The AML/CTF Program must provide at least for: • written policies and procedures (with clear roles and responsibilities); • identified key control mechanisms; • training programs; • an effective line of communication to report misconducts; • a disciplinary system.
Beneficial Owner	Any natural person(s) who ultimately owns or controls the customer and/or the natural person(s) on whose behalf a transaction or activity is being conducted
Business Relationship	Business Relationship means a business, professional or commercial relationship which is connected with the professional activities of an AML obliged entity and which is expected, at the time when the contact is established, to have an element of duration.
Business Unit (or BU)	Geographical areas and global lines of business which the Generali Group is organized into according to the latest internal memoranda.
Controlled Not Regulated Operative Group Legal Entities	Group Legal Entities not subject to prudential supervision with employees and therefore with operational processes.
Controlled Not Regulated Residual Group Legal Entities	Group Legal Entities not subject to prudential supervision without employees.
Controlled Regulated Group Legal Entities	Group Legal Entities subject to prudential supervision such as insurance companies, banks, pension funds and asset managers, etc.
Correspondent Banking account	Arrangement under which one bank (“correspondent”) holds deposits owned by other banks (“respondents”) and provides payment and other services to those respondent banks.
Customer Due Diligence (CDD)	Customer due diligence includes the identification and verification of the customer's and the other relevant parties’ identity, the assessment of the purpose and intended nature of the Business Relationship, and the ongoing monitoring of the Business Relationship.
Customer	The Customer is the person who, even through a joint account or a joint ownership, establishes a Business Relationships or carries out transactions.
Date of Issuance	Date on which a Group internal regulation is approved.
Effective Date	Date from which the Implementation of a Group internal regulation must be started.
Enhanced Due Diligence (EDD)	Additional examination and cautionary measures aimed at identifying customers and confirming that their activities and funds are legitimate.
Employee	An Employee is a person who is hired to work for a Group Legal Entity in exchange for a wage, salary, fee or payment, including full and part-time employees and temporary workers.
Anti-Money Laundering Office (AMLO) or Financial Intelligence Unit (FIU)	A central governmental office that obtains information from financial reports, processes it and then discloses it to an appropriate government authority in support of a national anti- money laundering effort. The activities performed by an FIU include receiving, analyzing and disseminating information and, sometimes, investigating violations and prosecuting individuals indicated in the disclosures.
Generali Group (or Group)	The Generali Group whose ultimate parent Company is Assicurazioni Generali S.p.A.
GIRS	Generali Internal Regulations System.

Acronym/Term	Explanation/Definition
Group AML Relevant Customers	Customers and all other parties involved in the Business Relationship or Transactions relevant at Group level for their risk exposure to ML/TF Risks identified by Group internal regulations.
Group AML/CTF Standards (or Group Standards)	The Group AML/CTF Standards are the minimum measures to be adopted by Group Legal Entities to ensure the consistent implementation of Generali Group-wide anti-money laundering and countering the financing of terrorism policies and procedures and the robust and effective management of money laundering and terrorist financing risk within the Generali Group.
Group CEO (or GCEO)/ Local CEO (or GTL CEO)	The Chief Executive Officer at Group/ Local level, who is the main person responsible for the corporate management of the Group/ GTL
Group CO / BU CO/ Local CO	The Compliance Officer at Group/ BU/ Local level.
Group Data Sharing Consolidated List (or Group Consolidated List)	Group Data Sharing Consolidated List is the list where the Group AFC function consolidates all Group Relevant Customers information and data in order to share those with the Group Legal Entities.
Group Head Office (or GHO)	The set of AG functions that steers, controls and supports the *Business Units* in the implementation of the Group strategy.
Group Internal Regulation	A Group Policy, a Group Guideline or a Group Technical Measure according to the definition provided in the GIRS Group Policy.
Group Legal Entity (or GLE)	Any company belonging to the Group and falling within the scope of application of this Group Policy.
Group/ Local Anti Financial Crime function (or Group/ Local AFC function)	The Anti-Financial Crime Function at Group/Local level in charge of regularly controlling that the internal processes and procedures are consistent to the goal of preventing and combating the money laundering, terrorist financing, bribery and corruption and the international sanctions risks, as well as of checking the adherence to FATCA requirements.
Group/ BU/ Local Accountable Function	The function that, for a specific Group internal regulation, is accountable to manage the GIRS relevant activities at Group/BU/Local level.
High-Risk Third Countries	Third-country jurisdictions (i.e. non-EU jurisdictions) which have strategic deficiencies in their national AML/CFT regimes that pose significant threats to the financial system of the Union as identified by EU Commission in order to protect the proper functioning of the internal market.
Know Your Customer (KYC)	The Know Your Customer process is intended to enable the financial institution to form a reasonable belief that it knows the true identity of each customer and other relevant parties. This process is a component of the overall CDD procedures.
Implementation	Execution of all the actions, in terms of organization, processes, information flows, IT tools and any other features covered by the regulation itself.
Implementation Deadline	Date by which the Implementation of a Group internal regulation must be completed.
Investment funds and vehicles	Undertakings for collective investment established in the form of autonomous assets, divided in shares and operated by management companies and Investment structures created with the aim of raising capital from a plurality of subjects in order to invest it in financial instruments and/ or real estate assets.
IVASS	The Italian Insurance Supervision Institute that pursues adequate protection of insured persons, with a view to the sound and prudent management of insurance and reinsurance undertakings and the stability of the financial system and markets.
Joint Venture	Legal Entities established on the basis of specific shareholder agreements defined with partners.
Key Functions	The Actuarial, Compliance, Risk Management and Internal Audit functions. The anti financial crime function, where established, is assimilated to a Key Function.
Local internal regulation	Regulation issued by a Group Legal Entity, which transposes a Group internal regulation.
Local level (or Local)	The Group Legal Entity level.
Major Change	Any amendment to be introduced in a Group internal regulation already in force, not falling under the definition of Minor Change, e.g.: addition, deletion, replacement or substantial amendment of/to principles and/or provisions, as amendments of roles and responsibilities, alignment to different external regulatory requirements, change to the Group Accountable Function, any amendments affecting the BoD.
Minor Change	Non-substantial amendment to be introduced in a Group internal regulation already in force, namely: • alignment to the latest GIRS standard templates attached to the GIRS Group Policy; • updates to reflect formal changes in the AG organizational structure (i.e function/structure/unit names provided that the entrusted responsibilities remain unchanged) already approved by the relevant AG corporate bodies and disclosed through internal memoranda; • updates to annexes referring to standard forms or supporting technical details, as long as they do not include additional substantial elements; • linguistic corrections (e.g. typos).

Acronym/Term	Explanation/Definition
Not controlled Legal Entities	Legal Entities in which the Group does not hold the majority stakes (equal at least to 50% + 1).
Money Laundering (ML)	The process by which criminals attempt to conceal the true origin and ownership of the proceeds of criminal activities.
Money Laundering Risk (or ML Risk)	The Money Laundering risk is the risk deriving from the violation of legal external and internal requirements for the prevention of the use of the financial system for the purposes of money laundering, terrorist financing and financing of weapons of mass destruction proliferation programs, as well as the risk to be involved in such as cases.
Money Laundering Reporting Officer (MLRO)	The MLRO is responsible for reporting suspicious transactions or activities to the relevant local authorities (i.e. national Financial Intelligence Unit). The AML/CTF Officer can be appointed also as MLRO.
Overall Risk Assessment (ORA)	The process aimed at identifying and evaluating the risks that may affect the Company, also in a forward-looking perspective, and at addressing the business planning and strategies of the Company as well as at supporting risk-informed decisions.
Person Acting on Behalf (or Person Purporting to Act on Behalf)	A Person is Acting on Behalf of a Customer or of a Beneficiary when that person is operating or transacting on a Business Relationship, financial instrument, account or facility that is held by another party (i.e., the Customer). This may include: • A person with authority to sign, amend Business Relationship details, transfer funds and spend in the Customer's name (e.g. a signatory or second cardholder on a spouse's account); • A person granted authority because they are the legal or natural guardian of a minor or the holder of an operational power of attorney, or similar; • An individual who is authorised to represent any legal entity appointed as a professional third party to act for the Customer; • A person who is authorised to use a password (or similar) to log in to an account or facility held by the Customer (e.g. internet or mobile banking); • An employee of the Customer who undertakes daily duties for the Customer; • A third party payer of an insurance premium or a payee of an insurance payout or claim.
Politically Exposed Person (PEP)	PEP is a natural person who performs or has performed a "Prominent or senior public position" domestically or abroad, or a close family member of such a person or a close associate of such a person. Prominent or senior public position includes the following: a. Heads of State, heads of government, ministers and deputy or assistant ministers; b. Members of parliaments or of similar legislative bodies; c. Members of the governing bodies of political parties; d. Members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances; e. Members of courts of auditors or of the boards of central banks; f. Ambassadors, *chargés d'affaires* and high-ranking officers in the armed forces; g. Members of the administrative, management or supervisory bodies of State-owned enterprises; h. Directors, deputy directors and members of the board or equivalent function of an international organization. No public function referred to in points (a) to (h) shall be understood as covering middle-ranking or more junior officials. PEP measures also apply to family members or persons known to be close associates of politically exposed persons.
Personal Data	Any information directly or indirectly relating to an identified or identifiable natural person.
Proportionality Principle	Proportionality Principle requires that AML/CTF measures are adopted applying a risk based approach taking into account the nature, scale and complexity of the services provided (e.g., insurance, banking, payment, e-money services), the size of the institution and the organizational structure (including the use of agents, outsource providers, foreign activities, number of employees).
Regulatory Qualification	A Group internal regulation is classified as Regulatory when: • an external law or regulation sets the obligations to implement a Policy or Guideline at Group level; • a Guideline or a Technical Measure details one or more regulatory provisions of the above Policies and/or Guidelines.
Reputational Risk	The potential losses arising from a deterioration or a negative perception of the Company's or Group's reputation in respect of its customers, counterparties, shareholders and Supervisory Authority. The potential that adverse publicity regarding a financial institution's business practices and associations,

Acronym/Term	Explanation/Definition
	whether accurate or not, will cause a loss of confidence in the integrity of the institution. Insurance and other financial institutions are especially vulnerable to reputational risk because they can become a vehicle for, or a victim of, illegal activities perpetrated by customers.
Risk-Based Approach	The approach whereby obliged entities identify, assess and understand the ML/TF risks to which subjects of assessment are exposed and take AML/CFT mitigation measures that are proportionate to those risks.
Senior Management	The CEO, the general manager and managers responsible at high level for the decision making process and the strategy implementation.
Shell Bank	A credit institution or financial institution, or an institution that carries out activities equivalent to those carried out by credit institutions and financial institutions, incorporated in a jurisdiction in which it has no physical presence, involving meaningful mind and management, and which is unaffiliated with a regulated financial group.
Simplified Due Diligence (SDD)	Measures adjusted for the amount, timing or type of each or all of the CDD measures in a way that is commensurate to the low risk identified.
Suspicious Activity	Unusual customer behavior or activity that raises a suspicious that it may be related to money laundering or to the financing of a terrorist activity: may also refer to a transaction that is inconsistent with a customer's known legitimate business, personal activities, or the normal level of activity for that kind of business or account.
Suspicious Transaction Report (or STR or SAR)	A suspicious transaction/ activity, whether completed or attempted, is a transaction/ activity that raise the feeling or impression that something or someone could be related to a money laundering or terrorism financing offence. All suspicious relationships and transactions, including attempted transactions, should be reported to the local Financial Intelligence Unit, regardless of the amount of the single transaction.
Third Country	A country other than an EU Member State.
Third Party acting on behalf of the Group	Third Party acting on behalf of the Group are persons who have the mandate to act on behalf of the Group (e.g., agents, intermediaries, consultants, advisors, service providers, suppliers and includes outsources) and manage any AML/CTF activities.
Transaction	A Transaction is any transmission or movement of funds regardless the connection with an ongoing relationship, as well as the designation of one or more beneficiaries specifically identified or unambiguously identifiable.

2 Introduction

2.1 OBJECTIVES

The Generali Group is fully committed to the highest standards of Anti-Money Laundering ("AML") and Counter Terrorism Financing ("CTF"), including the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing.

This Group Policy seeks to:

- Prevent all Group Legal Entities from being misused for Money Laundering ("ML") and Terrorism Financing ("TF") purposes, by establishing a robust global framework with common group-wide standards (Group AML/CTF Standards or Group Standards), including the prevention from being misused for the financing of the proliferation of weapons of mass destruction;
- Protect the Group and its Employees against any corporate or personal liability arising under AML/CTF laws and regulations;
- Protect the reputation and brand of Generali Group by minimizing ML and TF risks.

This Group Policy provides the Group Legal Entities including to Generali Life Assurance (Thailand) PLC (herein after "GTL") with minimum Group AML/CTF Standards.

All Employees and Third Parties Acting on Behalf of the Group are required to adhere to these Group Standards to protect Generali Group and its reputation. The requirements and the spirit of this policy must always be met.

There will be serious consequences for the individuals who attempt or actually breach the external and internal provisions related to AML/ CTF depending on the severity of the breach and the local applicable labor agreement, ranging from a consequence management action (e.g., disciplinary letter, change of role) and withdrawal of variable compensation rights to termination of the employment contract.

2.2 APPROVAL AND REVIEW

The Group Policy was approved by the Board of Directors of Assicurazioni Generali S.p.A., upon proposal of the Group AFC Officer.

It shall be promptly reviewed, and in any case at least every three years, to include developments in legislation, market and/or best practices, Group strategy and organization.

The Group AFC Officer is delegated by the AG BoD to approve Minor Changes[1].

The Group AFC Officer is delegated to provide the Group with common Group AML/CTF Standards and detailed guidance in order to support an effective implementation of this Group Policy informing the Board of Directors on the initiatives taken.

2.3 EFFECTIVE DATE AND IMPLEMENTATION DEADLINE

The Group Policy is effective since November 2017 and shall be immediately implemented.

GTL has been transposed the Anti-Money Laundering & Counter-Terrorism Financing Group Policy to be the Anti-Money Laundering & Counter-Terrorism Proliferation of Weapons of Mass Destruction Financing Policy (herein after "the Policy") which is effective as of as of xx June 2022.

2.4 SCOPE OF APPLICATION

The minimum standards set out in this Policy cover specific AML requirements (generally not relevant for non-life insurance business, unless differently specified by local regulations), specific CTF requirements and common AML & CTF requirements.

The Group Policy applies to Assicurazioni Generali S.p.A.[2] (AG Branches included), Controlled Regulated Group Legal Entities, Controlled Not Regulated Operative Group Legal Entities limited to:

- Insurance companies and intermediaries offering life insurance products (in respect of both AML and CTF requirements);
- Insurance companies offering non-life insurance products (in respect of CTF requirements only);

1 As defined in the GIRS Group Policy.
2 With reference to Assicurazioni Generali S.p.A., in consideration of the activities regulated by the Policy and of their potential impacts, the document is also relevant for the provisions of the Italian Legislative Decree 231/2001. Consequently, any violation of this Policy must be considered as a violation of the AG Organizational and Management Model and may be sanctioned as provided for therein. Anyone who becomes aware of a potential violation of the AG Organizational and Management Model can and should bring it to the attention of AG Surveillance Body established pursuant to Legislative Decree 231/2001.

- Credit institutions and other AML relevant financial institutions (e.g., banks, investment firms, asset managers, collective investment undertakings, trust or company service providers) in respect of both AML and CTF requirements;
- Entities providing any other products or services that are legally obliged to fulfil AML and/or CTF requirements under EU AML/CTF Directives time to time in force.

Insurance companies offering only non-life products are required to take into account only the CTF measures and the common AML & CTF requirements, with the exemption of these companies located in jurisdictions where the local regulations consider non-life products AML relevant. In these cases, Group Legal Entities apply the local AML requirements.

When entering into negotiations for non-controlling stakes in entities to be authorized to use the Generali brand (i.e., Joint Ventures) it must be ensured that the shareholders' agreements include the obligation to implement this Policy and its implementing Group Guidelines - or equivalent measures - together with the right for the Group to perform direct AML/CTF controls.

The Group Policy does not apply to:

- Controlled Not Regulated Residual Group Legal Entities;
- Investment funds and vehicles;
- Not controlled Legal Entities.

2.5 LOCAL REQUIREMENTS

Wherever local laws, regulations, policies or standards are stricter than the Group AML/CTF Standards set out in this Group Policy, the stricter standard will prevail.

Where a Third Country's law does not allow the implementation of any the principles, requirements and standards stipulated by this Group Policy or any conflict is identified with the principles and requirements in this Group Policy, those cases should be immediately substantiated and reported to the Local AFC[3] Officer. The Local AFC Officer[3] is accountable and responsible to ensure that the conflict is properly evaluated and must promptly inform the Group Anti-Financial Crime function by writing to Group AFC function (please use *Annex I to the GIRS Group Policy – Waiver and Dispensation Request Template).* The Group AFC function performs a specific risk assessment in order to evaluate the conflict and is delegated to evaluate any Additional Measure to be applied by Group Legal Entities to effectively manage the ML/ TF risks and provide them with a non-binding opinion. The Group AFC function provides the Local AFC[3] function with the related feedback.

Any Additional Measure must be approved by the GTL BoDs after the completion of the above process, based on the proposal of the Local AFC Officer and taking into account the opinion of Group AFC function. Group Legal Entities must promptly implement these Additional Measures to effectively handle the risk of money laundering or terrorist financing.

The Group AFC Officer reports any relevant deviation from this Group Policy and any adopted Additional Measures to the AG BoD. Where the third country's law prohibits or restricts the application of this Group Policy, the Group AFC Officer informs also the Italian Supervisory Authority communicating the name of the GLE and explaining the reasons of non-compliance and the action taken to manage the ML/TF risk.

2.6 IMPLEMENTATION, MONITORING AND INFORMATION FLOWS

The Senior Management is responsible for the implementation of this Group Policy and to ensure that all Employees and Third Parties acting on behalf of the Group perform the controls as a core activity within their roles and responsibilities. The Group AFC function is responsible for overseeing and supporting the Senior Management in the implementation and monitoring of the Group Policy across the Group.

The Local AFC functions[3] are responsible for guaranteeing a due information flow on the approval and implementation status (please refer to *Annex I – List of Key Implementing Requirements*) of the Group Policy within the perimeter of responsibility.

Any relevant organizational unit within any GLE shall promptly inform its Actuarial, Internal Audit, Risk Management and Compliance function (where applicable) of any facts and/or circumstances connected with this Group Policy which may be relevant for the performance of their duties.

[3] Or the relevant Local Accountable Function in line with the Local System of Delegated Powers

3 Roles & Responsibilities

3.1 BOARD OF DIRECTORS OF ASSICURAZIONI GENERALI S.P.A.

The AG BoD, as ultimate parent company of the Generali Group, also considering the results of the Group AML/CTF Risk Assessments, adopts the strategic decisions regarding the management of ML/TF risks for the entire Group.

3.2 GENERALI LIFE ASSURANCE (THAILAND) PLC.'S BOARD OF DIRECTORS ("GTL BOD")

In line with the strategic decisions of the AG BoD and the applicable Group Internal Regulations (this Group Policy, the Group Directives on the System of Governance, and the Compliance Management System Group Policy), GTL BoDs (including AG BoD when relevant):

- Defines and at least annually reviews GTL strategies on ML/TF risks taking into account the results of the AML/CTF Risk assessments and approves AML/CTF Policy which embeds the pillars of the local strategy and the content of this Group Policy for the effective management of GTL's ML/TF risks;
- Oversees the implementation of the Local AML/CTF Policy and respected internal regulations and the extent to which these are adequate and effective in light of the AML/CTF risk to which the GLE is exposed to;
- Ensures that the roles and responsibilities to prevent the ML/TF risks are clearly and appropriately allocated guaranteeing the distinction between Local operative and Key Functions;
- Establishes the GTL AFC function and appoints the GTL AFC Officer and the Local Money Laundering Reporting Officer;
- Oversees that the GTL AFC function is independent and endowed with adequate quantitative and qualitative resources;
- Verifies and ensures that the Group system of governance is effective over the time with particular reference to the internal control system aimed at managing and controlling the ML/TF risks;
- Ensures that adequate, complete and timely information flows are established towards the corporate bodies and between the Local AFC function and the Local Key Functions and any other relevant function;
- Ensures that the Suspicions Activities Reports (SARs) are managed with the utmost confidentiality and protect Employees from any retaliation for having submitted a SAR to AMLO;
- Examines and approves at least annually the AML reports and plans submitted by the Local AFC Officer, and in particular the results of the AML/CTF Risk Assessment;
- Ensures to be timely informed about the weaknesses identified by the control activities to issue directives for their resolution and evaluate that they are effectively managed over the time;
- Establishes the GTL AFC function defining its responsibilities according with Group Standards and the applicable Group internal regulations.

3.3 GTL'S SENIOR MANAGEMENT

The GTL's Senior Management:

- Ensures that the strategic decisions and the Policy adopted by the GTL BoDs on ML/TF risks are effectively implemented ensuring the effective implementation of the Group Standards and Group internal regulations;
- Defines and collects in a document all internal regulations, procedures and controls aimed to identify and clarify the measures in place to implement the BoD's resolutions and strategies, together with the Group Standards, to mitigate the AML/CTF risk;
- Is responsible for the adoption of all the necessary actions, in accordance with the necessary recommendations and opinions of the Local AFC function, to ensure that an effective internal control system for the mitigation of the ML/TF risks is maintained over the time;
- Ensures that adequate resources - human capital, expertise, information technology and other - are dedicated to manage the ML/TF risks;
- Ensures that all the relevant personnel receive adequate information and training on the ML/TF risks and factors;
- Ensures the sharing for AML/CTF purposes of complete and accurate data and information with the Group and the implementation of the Group Data Sharing processes and procedures to manage common Group Relevant AML Parties in accordance with Group Standards;
- Approves high-risk Business Relationships and Transactions collecting when necessary the Local AFC function's opinion as required by the AML/CTF Customer Due Diligence Group Guidelines;
- Adopts initiatives aimed at verifying that all relevant personnel and the distributors are able to identify anomalies in the behaviors or in the communication flows in the relations with customers.

3.4 GROUP AFC FUNCTION, GROUP AFC OFFICER

The Group AFC function is established in the form of an independent organizational unit within the Group Compliance Function.. The Group Compliance Function and the Group AFC function may share resources and activities provided that the relevant resources and activities are identified or identifiable.

The Group AFC function is headed by the Group AFC Officer, who assumes the role of Anti-Money Laundering Officer and MLRO for Assicurazioni Generali S.p.A. The Group AFC Officer directly reports to the AG BoD and also to the Group Compliance Officer, only to ensure the coordination of the shared resources, if any.

The Group AFC Officer has direct access to the Group CEO on the matter under his/her responsibility.

The Group AFC function is responsible of the supervision, guidance and coordination within the Group for Anti-Money Laundering and Counter-Terrorism Financing purposes, also through the issuance of Group internal regulations on AML/CTF Standards.

The Group AFC function verifies on an ongoing basis that the Group internal regulations on AML/CTF Standards are coherent to effectively prevent and contrast the violation of laws and regulations related to the prevention of money laundering and terrorism financing.

In relation to Anti-Money Laundering and Terrorism Financing risks, the Group AFC Officer is responsible for:

- Identifying the applicable AML/CTF laws and regulations for the Group;
- Coordinating the AML/CTF annual risk assessment for the Group Legal Entities in scope in order to assess the money laundering and terrorist financing risk to the entire Group;
- Monitoring the adequacy of the overall AML/CTF program, also through the performance of sample controls in coordination with Group Audit;
- Evaluating the additional measures proposed by Group Legal Entities which cannot implement Group Standards reporting to the AG BoD any adoption;
- Informing the AG BoD in relation to any relevant violation related to AML/CTF;
- Defining, in coordination with other Group functions the AML/CTF training for the Group, providing targeted training to relevant staff members in Group Legal Entities located in Third Country to enable them to identify money laundering and terrorist financing risk indicators;
- Defining Group AML/CTF Standards, in particular for the application of the Risk-Based Approach, the management of the Customer Due Diligence and the Suspicious Transactions Reporting and Testing Controls in accordance with the provisions of this Group Policy;
- Providing the AG BoD, by the end of July of each year, with a consolidated report on the activities performed by the Local AFC functions together with an assessment on the effectiveness of the methodology for the evaluation of Group Legal Entities' exposure to the nature, scale and complexity of the intrinsic risk;
- Providing Group and Local Senior Management with recommendations and opinions on all relevant remediation actions before they are submitted, if needed, to the relevant BoDs;
- Providing non-binding opinion to Group and Local Senior Management on high-risk Business Relationship and Transactions with potential reputational risk for the Group as required by the Group Standards on Customer Due Diligence having the veto power to restrict business activities in violation of this Group Policy;
- Defining the methodology for the evaluation of Group Legal Entities in relation to their exposure to the nature, scale and complexity of the intrinsic risk in accordance with the following criteria
    - Group Legal Entities are classified in two classes:
        1. Entities which are exposed to a lower nature, scale and complexity of the intrinsic risk;
        2. Entities which are exposed to a higher nature, scale and complexity of the intrinsic risk;
    - This classification has the goal to identify the minimum standard in setting the organization of GLEs exposed to AML/CTF risks in accordance with the provisions of this Group Policy;
    - The classification must consider each of the three dimensions of the intrinsic risk (nature, scale, complexity);
    - Quantitative and objective factors, based on regulatory provisions or Group dimensions - being relevant for the activities to be performed by the GLEs exposed to AML/CTF risks- must be associated to each dimension to determine its relevance;
    - The outsourcing of activities must be considered.
- Communicating to the relevant GLEs their exposure to the ML Risk.

The Group AFC function is promptly informed by the Senior Management, GLEs and GHO functions in relation to any relevant fact related to ML/TF matters and must have direct access to any information and systems may be needed in order to prevent and/ or manage ML/TF risks in the Group.

The Group AFC function has access to all SAR sent to the AMLO or FIUs by the GLEs and provides operative instructions in order to ensure the coordination and alignments of the reporting process within the Group.

3.5 GTL ANTI-FINANCIAL CRIME FUNCTION

The AML relevant GLEs exposed to a higher nature, scale and complexity of intrinsic ML risk must establish the Local AFC function in the form of an independent organizational unit within the Local Compliance function.

The Local Compliance function and the Local AFC function may share resources and activities provided that relevant resources and activities are identified or identifiable.

According to the Group organizational model, the Local AFC function is headed by the Local AFC Officer. The Local AFC Officer directly reports to the GTL BoDs and also to the Local Chief Compliance Officer so that he/she can ensure the coordination of the shared resources, if any.

The Local AFC Officer has direct access to the Local CEO on the matter under his/her responsibility.

As GTL is exposed to a lower nature, scale and complexity of the ML/TF intrinsic risk. Thus, GTL has established the GTL AFC Function under the GTL Compliance function.

A solid reporting line is established between the Group and GTL AFC Officers (the reporting line will also apply in countries where this role coincides with the GTL Compliance Officer).

The Group AFC Officer may decide to appoint BU AFC Officers.

The GTL AFC function must evaluate and monitor the effectiveness of the AML/CTF Program following a risk-based approach and applying the Proportionality Principle following the GTL requirements and Group Standards.

The GTL AFC function (including the Group AFC function, as AG AFC function) acts according to the applicable Local regulations and must perform at least the following activities with respect to the management and mitigation of AML/CTF risks:

- Identifies the AML/CTF applicable rules and evaluates their impact on the internal processes and procedures;
- Cooperates in defining the GTL internal regulations for the management of the ML/TF risks;
- Coordinates the AML/CTF risk assessments;
- Submits to GTL BoDs, by the end of March, the AML/CTF annual report and plan; moreover, provides the GTL BoDs with at least an annual interim report; the reports and plans must be validated by the Group AFC function before they are submitted to GTL BoDs.
- Cooperates with the GTL Senior Management in setting the standards of the internal control framework, the procedures aimed at managing the ML/TF risks
- Verifies that the internal control system is adequate at all times to mitigate the ML/TF risks, including the evaluation of IT tools (e.g., the customer due diligence, suspicious activities reporting, screening and record keeping tools), also leveraging on GTL IT functions and/or external experts;
- Performs testing controls, when necessary in coordination with the Local Internal Audit function, in order to identify potential issues and critical areas;
- Informs without delay the corporate bodies on any violation or any identified significant weakness;
- Provides advice and assistance on ML/TF risks;
- Provides GTL Senior Management, in alignment with the Group AFC function, with recommendations and opinions on all relevant remediation actions before they are submitted, if needed, to GTL BoDs;
- Provides the Group AFC function with an English translation of all relevant authorities reports as soon as they are available;
- Provides information flows toward the GTL corporate bodies and the GTL Senior Management;
- Defines an adequate AML/CTF training plan for all Employees;
- Supports the definition of the content of the internal policies and of the specific document - to be approved by GTL Senior Management - that identifies the key elements of the organizational set up, the procedures and the internal controls, the record keeping and the customer due diligence;
- Ensures a correct application of the enhanced customer due diligence measures providing non-binding opinions on the high-risk Business Relationship and Transactions as required by the Group Standards on Customer Due Diligence having the veto power to restrict business activities in violation of this Group Policy;
- Verifies the implementation of the formalized and documented escalation processes for the assessment of the high-risk cases ensuring the involvement of the Group AFC function as required by the Group Standards on Customer Due Diligence;

- Provides the corporate bodies with adequate reports on the activities carried out, their results and the corrective measures adopted;
- Submits any evaluation on significant organizational and procedural measure to mitigate to ML/TF risk to the validation of the Group AFC function;
- Controls that the distributions agreements include the necessary AML/CTF risk-based mitigations measures and in particular provisions to ensure the information sharing on common business relationship regarding any relevant risk element which could require the adoption of enhanced due diligence measures such as the suspicious activity reporting to the FIU or an AML/CTF relevant request for information by an authority;
- Fulfills the reporting duties toward the Group AFC function in accordance with the Group Standards.

3.6 GTL AFC OFFICER AND GTL MONEY LAUNDERING REPORTING OFFICER

Within the organizational governance of the GTL AFC function described in par. 3.5, and with respect and in line to GTL HR processes, GTL internal regulations and regulatory requirements, the solid line reporting model is declined as follows:

- Sourcing: hiring and firing of the GTL AFC Officer are resolved by GTL BoDs, upon written proposal of the Group AFC Officer. Where the GTL AFC Officer is also the GTL Compliance Officer, the appointment is made in compliance and accordance with the Compliance Management System Group Policy;
- Performance evaluation: goal setting and goal appraisal of the GTL AFC Officer will be reflected in the AFC Annual Report are resolved by GTL BODs, upon written proposal of the Group AFC Officer;
- Remuneration: in accordance also with the Group AFC Officer review the hiring package, base salary review and short-term incentives (base line and payout) of the GTL AFC Officer shall be in line with remuneration policy of the employing GTL, defined consistently with the relevant Group Policy, and shall account for local market specificities;
- Budget and head count planning: budget and personnel assigned to the GTL AFC Officer are resolved by GTL BoD, upon written proposal of the Group AFC Officer.

The Group AFC Officer shall act in agreement with the GTL CEO, and the Group Compliance Officer, where necessary, for all the above proposals.

The GTL AFC Officer must not be responsible for, or report to, any operational or commercial unit/ area within the GTL.

The GTL AFC Officer has been appointed as the Money Laundering Reporting officer (MLRO) which responsible for reporting suspicious transactions or activities to the relevant local authorities (i.e. national Financial Intelligence Unit).

The GTL AFC Officer and the GTL Money Laundering Reporting Officer (MLRO) must be appointed following the provisions of the Fit & Proper Policy and Local requirements, and the appointment must be notified or approved by Local Authorities, if required by Local laws. They must have necessary qualifications, knowledge, professional and personal skills to enable them to carry out their duties effectively and an experience of at least three years in the AML/CTF, Compliance, Risk Management or Internal Audit functions.

3.7 GROUP AFC COMMITTEE

The Group AFC Committee is established. It is composed by the Group AFC Officer, the Group Compliance Officer, the Group AFC staff and the AFC Officers of the Group Legal Entities which are exposed to a higher nature, complexity, and level of the ML/TF intrinsic risks. Other attendees may be invited depending on the topics under discussion.

The Group AFC Committee, convened at least twice a year, is set up in order to:

- Value the different experiences and cultures of the Group Legal Entities;
- Steer the evolution of the Group AML activities proposing the adoption of best practices and benchmarks in line with the global regulatory landscape and sector standards;
- Create international working groups with the aim to deal with mutually-important specific topics;
- Propose initiatives to enhance common activities and contribute to the development and updating of the group-wide AML/CTF compliance program;
- Share common issues also arising from the Group Data Sharing activities.

3.8 COOPERATION AMONG KEY FUNCTIONS

The Group/GTL AFC Function cooperates with the Group/GTL Key Functions to promote and support the establishment of a robust internal control system.

The collaboration between the Group/GTL AFC and Group/GTL Internal Audit functions is necessary to ensure an effective control

environment and foster the implementation of the Group AML/CTF Standards.

To this end:

- Both Group/GTL Internal Audit and AFC functions share their respective group-wide verification plans, including the results of the underlying risk assessment, before the presentation for approval in the AG BoD/ATL BoDs with the target to increase the assurance on Anti-Money Laundering and Counter Terrorism Financing;
- In case of audit activity on Anti-Money Laundering and Counter Terrorism Financing in Generali Group, Group/GTL Internal Audit function involves the Group/GTL AFC function in the phases of the audit engagements, in particular sharing audit issues and their remedial actions in a timely manner, in any case before the presentation to the AG BoD/GTL BoDs
- The Group/GTL AFC function informs the Group/ GTL Internal Audit function on a timely basis about their verifications on Anti Money Laundering and Counter Terrorism Financing in Generali Group, and about any major potential or actual control failures regarding Anti-Money Laundering and Counter Terrorism Financing, including regulatory activity, breaches of legislation and deficiencies in the internal control system.
- In case of conflicts, the discussion points shall be presented, if necessary, to the AG BoD/GTL BoDs in a timely manner to seek guidance on how to proceed.

To be ensured that all processes related AML/CTF activities in GTL complies with the law and/or regulation issues by AMLO and this policy, the Internal Audit Department is in charge of performing third level controls on all AML/CTF activities performed according to the Audit internal Regulation where is formalized their approach, approved by the GTL Board of Directors".

3.9 EMPLOYEES AND THIRD PARTIES ACTING ON BEHALF OF THE GROUP

It is the responsibility of all Employees, Third Parties acting on behalf of the Group, outsourcing service providers to whom Group Legal Entities outsourced AML/CTF activities, in the performance of their duties, to perform the necessary measures to prevent and mitigate the ML and TF risks and to exercise professional due diligence and good faith in pursuit of the rigorous application of the Group AML/CTF Policy and of any relevant Local requirements and internal rules and procedures.

It is particularly important that all "front office" personnel (e.g. underwriters, sales, agents) make themselves aware of all restrictions applicable to their business and remain vigilant to the related risks applying to their client relationships and transactions and report any anomalous activity to GTL AFC Officer. Any breach or attempt to circumvent or facilitate the violation of AML/CTF obligations should be reported by employee to the GTL Compliance function and GTL AFC function through the Group Compliance Helpline (via telephone or web) in accordance with the relevant Group internal regulations.

The screening process of employee(s) to work in AML/CTF-WMD shall have high standard steps and procedures in recruiting employee(s) such as checking for criminal records and the list of designated persons.

4 AML/CTF Risk-Based Approach and Risk Assessment

GTL and all Employees must always be aware, both in setting the organization and in the daily operations, of the ML/TF risks to which they are exposed.

GTL must always consider the complexity, nature and size of its business in order to effectively manage the ML/TF risks that they are exposed to applying the Proportionality Principle.

To this end, the AML/CTF Risk Assessment process, which provides for both a potential or inherent risk evaluation and the evaluation of the mitigation measures implemented, will support the decision-making process. These mitigation measures should be appropriate to the GTL's organizational structure, size, products offered and market conditions.

The Risk Assessment must be performed and documented at least once a year and any time there are significant changes in the business or in the relevant regulatory framework. The AML/CTF Risk Assessment must be performed in accordance with the Group Standards and its results must be shared with the Group AFC function and GTL BoDs.

4.1. REMUNERATIONS

GTL must adopt all necessary risk-based measures to comply with Group and Local AML/CTF requirements.

The results of the Overall Risk Assessment and the AML/CTF Risk Assessment must always be considered when setting the budget. When significant changes in the organization, procedures, internal controls are required by the Group, budget limits and the related incentive remuneration mechanism assigned to the Senior Management must not endanger the capacity of GTL to timely adopt the changes and proper manage the ML and TF risks.

In case of a budget limits agreed with AG, a request of waiver may be requested to the Group CFO together with evaluation of the Group AFC Officer.

Where negative economic effects derive from the need to dismiss customers because of the participation to Group data sharing mechanisms, these effects must not endanger the goal assigned by AG to Group Legal Entities.

Personnel's remuneration mechanisms, including personnel dedicated to sales/ distribution activities, must not pose conflicts with the duties to comply with AML/CTF requirements included those deriving from the participation to Group processes or mechanisms, including the Group Data Sharing.

5 AML Group Requirements

The following sections set out the minimum Group AML/CTF Standards that GTL must follow in order to meet this Group Policy's requirements.

5.1. AML CUSTOMER DUE DILIGENCE (CDD) MEASURES

The AML customer due diligence purpose is to achieve an appropriate knowledge of the customer and of the other relevant parties involved in the relationship/ transaction and must take into account different factors to determine whether a Business Relationship is (or remains) acceptable for GTL. Customer due diligence measurers must be commensurate to the risks of the Business Relationship/ occasional transaction.

AML customer due diligence must be performed:

- When establishing a Business Relationship; when beneficiaries are defined or when the claim is being paid;
- When carrying out occasional transactions whose value exceed the amount equal to USD/EUR 15,000, whether the transaction is carried out in a single operation or in several operations which appear to be linked;
- When there is a suspicion of money laundering or terrorist financing, regardless of any derogation, exemption or threshold;
- When there are doubts about the veracity or adequacy of previously obtained customer identification data.

The customer due diligence procedures should include:

- Identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source;
- For life or other investment-related insurance business, identifying the beneficiaries, as soon as the beneficiaries are designated, and verifying the beneficiaries' identity at the time of the payout; including the beneficial owner/s of the beneficiary/s if any; in case of a designation of a nonfamily related beneficiary the verification of its identity must be performed at the earliest opportunity paying particular attention to relationship with PEPs;
- Identifying and verifying any beneficial owner and taking reasonable measures to verify that person's identity or if, after having exhausted all possible means to identify the ultimate individual who owns or controls the legal entity and provided there are no grounds for suspicion, the natural person who hold the position of senior managing official;
- Identifying and verifying third parties acting on behalf of another person (e.g. customer, policyholder or beneficiary), and then taking reasonable steps to obtain sufficient identification data to verify the identity of that other person (e.g. an insurance policy that has an irrevocable third party beneficiary designation);
- Assessing and, as appropriate, obtaining information on the purpose and intended nature of the Business Relationship;
- Determining whether the customer, the beneficiary and their beneficial owner (and, where applicable and accordingly with local requirements, the individual acting on behalf of the customer) is a PEP, also by screening against a PEP list provided by a reputable commercial organization (e.g. Dow Jones);
- Verifying the customer's general reputation by screening names on open public sources and/or against tools and lists provided by reputable commercial organizations, on a risk-based approach verify as well the beneficiary, beneficial owner, insured and the person who acts on behalf of the customer.

In addition, GTL must assure on a risk based and ongoing basis the below activities:

- Evaluate the AML/CTF risks of the products and services the customer requires and determining the customer's expected nature and level of activity;
- Conducting ongoing monitoring of the Business Relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the Group Legal Entity's knowledge of the customer, the business and risk profile, including where there is a related ML/TF risk (e.g. funds received from abroad) or requested by local requirements the source of funds. Ongoing due diligence also includes ensuring that the identity documents, data and information held are kept up to date.

The extension and the nature of the data and information requested to the customers must be adequate, relevant and not go beyond what is necessary considering the risks and the specific Business Relationship/ transaction. Where a Group Legal Entity

is unable to comply with the customer due diligence requirements, it shall not carry out a transaction, establish a Business Relationship or carry out a transaction, and, when possible, shall terminate the Business Relationship and evaluate the filing of a suspicious transaction report to the local Financial Intelligence Unit.

After completion of initial due diligence, GTL must maintain procedures, according to the Risk-Based Approach, which ensure that the customer due diligence is updated based on the risk or where needed (e.g. relevant change in the contractual agreements). Where a customer's risk classification is increased to high risk as a result of this review, GTL shall perform the EDD.

5.2. CUSTOMER RISK CLASSIFICATION

ML and TF risks must be evaluated for each single customer, taking into account the elements which lower or heighten risks. The methodology for risk classification of the customers must take in account the Group Standards, the data shared across the Group and, at minimum, the following ML/TF risk factors:

- Product and services: the type of products or services provided to the customer, the relative amounts involved, and how those products or services are used by the customer;
- Geography: including both the customer's nationality, residence, country/ area of operation and country/ area of incorporation and the nationality and/or residence of the beneficial owner(s);
- Client: the characteristics and the behaviors of the customers including:
  - Customer's behavior;
  - Legal form taken by the customer and its susceptibility to being used for money laundering;
  - Business activity;
  - Source of funds and wealth when obtained;
  - Depth and duration of relationship with customer;
  - PEP - whether the customer or beneficiary of a policy (and their beneficial owner) poses a high ML risk because they are a Politically Exposed Person (PEP);
  - STRs - where a customer was reported to the FIU and/or there is serious relevant negative information concerning the customer or beneficial owner that may impact the Group's reputation (e.g. allegations/ prosecution for financial crimes such as fraud or bribery);
  - Terrorism and Sanctions - where there is a higher risk that the customer is associated with terrorism or sanctioned activities considering the location, the type of the Group Legal Entity (i.e. charities) or business;

Distribution Channel: the way through which a products/ services are offered to the clients.

GTL must associate the different levels of risk with the three categories of due diligence measures:

- Simplified: where GTL identify areas of lower risk they can apply simplified due diligence measures, in accordance with local law as defined in paragraph 5.3.;
- Standard: the customer due diligence must be applied in accordance with paragraph 5.1. and local law;
- Enhanced: subsequent information must be gathered and/or additional activities and checks must be conducted as defined in paragraph 5.4.

5.3. SIMPLIFIED DUE DILIGENCE (SDD)

Simplified customer due diligence (SDD) measures may only be applied to Business Relationships or transactions which present a lower degree of ML risk, following a risk based approach those cases can be subject to lower due diligence measures. However, sufficient monitoring of the transactions and Business Relationships are necessary to enable the detection of any unusual or suspicious transactions.

Group Legal Entities must verify periodically the appropriateness of the application of the simplified due diligence measures on their Business Relationships or transactions, also taking into consideration the result of their AML/CTF Risk Assessment.

SDD measures are implemented by Group Legal Entities in accordance with the local legal requirements.

5.4. ENHANCED DUE DILIGENCE (EDD)

Enhanced customer due diligence (EDD) measures shall apply to all Business Relationships and transactions that present a higher ML/TF risks following a risk-based approach those cases must be subject to more stringent due diligence measures.

However, the following circumstances must always be considered high risk:

- Politically Exposed Persons who are customers and beneficiaries of life insurance policies or their beneficial owners;

- Trusts, foundations and legal arrangements similar to trusts and bearer share companies with officially declared ownership;
- Persons subject to information request for AML/CTF purposes from a law enforcement agency or AMLO;
- Correspondent Banking Accounts and relationship regulated on accounts with respondent institutions in a third country (i.e. in non-EU jurisdictions);
- Customer and beneficiary of life insurance policies or their beneficial owner resident in high risk countries;
- Payments (settlement) from or to high risk countries/ territories;
- STRs - customers subject to reports to Financial Intelligence Unit;
- Insurance payments (settlement) to third parties other than the person entitled to be paid in the policy agreement: in case of insurance, the request of a payment to third parties that are not the policy holder or the designated beneficiary of the policy, even with reasonable motivations/ relationships between the third party and the policyholder or the beneficiary, must be granted on exceptional basis which requires enhanced controls, including top management approval and a positive opinion by the Local AFC Officer.

EDD must be applied, as far as reasonably possible, when there are complex and unusually large transactions, unusual patterns of transactions which have no apparent economic or lawful purpose, in particular when those transactions or activities appear suspicious (in this case a SAR must be evaluated, see paragraph 7.2).

GTL shall apply at least and when appropriate the following EDD measures to high risk Business Relationships and Transactions:

- Collecting appropriate additional information/ documents to support those already obtained;
- Obtaining the customer's source of funds and wealth;
- Obtaining senior management approval for establishing or maintaining high risk Business Relationships and processing a Transaction following formalized and documented escalation processes and obtaining the AML Functions' opinions when required by Group Standards;
- Conducting enhanced ongoing monitoring of those Business Relationships.

5.5. GROUP AML/CTF DATA SHARING

GTL must share Group Relevant Customer's data in accordance with the directives issued by the Group AFC function.

The sharing of these data is aimed at establishing a common data base so that to ensure a homogenous approach across the Group on customer's risk classification.

GTL must feed the Group's shared data base and adopt adequate procedures to ensure that the data included in the Group Data Sharing Consolidated List are used to manage and profile their customer accordingly to Group Standards.

5.6. THIRD PARTIES RELIANCE FOR DUE DILIGENCE MEASURES

In order to fulfill their customer due diligence requirements GTL may rely on due diligence activities performed by other Group Legal Entities or by third parties when these are a supervised credit or financial institution which apply standards equivalent to the one defined by this Policy and its implementing Guidelines. In case of doubts and Group Joint Ventures, the Group AFC function must be consulted. However, the ultimate responsibility for meeting the above requirements remains with the GTL which relies on the third party.

GTL cannot rely on third parties for the ongoing monitoring of the Business Relationships and cannot rely on third parties established and/or operating in High-Risk Third Countries as identified by EU Commission for the fulfillment of their customer due diligence requirements.

A Third Party Acting on Behalf of the Group or an outsourcing service provider cannot be considered a third party where performing due diligence measures but they must be regarded as part of GTL.

6 CTF Requirements

6.1 SCREENING

GTL must take appropriate and risk-based steps to ensure that proper procedures and screening tools are implemented to screen customers and other relevant persons where necessary, for example, beneficiaries, insured, the people acting on behalf, beneficial owners[4], suppliers, intermediaries, employees against a database that contains at minimum:

- Consolidated United Nations Security Council Sanctions List;
- Consolidated list of EU financial sanctions and consolidated list of persons, groups and entities subject to EU financial sanctions;
- US sanctions lists;
- Any locally-issued terrorist and sanctions lists applicable to GTL;
- Group Data Sharing Consolidated List (mandatory only for AML relevant GLEs).

Screening processes must be risk-based and performed, when appropriate, at all stages of a Business Relationship:

- Before on boarding the customer;
- During the relationship on ongoing basis;
- Before providing insurance services, performing the payment or the settlement of the policy.

The Group AFC function have selected preferred providers of lists, screening tools and independent testing controls and implemented a Common Screening Solution recommended to be implemented by GTL.

[4] Where such information is required as part of the CDD requirements and considering the ML/TF risks.

7 AML & CTF Common Requirements

7.1 TRANSACTION MONITORING

GTL shall implement and maintain risk-based procedures to monitor the individual transactions and patterns of transactions, in particular for AML relevant businesses, undertaken by customers based on the Proportionality Principle. In this way, GTL is able to verify whether the transactions are consistent with their knowledge of the customer, or whether certain transactions have been identified as being anomalous, also taking into consideration specific indicators of suspicious activity required by Local authorities.

GTL shall develop and implement procedures for monitoring and immediately investigate sensitive or high-risk transactions relating to money laundering or the financing of terrorism, with the object of detecting suspicious activities. The implemented monitoring procedures should be supported by appropriate tools, preferably automatic, bearing in mind the type of product (i.e., banking, life insurance, asset management), transaction, business activity, geographical scope and amount involved.

7.2 INVESTIGATING & REPORTING SUSPICIOUS ACTIVITY

GTL must be vigilant when performing CDD obligations and carry out sufficient monitoring activities of the transactions and relationships to enable the detection of unusual or suspicious activities.

A suspicious transaction/ activity, whether completed or attempted, is a transaction/ activity that raises the feeling or impression that something or someone could be related to a money laundering or terrorism financing offence.

All suspicious relationships and transactions, including attempted transactions, should be reported to the local Financial Intelligence Unit or AMLO, regardless of the amount of the single transaction.

GTL shall ensure that individuals, who report suspicions of money laundering or terrorist financing internally or to AMLO, are protected from being exposed to threats or hostile action, and in particular from adverse or discriminatory employment actions.

GTL and their Senior Managers, Employees and Third Parties Acting on Behalf of Generali Group shall not disclose to the customer concerned or to other third parties the fact that information is being, will be or has been transmitted to the Financial Intelligence Unit or any other law enforcement agency. This prohibition shall not prevent the sharing of information with Group AFC function and among the Group on a need to know basis.

Each AML relevant GTL is required to adopt an adequate and effective approach for reporting suspicious activities/transactions, in line with this Policy and the Suspicious Activity Reporting Guideline. AML relevant GTL has been implemented the Group Suspicious Activity Report Solution (SAR Solution) aimed at ensuring a Group-wide approach and managing the SAR Process in a in line with Group Standards.

7.3 RECORD KEEPING

GTL must implement and maintain procedures that ensure the retention of the supporting evidence and information records pertaining to the Business Relationship and transactions, in accordance with local legal requirements and with data protection rules, for at least ten years from the execution of an occasional transaction or from the termination of any Business Relationship.

Data records and relevant documentation must be stored in a format (preferably electronic) that ensures they are appropriately archived and easily retrievable, in accordance with local legal requirements.

GTL must ensure that there are no logistical or legal obstacles - regarding the data and documents confidentiality - which could limit the timely access by the Group and relevant authorities to AML/CTF information, data and documentation, especially if those are stored abroad.

7.4 TESTING

GTL must ensure that independent compliance testing activities are regularly carried out to review and assess local AML/CTF control system is compliant with the AML/CTF Standards and applicable laws. These testing activities can be carried out directly by the Group AFC function on any Group Legal Entity.

The Group AFC function defines the criteria for the AML/CTF testing activities to be carried out in GTL.

7.5 TRAINING

GTL must provide to relevant employees (new and existing) periodic risk-based AML/CTF training applying the Proportionality Principle. Group employees and Third Parties acting on behalf of Generali Group must be trained in order to be aware of potential

scenarios by which the Group may be misused for money laundering and terrorist finance purposes and must be instructed on how to proceed when they detect anomalous activities.

7.6 MANAGEMENT INFORMATION AND REPORTING

The GTL AFC Officer must provide regular reports about GTL's AML/CTF activities to GTL's BoDs. GLEs should also ensure that significant ML/TF related events are promptly reported to the GTL BOD and to Group AFC function.

7.7 REGULATORY TRACKING

GTL must implement and maintain procedures to ensure:

- Changes to relevant Group Standards, AML/CTF laws, regulations and guidance are identified and their impacts on the GTL is analyzed;
- AML/CTF Program is modified and updated to deal with any material impacts of those changes.

The analysis carried out to identify the impacts and the remediation actions must be formalized and documented (e.g., gap analysis, tracking of the internal regulation changes).

7.8 RETRICTED BUSINESS

GTL must not establish Business Relationships with shell banks nor establish or permit Transactions with anonymous relationship (e.g., shell company, numbered account). Furthermore, Business Relationships shall not be established where the identity of the customer, beneficiary(ies) and/or beneficial owner(s) is required but cannot be determined.

GTL shall establish and maintain procedures to appropriately restrict Business Relationships and Transactions with individuals and entities named on the United Nations, European Union Financial Sanctions List, the United States Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons List ("SDN list" and other blocked persons lists) and local lists and freeze the funds accordingly with local laws and regulations.

GTL shall reserve the right to promptly terminate any Business Relationship that violates the high AML/CTF Group Standards.

GTL and Group AFC functions must exercise its veto right on the acceptance and the maintenance of a Restricted Business, Business Relationship or Transaction.

7.9 DUE DILIGENCE ON THIRD PARTIES

GTL must perform adequate controls and due diligence of the third parties (e.g. suppliers, intermediaries, counterparties in M&A transactions) with whom they enter into Business Relationships in order to avoid relationships with subjects involved in ML or TF issues.

First line of defense is responsible to conduct due diligence process with a specific focus on the country of residence, country of operation and the type of business conducted by the company.

The due diligence activities might be subject to ex-post controls. For additional details, the personnel can contact GTL Compliance/AFC Officer or refer to the relevant Guidelines (e.g., ONE Procurement Guideline, International Sanctions Guideline and AML & CTF Customer Due Diligence Guideline).