GENERALI

Generali Insurance (Thailand) Plc.

INTERNATIONAL SANCTIONS POLICY

Compliance Function

LOCAL POLICY **GIRS GTI_2024_043**

For internal purposes only

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Approved by Board of Directors of Generali Insurance (Thailand) Plc.	
Meeting No./Year	Q3/2024
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Signed by	DocuSigned by: Mr. Arsh Kumi (Country Manager)

Document summary

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Group Versioning and Ownership

Version	Date of issuance	Document code	Reason for and Extent of Changes	Owner
4	2024-05-20	GP_2024_008	**Major changes:** clarified roles and responsibilities with respect to AG; segregation of duties; alignment to GIRS standard template	Group Chief Anti Financial Crime Officer
3	2021-11-10	GP_2021_018	**Major changes:** Relevant changes in international sanctions regulations	Group Anti Financial Crime
2	2017-12-13	GP_2017_016	**Minor changes**	Group Compliance
1	2015-12-02	GP_2015_021	-	Group Compliance – Group AML

Main related internal regulatory references

- Code of Conduct[1]
- Risk Appetite Framework Policy
- Directives on the System of Governance
- Compliance Management System Policy (Compliance Policy)
- Anti-Money Laundering & Counter Terrorism Financing Policy
- Personal Data Protection Policy
- Fit & Proper Policy
- International Sanctions Guidelines
- Anti-Money Laundering & Counter-Terrorism Financing - Customer Due Diligence Guideline
- Anti Financial Crime Second Level Controls Guideline
- Compliance Training Guideline

Any substituted/abrogated internal regulations

- n/a

Main related external regulatory references

Regulatory ☐ Yes ☒ No

Relevant for the purposes of Legislative Decree 231/2001 ☒ Yes ☐ No

Annexes

- Annex I – List of Key Implementing Requirements

[1] https://www.generali.com/our-responsibilities/responsible-business/code-of-conduct

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EXECUTIVE SUMMARY

Assicurazioni Generali S.p.A. and the wider Generali Group are firmly committed to complying with the relevant International Financial and Trade Sanctions' legal and regulatory requirements in all jurisdictions in which they operate.

The International Sanctions Group Policy sets out the framework by which the Generali Group manages its International Sanctions risks and establishes the International Sanctions group-wide minimum standards applicable to the relevant Group Legal Entities (GLEs with included Generali Insurance (Thailand) Plc. (hereinafter 'GTI')) within the Group.

The aim of this Group Policy is to support compliance with relevant legal and regulatory requirements, protect the Group's reputation, and define principles and rules to ensure International Sanctions compliance across the Group.

This Policy sets out the framework in relation to the following aspects of International Sanctions compliance to be aligned with Group:

- Governance (→ Chapter 3);
- International Sanctions (→ Chapter 4);
- Risk Assessment (→ Chapter 5);
- Risk Mitigation Measures (→ Chapter 6);
- Monitoring of Controls (→ Chapter 7);
- Record Keeping (→Chapter 8)

The Group Policy has been drafted in consistency with the Risk Appetite Framework Group Policy defined and approved by the AG BoD.

GENERALI

INDEX

1 Glossary and Definitions

Acronym/Term	Explanation/Definition
Adaptation	Additional details or formal amendments introduced into the Local internal regulation to customize the Group internal regulation.
Board of Directors (or BoD)	BoD 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, 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.
Branch	A branch, not having a legal personality, that is part of a Group Legal Entity and that has permanent representation offices.
Business Units (or BUs)	Geographical areas and global lines of business, which the Generali Group is organized into according to the latest internal memoranda.
Controlled Legal Entities	Legal Entities in which the Group holds a majority stake (at least 50%+1).
Controlled Not Regulated Operative Legal Entities	Legal entities not subject to prudential supervision and characterized by the presence of operating processes.
Controlled Not Regulated Residual Legal Entities	Legal entities not subject to prudential supervision and without operating processes.
Controlled Regulated Legal Entities	Legal entities subject to prudential supervision such as insurance companies, banks, pension funds and fund management companies, etc.
Date of Issuance	Date on which a Group internal regulation is approved.
Dispensation	Full exemption of an entity from the adoption of a Group internal regulation, in force of a conflict with local laws, regulatory requirements, documented requests raised by relevant supervisory authorities or collective labour agreements and/or proportionality considerations.
Effective Date	Date from which the Implementation of a Group internal regulation must be started.
Employee	All full time and part-time employees and temporary workers, irrespective of their job title and level.
Enhanced Due Diligence (EDD)	Additional examination and cautionary measures aimed at identifying and -if relevant- verifying customers and counterparties and confirming that their activities and funds are legitimate
EU Sanctions	The European Union promulgates and administers financial and trade sanctions, which have direct effect in all EU Member States. Within the framework of the Common Foreign and Security Policy (CFSP), the EU applies restrictive measures (administered by the Council of the European Union) in pursuit of the specific CFSP objectives set out in the Treaty on European Union (particularly Article 11). Sanctions or restrictive measures (the two terms are used interchangeably) have been frequently imposed by the EU in recent years, either on an autonomous EU basis or implementing binding Resolutions of the Security Council of the United Nations. The precise EU provisions against each country vary but, broadly, consist of an asset freeze against named individuals and entities, together with prohibitions in facilitating certain types of transactions and dealing with certain industries or products
Fuzzy Matching	The term “Fuzzy Matching” describes any process that identifies non-exact matches. Fuzzy logic software solutions identify possible matches where data – whether in official lists or in firms’ internal records – is misspelled, incomplete or missing. They are often tolerant of multinational and linguistic differences in spelling, formats for dates of birth, and similar data. A sophisticated system will have a variety of settings, enabling greater or less fuzziness in the matching process.
Generali Group (or Group)	The Generali Group whose ultimate parent Company is Assicurazioni Generali S.p.A.
Generali Internal Regulations System (or GIRS)	The internal regulation system of the Group composed by Group Policies, Group Guidelines and Group Technical Measures, according to the definition provided in this Group Policy.
Generali Insurance (Thailand) Plc. (or GTI)	The local entities have been falling within scop of the application.
GIRS Monitoring Tool	The IT platform used by GHO to support and monitor the implementation status of Group Policies and Guidelines across the Group. The GIRS Monitoring Tool is accessible through the following link: https://archer.generali.com/RSAarcher/Default.aspx
Group Accountable Function (or GAF)	A function that reports directly to the Group CEO or to the AG BoD, or a BU with a cross-country mandate which, for a specific Group internal regulation, is accountable to manage the GIRS relevant activities at Group level.

Acronym/Term	Explanation/Definition
Group CEO (or GCEO)/Business Unit CEO (or BU CEO)/GTI Country Manager)	The Chief Executive Officer at Group/BU/Local level, who is the main person responsible for the corporate management of the Group/BU/GTI.
Group/BU/GTI Chief Anti Financial Crime Officer function (or Group/GTI AFC)	The Anti Financial Crime function at Group/BU/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. In line with the Local system of governance, the Local AFC function may coincide with the Local Compliance Function.
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 International Sanctions and Corporate	Within Group AFC, Group International Sanctions and Corporate (email: gafc-is@generali.com) has the specific responsibility to monitor international sanctions regulations and standards, define related internal regulations and methodologies and advise the Business and Local AFC functions on related matters
Group International Sanctions Standards (or Group IS Standards)	Minimum measures to be adopted by Group Legal Entities to ensure the consistent implementation of Generali Group-wide International Sanctions Compliance Program and the robust and effective management of International Sanctions risk within the Generali Group. IS Standards are described within the IS Group Guideline and include for example screening instructions and due diligence requirements.
Group Legal Entity (or GLE)	Any legal entity belonging to the Group and falling within the scope of application of the International Sanctions Group Policy.
Group Legal Entity's International Sanctions Compliance Program (or Compliance Program)	Comprehensive framework or set of initiatives aimed at the mitigation of IS risk. It is based on specific pillars such as management commitment, risk assessment, internal controls, testing and training. It must be commensurate to the Group Legal Entity's International Sanctions risk profile.
Group/BU/Local Senior Management	The CEO, general managers and managers responsible at high level for the decision-making process and the strategy implementation at Group/BU/Local level.
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.
Inherent risk	The risk that an activity would pose if no controls or other mitigating factors were in place (the gross risk or risk before controls).
International Sanctions (or IS)	Restrictive measures issued by governing authorities (e.g., the United Nations, European Union, United States of America, United Kingdom) which are targeted at a specific country or territory (e.g., Syria, North Korea, Crimea), individual, group, and/or entity, such as terrorists and narcotics traffickers. These sanctions are issued with the aim of maintaining or restoring international peace and security. **Financial sanctions** operate in a number of ways. These range from prohibitions on all transactions (including financial transactions such as a (re)insurance, payment or any other financial service) related to a particular country/region/government to a prohibition to engage a specific transaction type with a precise designated person. Financial sanctions often also impose prohibitions against making funds or economic resources available to certain entities or individuals. These sanctions are usually accompanied by requirements to freeze the funds and/or assets of governments, entities or individuals located in that region (and notify this to the relevant authorities). Likewise, exports or investment transactions (and related financing including (re)insurance) may be restricted or not permitted with respect to certain countries and Sanctioned Persons. **Trade sanctions** may have a general application such as export/import bans including export controls. Alternatively, dealing in particular commodities from certain countries such as oil, timber, diamonds or arms may be embargoed. Trade sanctions can also prohibit the trade in certain goods and services, and also all activities related to such trade. This means that the provision of (re)insurance or other services in connection with certain restricted trade or certain risks, subject to sanctions, can be prohibited and/or amount to a prohibited export of service or a prohibited promotional activity. In certain cases, the provision of (re)insurance or other services may need to be licensed (e.g., by local authorities).

Acronym/Term	Explanation/Definition
International Sanctions Risk Assessment (or Risk Assessment)	A process to be aware of the risks faced by the GLE and to assess the Group Legal Entity's International Sanctions Compliance Program in order to evaluate whether it is appropriate for the Entity's International Sanctions risks, taking into consideration its products, services, customers, entities, transactions, and geographic locations. The International Sanctions Risk Assessment can be performed together with the AML/CTF and Bribery and Corruption Risk Assessments, without prejudice that the results must ascertain and score each different risk
Investment funds and vehicles	Collective investment undertakings in the form of autonomous assets, divided in shares and operated by a management company and investment structures created with the objective of raising capital from a plurality of entities for investment 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 level (or Local)	The Group Legal Entity level. Hereinafter this policy is GTI
Local Sanctions	Local Sanction are promulgated and administered by individual countries (such as the United Kingdom "UK") which may target additional entities, persons and activities beyond those targeted by the UN or EU. Group Legal Entities must comply with their local regulations (e.g. HM Treasury in UK).
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).
Not controlled Legal Entities	Legal Entities in which the Group does not hold a majority stake (at least 50% + 1)
Office of Foreign Assets Control (or OFAC)	The Office of Foreign Assets Control of the U.S. Department of the Treasury is in charge to administer and enforce economic and trade sanctions based on US foreign policy and national security goals against entities, such as targeted foreign countries, and various Sanctioned Persons, including terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction.
OFAC's Sanctions Lists	The Sanctions Lists maintained by OFAC and including the following: • Specially Designated Nationals and Blocked Persons List (known as the SDN List); • Sectoral Sanctions Identifications List (known as the SSI List); • Foreign Sanctions Evaders List; • Non-SDN Palestinian Legislative Council List; • Non-SDN Iranian Sanctions List; and • Correspondent Account or Payable-Through Account Sanctions (the "CAPTA List") (formerly the "Part 561 List").
OFAC Specially Designated Nationals (or OFAC SDNs)	OFAC Specially Designated Nationals ("SDNs") are individuals, entities, organizations, vessels and aircraft included in a list published by OFAC. SDNs may be owned or controlled by, or acting for or on behalf of, targeted countries, or have engaged in sanctionable conduct under applicable OFAC regulations, such as terrorists and narcotics traffickers, that are designated under programs that are not country-specific. SDNs' assets must be blocked (and reported to OFAC) and US Persons are generally prohibited from dealing with, or facilitating any transaction with, an SDN.
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.

Acronym/Term	Explanation/Definition
Reputational Risk	The potential losses arising from a deterioration or a negative perception of the GLE'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, 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.
Residual Risk	The risk that remains after controls are taken into account (the net risk or risk after controls) in a risk assessment.
Risk Owners	The operating functions which represent the first line of defence and have the ultimate responsibility for risks relating to their area of expertise.
Sanctioned Person (or blocked person)	Individuals, groups, vessels, aircraft and entities targeted by International Sanctions and whose name is included in a Sanctions List. The definition also includes entities owned -or in case of EU Sanctions controlled- 50 percent or more by Sanctioned Persons. Generally, their assets must be "frozen" and it is prohibited to deal with them: title to the blocked person's property remains with the target, but the exercise of powers and privileges normally associated with ownership is prohibited without authorization from the authority that administers the sanctions program (e.g., OFAC).
Sanctions Authority	Relevant authorities which issue, administer and/or enforce International Sanctions and include, at least, the following authorities: • United Nations ("UN"); • European Union ("EU"); • United States of America ("US), mainly through the Office of Foreign Assets Control of the US Department of the Treasury ("OFAC"); • Any national Authority issuing Local Sanctions.
Sanctions Clauses	GLEs must adopt appropriate Sanctions clauses and contractual provisions that ensure compliance with all Group IS Standards. These include the standard Sanctions Clause, the Territorial Exclusion, and the AIS Clause
Sanctions List	Lists of individuals, groups, entities, vessel, aircrafts and securities targeted by International Sanctions issued by a relevant Sanctions Authority
Secondary Sanctions (or Extraterritorial Sanctions)	Secondary Sanctions (also referred to as Extraterritorial Sanctions) are relevant in the context of US Sanctions and applicable to transactions outside the United States even where there is no US person involvement or any other US nexus. Currently such sanctions are applicable to certain OFAC sanctions programs, including sanctions in effect against Iran, North Korea, Russia, and Syria, and also apply to activities involving certain SDNs, such as those designated under OFAC's Cyber and Global Terrorism sanctions programs. In other programs that do not utilize "Secondary Sanctions," such as the US sanctions on Venezuela, OFAC has the ability to sanction parties for providing "material support" to Sanctioned Persons or Sanctioned Countries, even when there is no US nexus, in a similar manner to "Secondary Sanctions."
Senior Management	The CEO, general managers and managers responsible at high level for the decision-making process and the strategy implementation at Group/BU/Local level.
Third Party acting on behalf of the Group	Third Parties acting on behalf of the Group could include agents or brokers, intermediaries, consultants, advisors, service providers, suppliers and includes outsources who manage any AML/CTF and sanctions prevention activities.
UN Sanctions	The sanctions defined and imposed by the United Nations Security Council and binding on UN member states (https://www.un.org/en/member-states/).There are five main types of UN sanctions: diplomatic, travel ban, asset freeze, arms embargo and commodity prohibitions.
US Nexus	A US Nexus can be established when a business relationship or a transaction/service involves a foreign branch of a US person, US financial system (US bank, US Dollars), US information technology infrastructure, or US-origin goods.
US Person	US citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all US incorporated entities and their foreign branches must fully comply with US financial sanctions. In certain programs[2], foreign subsidiaries owned or controlled by US companies also must comply. Certain programs also require foreign persons in possession of US-origin goods to comply[3]

[2] Programs such as those referring to Cuba, Iran or North Korea. Cuba sanctions, for example, have a broader application. Unlike the sanctions against other countries, any entity, wherever organized, that is owned or controlled by a US person must comply with.
[3] https://www.treasury.gov/resource-center/faqs/sanctions/pages/faq_general.aspx (OFAC, FAQ no. 11).

Acronym/Term	Explanation/Definition
US Sanctions and OFAC Sanctions	The main US trade and economic sanctions against targeted countries, entities, organizations, vessels, aircraft and individuals are primarily administered by OFAC. Export controls are jointly administered by other agencies under separate authorities, primarily the Export Administration Regulations (EAR) administered and enforced by the U.S. Department of Commerce's Bureau of Industry and Security (BIS). In addition, while there is overlap with respect to certain Sanctioned Countries, the export licensing scheme administered by the BIS deals principally with conditions for the trade of US-origin goods and technology, while the trade and economic sanctions administered by OFAC deal more broadly with prohibitions on trade and other commercial activities involving both goods and services. Since the scope of this Guideline is limited to the financial services activities of the Group Legal Entities, only the trade and economic sanctions enforced by OFAC are relevant. OFAC sanctions programs can be broad or targeted and may be imposed against whole countries or targeted individuals, entities, vessels or aircrafts. US persons are subject to the full range of OFAC restrictions. US sanctions are primarily directed at US persons. Non-US persons are not directly required to comply with the sanctions, except if they engage in business activities that involve US Nexus. The US Secondary Sanctions are applicable to non-US persons even without a US nexus.
Waiver	Exemption from or amendment to a rule, requirement or constraint set out in a Group internal regulation, in force of a conflict with local laws, regulatory requirements, documented requests raised by relevant supervisory authorities or collective labour agreements and/or proportionality considerations.

2 Introduction

2.1 OBJECTIVES

International Sanctions are restrictive measures adopted from time to time by countries, governments or supranational organizations via laws or executive orders/ authority, in pursuit of specific foreign policies and national security objectives.

Assicurazioni Generali S.p.A. and the wider Generali Group are firmly committed to complying with the relevant International Financial and Trade Sanctions regulations in all jurisdictions in which they operate.

The Group recognizes that the failure to comply with sanctions laws would not only constitute a breach of legal and/or regulatory requirements but could bring significant reputational damage to the Group itself.

To this aim, the International Sanction Group Policy sets out a robust global framework by which the Group manages its International Sanctions risks and, in conjunction with the IS Group Guideline, provides the Group Legal Entities with minimum and common group-wide standards they have to comply with (i.e. Group IS Standards). Accordingly, the Group Policy aims to:

- Prevent the Group Legal Entities from being misused for violation of International Sanctions;
- Protect the Group and its Employees against any corporate or personal liability arising under International Sanctions laws and regulations;
- Protect the reputation and brand of Generali Group by minimizing International Sanctions risks.

GTI must comply with the applicable International Sanctions legal and/or regulatory requirements, with this Policy and in its implementing measures in order to achieve the above objectives.

GTI must apply the principle of proportionality when implementing this Policy (i.e. take into account the complexity, nature and size of the entity).

This Policy must be read in conjunction with the International Sanctions Guideline and the Group AFC internal rules as listed above under the heading “Main related internal regulatory references”.

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 Chief Anti Financial Crime Officer.

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

2.3 EFFECTIVE DATE AND IMPLEMENTATION DEADLINE

The Group Policy is effective as of 29 May 2024 and shall be immediately implemented.

The Generali Insurance (Thailand) Plc. has been transposed the International Sanction Group Policy to be the International Sanction Policy (herein after “the Policy”) which is effective since GTI Country manager signed date..

2.4 SCOPE OF APPLICATION

The Group Policy applies to:

- AG S.p.A. (AG Branches included)[4];
- Controlled Regulated Legal Entities
- Controlled Not Regulated Operative Legal Entities.

The Group Policy does not apply to:

- Controlled Not Regulated Residual Legal Entities
- Investment funds and vehicles, for which the application of this Group Policy is mandatory for the respective Group management company;
- Not controlled Legal Entities.

GTI must ensure that the relevant provisions and requirements set in this Policy are duly communicated to all Employees as well as all relevant Third Parties including those acting on behalf of the Group (e.g., agents, brokers, intermediaries, consultants,

[4] With reference to AG and AG Branches, the activities governed by this Group Internal Regulation are also relevant for the purposes of Legislative Decree 231/2001. The breach and/or failure to comply with the Group Internal Regulation in relation to aspects relevant for the purposes of Legislative Decree 231/2001 may constitute a breach of the Organization and Management Model and/or an offence pursuant to Decree 231/2001 and therefore penalties may be imposed in accordance with the provisions of the Model itself. Anyone who becomes aware of a breach/failure to comply relevant for the purposes of Legislative Decree 231/2001 shall promptly inform the Supervisory Body of AG.

advisors, service providers, suppliers).

Moreover, for Joint Ventures the application of the Policy depends upon the specific provisions set forth within the shareholder agreement.

2.5 WAIVERS AND DISPENSATIONS

Wherever local laws, regulations, policies or standards are stricter than the requirements set out in this Policy, the stricter standard will prevail.

If a conflict with local laws, regulatory requirements, documented requests raised by relevant supervisory authorities or collective labour agreements arises or a proportionality[5] consideration applies, the GTI AFC Function, in agreement with the BU AFC Function, shall address a Waiver or Dispensation request to the Group Chief Anti Financial Crime Officer Function. To this aim, it shall fill in the *Annex I – Waiver and Dispensation Request Template of the GIRS Group Policy* and submit it through the GIRS Monitoring Tool.

GTI in Business Units supported by Regional AFC Heads shall submit the Waiver or Dispensation request to the Regional AFC Head for review before submitting through GIRS.

The Group AFC function manages and tracks any Waiver/Dispensation requests and promptly provides the GTI/BU AFC function with the related feedback. The Group Chief Anti Financial Crime Officer reports any significant Waivers/Dispensations to the AG BoD.

The GTI Compliance function provides an evaluation of Waiver/Dispensation requests, when they result from conflicts arising from laws and regulations falling into their scope of activity.

2.6 IMPLEMENTATION, MONITORING AND INFORMATION FLOWS

Group AFC is responsible for overseeing and supporting the implementation and monitoring of the Group Policy across the Group, with the support of the Group Senior Management and of the BU AFC Officer.

The GTI AFC function and the GTI Senior Management are responsible for managing the implementation of the Group Policy at GTI level within the perimeter of responsibility, under the coordination and with the support of the BU AFC function.

The GTI AFC function is 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 Policy within the perimeter of responsibility.

Any accountable function within GTI shall promptly inform the relevant Key Functions of any facts and/or circumstances connected with this Policy which may be relevant for the performance of their duties.

[5] Regarding the size, internal organization, nature, scope and complexity of the GTI activities

3 Governance

3.1 ROLES AND RESPONSIBILITIES

3.1.1 Board of Directors of Assicurazioni Generali S.p.A.

The Board of Directors of Assicurazioni Generali S.p.A., as the ultimate parent company of the Generali Group, adopts the strategic decisions regarding the management of IS risks for the entire Group also considering the results of the IS Risk Assessment.

3.1.2 AMSB/ Board of Directors

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), each AMSB/ GTI BoD (including AG BoD, with the exemption of the local policy approval)

- defines and at least annually reviews the local strategy on IS risks, taking into account the results of the IS Risk Assessment;
- approves an IS policy which embeds the pillars of the local strategy and the content of this Policy for the effective management of the IS risks;
- ensures that the roles and responsibilities to prevent IS risks are clearly and appropriately allocated guaranteeing the distinction between operative and control functions;
- oversees that the Anti Financial Crime function is independent and endowed with adequate quantitative and qualitative resources;
- verifies and ensures that the system of governance is effective over the time with particular reference to the internal control system aimed at managing and controlling the IS risks;
- examines and approves at least annually a report and plan submitted by the GTI AFC and in particular the results of the IS Risk Assessment;
- ensures to be timely informed about any weaknesses identified by the control activities in order to issue directives for their resolution evaluating that they are effectively managed over the time;
- appoints the GTI AFC (or Compliance) Officer responsible also for International Sanctions risks; the AFC Officer's IS-related duties have to be duly formalized.

3.1.3 Senior management

Senior Management

- supports the compliance personnel's authority and autonomy within an organization;
- promotes a culture of compliance throughout the organization;
- ensures the effective implementation of the strategic decisions and policies adopted by the GTI BoD on IS risks and also of the Group Internal Regulations and Group IS Standards;
- is responsible for the adoption of all the necessary actions, in accordance with recommendations and opinions issued by GTI AFC to ensure an effective internal control system for the mitigation of the IS risks;
- ensures that adequate resources - human capital, expertise, information technology and other - are dedicated to managing and mitigating the IS risks;
- ensures that all the relevant employees receive adequate information and training on the IS risks and factors;
- approves high-risk Business Relationships and Transactions collecting, when necessary, GTI AFC's opinion as required by the International Sanctions Group Guidelines;
- demonstrates recognition of the seriousness of apparent violations of the IS laws and regulations, malfunctions, deficiencies, or failures;
- is responsible for the implementation of the GTI's International Sanctions Compliance Program.

3.1.4 Group Chief Anti Financial Crime Function

The Group Chief Anti Financial Crime function is responsible of the supervision, guidance and coordination of IS compliance activities within the Group, also through the issuance of Group IS Standards and Internal Regulations.

Group AFC verifies on an ongoing basis that the Group IS Standards and internal rules are adequate to effectively prevent the violation of IS laws and regulations. In particular, the Group AFC function is responsible for:

- identifying the IS laws and regulations applicable to the Group;
- proposing IS Policy changes/updates to the AG BoD and defining Group IS Standards in accordance with the provisions of this Policy;
- coordinating the annual International Sanctions Risk Assessment for the Group Legal Entities in scope, in order to assess the IS risk of the entire Group;

- providing Group and Local Senior Management with recommendations and opinions on all relevant remediation actions before they are submitted, if needed, to the relevant AMSB/ BoD;
- monitoring the adequacy of the overall IS Compliance Program, also through the performance of Second Level controls;
- evaluating Waiver and Dispensation requests from GLEs;
- informing the AG BoD in relation to any relevant violation related to IS;
- defining, in coordination with other Group Functions, the IS training for the Group;
- providing non-binding opinion to Group and Local Senior Management on high-risk transactions with potential reputational risk for the Group, as required by the IS Group Guideline, having the veto power to restrict business activities in violation of applicable sanctions laws;
- communicating to the relevant GLE their exposure to the IS risk.

Group AFC shall be promptly informed by the Senior Management, Group Legal Entities and Group Head Office Functions of any relevant IS matter and must have direct access to any information and systems needed in order to prevent and/ or manage IS risks in the Group.

Group AFC, through a dedicated structure (email: gafc-is@generali.com) has the specific responsibility to monitor international sanctions regulations and standards, define related internal regulations and methodologies and advise the Business and GTI AFC functions on related matters.

Group AFC receives in advance by the GTI AFC and has access to all reports sent to the Local Authorities (or AMLO) by the GTI provides guidelines in order to ensure the coordination and alignments of the reporting process within the Group.

3.1.5 GTI Chief Anti Financial Crime Function/ GTI AFC Officer

GTI AFC[6] is responsible for compliance activities related to International Sanctions. It is considered a Key Function, independent, and not in charge of operational duties belonging to Risk Owners.

GTI AFC acts according to the applicable regulations and must perform at least the following activities (Group AFC, as AG's Local Anti Financial Crime function, performs the following activities, when relevant):

- identifies applicable IS rules and evaluates their impact on the internal processes and procedures;
- cooperates in defining the internal policies and procedures for IS risk management and designs an adequate GTI IS Compliance Program;
- cooperates with the Senior Management in setting the standards of the internal control framework and the procedures aimed at managing IS risks;
- provides advice and assistance on IS risks to all functions;
- provides non-binding opinions to GTI Senior Management on high-risk business relationships and transactions as required by the IS Guideline, having the veto power to restrict business activities in violation of applicable sanctions laws;
- verifies that the internal control system in place to mitigate IS risk is adequate at all times, including the evaluation of IT tools;
- performs testing controls, when necessary, in order to identify potential issues and critical areas;
- informs without delay the competent corporate bodies (e.g. BoD where present) on any violation or any identified significant weakness on IS matters;
- provides to Senior Management, in alignment with Group AFC, recommendations and opinions on all relevant remediation actions before they are submitted, if needed, to the AMSB/ GTI BoD;
- provides to Group AFC an English translation of all relevant authorities reports as soon as they are available;
- provides information flows toward the competent corporate bodies (e.g. BoD where present) and the Senior Management;
- defines an adequate IS training plan for the Employees;
- verifies the implementation of the formalized and documented escalation processes for the assessment of the high-risk cases ensuring the involvement of the Group Anti Financial Crime function as required by the International Sanctions Group Guideline;
- fulfils the reporting duties toward Group AFC in accordance with the International Sanctions Group Guideline
- submits to the AMSB/BoD, by the end of March, the Annual Report and Plan; moreover, provides the AMSB/BoD with at least an annual interim report.

3.1.6 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 GTI outsourced IS activities, in the performance of their duties, to take the necessary measures to prevent and mitigate the IS risks and to exercise professional due diligence and good faith in pursuit of the rigorous application of this Policy and of any relevant GTI requirements and internal rules and procedures.

[6] when established in line with Group Directives on the System of Governance. In line with the local system of governance, the Local AFC function may coincide with the Local Compliance Function

It is particularly important that all “front office” personnel (e.g. underwriters, sales, agents), Risk Owners, make themselves aware of all restrictions applicable to their business and remain vigilant to the related risks applying to their client relationships and transactions. Any breach or attempt to circumvent or facilitate the violation of IS obligations should be reported to the GTI Anti Financial Crime function.

There will be serious consequences for the individuals who attempt or actually breach the external and internal provisions related to IS depending on the severity of the breach and the GTI applicable labour 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.

3.2 SEGREGATION OF DUTIES

According to the Directives on the System of Governance, ownership of risks must be correctly allocated between Risk Owners and Key Functions which have the duty to know and apply all relevant controls in their respective area of responsibility. A firm segregation of duties and a diligent work of the Risk Owners is of essence to ensure accountability and independence between the relevant functions.

The roles and responsibilities to prevent the AFC risks must be clearly and appropriately allocated to guarantee a clear distinction between Risk Owners and Key Functions.

Risk Owners have the responsibility for managing and mitigating the International Sanctions risk and ensuring the effective implementation of the International Sanctions control framework. It is particularly important that all the Risk Owners are aware of restrictions applicable to their business and remain vigilant to the related risks, applying adequate due diligence to their client relationships and transactions, in particular when they process a payment, or any other financial or insurance service.

It is the Risk Owners’ responsibility to perform risk mitigation actions, this includes performing (enhanced) due diligence, screening and case management. They must report any business activity that appears to involve an Excluded/Restricted Country/Territory and/or a Sanctioned Person to the GTI AFC Officer. They must also assist the GTI AFC Function in obtaining any information required to evaluate the nature and scope of any International Sanctions risks.

An improper segregation of duties might lead to the inability of GTI AFC to execute second level of controls and test the effectiveness of the International Sanctions control framework.

3.3 OUTSOURCING AND DELEGATION OF AUTHORITY

If GTI rely on the activities or services of Third Parties to perform components of the International Sanctions due diligence on their behalf, they should ensure that this is reflected in full detail in the contractual arrangements with those parties including clear service level agreements. Additionally, the GTI must ensure that periodic strict controls are conducted to verify that any third parties perform these activities and services in compliance with our Group requirements.

When selling or delivering products or services via an intermediary, GTI should ensure sanctions controls are appropriately applied. Where reliance is placed on the intermediary to undertake any aspect of sanctions controls, GTI must agree the extent and nature of the controls to be undertaken, ensure controls are executed by receiving periodic reporting and must periodically test those controls to ensure they are applied effectively.

GTI cannot outsource or delegate the screening process and the case management/evaluation of screening outcomes to third parties outside of the Group. An exemption from the prohibition to outsource or delegate the screening process can be granted upon implementation of all necessary controls (e.g. risk assessment, due diligence, regular reporting on KPIs) and obtaining prior written approval from Group AFC.

GTI always remain fully responsible for any breaches even if due to the negligence of an external provider/outsourcer.

4 International Sanctions

International Sanctions ("IS") are restrictive measures issued by governing authorities (e.g., the United Nations, European Union, United States of America, UK HM Treasury) which are targeted at a specific country or territory (e.g., Syria, North Korea, Crimea), individual, group, and/ or entity, such as terrorists and narcotics traffickers. IS are mainly issued with the aim of maintaining or restoring national and international peace and security.

IS can be financial or trade based:

- Financial Sanctions range from prohibitions on all transactions (including financial transactions such as a (re)insurance, payment or any other financial service) related to a particular country/ region/ government to a prohibition to engage a specific transaction type with a precise designated person. Financial sanctions often also impose prohibitions against making funds or economic resources available to certain entities or individuals. These sanctions are usually accompanied by requirements to freeze the funds and/ or assets of governments, entities or individuals located in that region (and notify this to the relevant authorities);
- Trade Sanctions may have a general application such as export/ import bans including export controls. Alternatively, dealing in particular commodities from certain countries such as oil, timber, diamonds or arms may be embargoed. Trade sanctions can also prohibit the trade in certain goods and services, and also all activities related to such trade.

GTI must comply with Sanctions provisions (e.g., United Kingdom - "UK" - issues economic and trade sanctions which UK citizens wherever located, UK legal entities and their overseas branches, corporate entities operating in the UK, and any person in the UK must comply with) as well as International Sanctions issued, administered and/ or enforced by the following authorities ("Sanctions Authorities") within their scope of application:

- United Nations ("UN Sanctions");
- European Union ("EU Sanctions");
- United States of America ("US Sanctions"), mainly through the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC")

The EU and US base their restrictions on UN Sanctions. However, EU and US sanctions are normally far broader than those imposed by the UN (i.e., UN Security Council) and/ or target more countries than the UN. The IS environment is dynamic and GTI should ensure that any changes are promptly identified and managed by the business.

Provided that GTI must comply with applicable sanctions regimes, in case of conflicts between legislations, in consideration of the global footprint of the Group, they must also avoid entering into transactions and business relationships which could expose the Group to a significant sanction risk (e.g., US Secondary Sanctions).

There are serious consequences for failure to comply with Sanctions Regimes. Further, inadvertent, unintentional and technical violations are still considered violations that could result in penalties. Even indirect violations, circumvention, facilitation, providing support to a sanctioned persons or causing a violation could be punished with civil and criminal penalties.

5 Risk Assessment

GTI must annually assess and document its specific exposure to IS risks for its business and consequently identify and implement the appropriate processes and controls in order to mitigate the risks consistently with the Group's and GTI's risk appetite.

The IS Risk Assessment process includes the following stages:

- determine the Inherent Risk (measuring GTI's risk exposure to International Sanction) by assessing main risk drivers such as: geography, product, distribution channel and relevant parties;
- assess the design and effectiveness of controls adopted to mitigate the identified IS inherent risk in line with relevant legal requirements and Group IS Standards; and
- evaluate the Residual Risk (portion of IS risk which remains uncovered also after the implementation of controls), identifying the necessary mitigating measures.

Generali Group designed dedicated methodologies to GTI to assess their exposure to IS risk, leveraging on two complementary frameworks:

- the Overall Risk Assessment (ORA) methodology, also adopted to assess other Compliance and AFC risks (e.g. AML and CTF) and also leveraged by the Operational Risk Function to estimate the economic impact in case of IS risk occurrence;
- a Business IS RA Framework, which has been developed for a more analytical and objective mapping of IS risks (e.g., inherent risk), still leveraging the periodical evaluation of the pillars included in the "pre assessment" of the ORA methodology for the evaluation of the Vulnerability of the Internal Control System.

GTI must always conduct at least the ORA Risk Assessment exercise as part of their IS Compliance Program.

6 Risk Mitigation Measures

Generali Group takes a risk-based approach to implement International Sanctions mitigation measures GTI must implement its own IS Compliance Program taking into consideration the nature, scale and complexity of its own business applying a risk-based approach. The design of a robust IS Compliance Program must take into consideration the applicable requirements and the mitigations measures set by the Anti-Money Laundering and Counter Terrorism Financing Policy and the AML/CTF Group standards in order to ensure a common approach and synergies in managing financial crimes risks.

GTI shall define and implement appropriate risk mitigation measures in accordance with the results of the IS Risk Assessment.

The following are the risk mitigation measures to be implemented by the GTI and GHO/AG Risk Owners:

- Due Diligence;
- Screening;
- Sanctions Clauses;
- Training and Awareness;
- Internal Reporting and Escalation Processes;
- Record Keeping

6.1 DUE DILIGENCE

International Sanctions due diligence is the act of collecting and analyzing information and documents in order to know the customer and understand the International Sanctions risks involved in the business relationship (e.g., a policy, a banking account) and transaction(s), regardless of the amount involved.

Based on the International Sanctions risks related to each business, GTI and GHO/AG Risk Owners must determine the extension of the due diligence to be performed to obtain the necessary information and data related to a business relationship or a transaction to be processed in the screening. All relevant data collected (e.g., full names, place of residence) must be input into the administration systems to enable the screening.

6.2 SCREENING

GTI and GHO/AG Risk Owners shall establish and maintain procedures to appropriately restrict business relationships, services and transactions (including investments) for specific parties (e.g., individuals, groups, entities, vessels, aircrafts, countries, regions, cities, securities) listed on relevant applicable Sanctions Lists and any parties included in the Group Consolidated List, where such list is available. All relevant parties identified during the Due Diligence phase must be screened against relevant applicable Sanctions Lists throughout the lifetime of the relationship.

The screening methods adopted will depend on the nature of the business activities and risk profile of the GTI and those may vary among units/ lines of businesses, dependent on the risks involved. In any case, the screening must ensure the recognition of the phonetic, linguistic and logic similarity among different spelling applying robust Fuzzy Matching filtering algorithms (i.e., non-exact matching methods).

6.3 SANCTIONS CLAUSE AND TERRITORIAL EXCLUSION

In order to mitigate the IS risks, GTI and GHO/AG Risk Owners must adopt clauses and provide due information to the customers and counterparties. These clauses do not substitute for other risk mitigation measures (e.g., due diligence, screening) set by this Policy and the IS Guideline.

Sanctions clauses (including territorial exclusion) should be adopted in a way that is consistent with the products and services offered and the related assessed International Sanctions risk.

6.4 TRAINING AND AWARENESS

All Employees and Third Parties Acting on Behalf of the Group including GTI must know and comply with the requirements and spirit of this Policy and IS Guideline.

Therefore, GTI must provide adequate training and awareness initiatives in order to ensure appropriate knowledge of this subject, in line with Compliance Training Guideline's provisions (specifically Annex II - Anti Financial Crime training: key requirements).

To this effect, GTI should develop an annual training plan that includes International Sanctions topics.

6.5 INTERNAL REPORTING AND ESCALATION PROCESS

Internal reporting and escalation processes must be defined and implemented by the GTI including a workflow for decision making

(e.g., case management of the screening hits) in order to manage appropriately any risks, including compliance, reputational and financial risks, and decisions related to International Sanctions.

The AFC Officer submits to the GTI's BoD, by the end of March, the Annual Report and Plan; moreover, provides the GTI's BoD with at least an annual interim report.

This annual report must describe the GTI's International Sanctions risks, controls, assessments, issues and corresponding remediation actions which took place in the previous year. Subsequently, the Group Anti Financial Crime function prepares a consolidated report (integrating key information from the aforementioned reports) which is also provided to the AG BoD, by the end of July.

The Annual Plan should clearly describe any planned or ongoing Sanctions relevant remediation actions, a status update/progress, the intended date of implementation and rationale for delays, if any.

7 Monitoring of controls

GTI is responsible for testing and auditing its first-level sanctions controls to give reasonable assurance that the controls are working effectively.

GTI -and where a tool is selected at BU level the Senior Management responsible for the BU- must periodically, based on the performed risks assessment, conduct an independent testing of the sanctions screening solution implemented in order to ensure its full alignment with the Group IS Standards and Sanctions Authorities' expectations.

Controls are to be performed in line with provisions contained within Anti Financial Crime Second Level Controls Guideline.

8 Record keeping

GTI must implement and maintain record keeping processes and procedures to ensure that the identification and assessment of the International Sanctions risks are recorded along with the decisions taken (approval/ rejection and rationale).

Case management of screening hits must be conducted by GTI with sufficient audit trails in place to evidence decisions made and actions taken. All taken decisions must be always supported with a clear and explicative rationale.

Escalation processes' evidence and records must be maintained in order to clearly document any approval requests for Senior Management.

The record keeping processes and procedures must ensure that all relevant decisions, documents and data are duly stored in a format (e.g., paper, electronic, digital) that ensures they are appropriately archived and easily retrievable.