



Our approach to
**Anti-Money
Laundering and
Countering Financing
of Terrorism**

INTRODUCTION

The Ageas policy on Combating Money Laundering and Financing of Terrorism (AML - CFT Policy) sets the key principles for the prevention of Money Laundering, countering the Financing of Terrorism and Limitation of Cash usage applicable for obliged entities across the Group.

This policy is complemented by standards for more details on mandatory and minimum controls to be implemented in support of the principles set forth in the policy:

- General Prohibitions / Limitations ;
- Internal policies and procedures;
- Overall risk assessment;
- Governance;
- Awareness and training;
- Integrity of employees;
- Reporting of breaches and protection of reporting persons;
- Customer and Transaction due diligence;
- Analysis of atypical transactions and reporting of suspicions;
- Prohibition of disclosure;
- Record keeping.

SCOPE OF THE POLICY

The policy applies to the Subsidiaries of Ageas sa/nv¹ that are obliged entities (hereinafter referred to as "Ageas"),.

*Should compliance with the Ageas AML Policy or Standards result in non-compliance with local legislation and regulations, the latter must take precedence over the Ageas Policy. Group Compliance must be **consulted** immediately in such circumstances.*

The policy is applicable to all Ageas staff members, managers, employees, or any person directly or indirectly linked to Ageas by control, who have a duty of vigilance in relation to prevention, detection and reporting of Money Laundering and Terrorism Financing.

DEFINITION

Money Laundering

Money Laundering is:

1° the conversion or transfer of capital or other property, knowing that such capital or property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of such capital or property or of assisting any person who is involved in the commission of such an activity to evade the legal consequences of that person's action;

2° the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, capital or property, knowing that such capital or property is derived from criminal activity or from an act of participation in such an activity;

3° the acquisition, possession or use of capital or property, knowing, at the time of receipt, that such capital or property was derived from criminal activity or from an act of participation in such an activity;

¹ ageas SA/NV is the top holding of the conglomerate of companies forming a group that encompasses the mother company, all its subsidiaries and affiliates. Subsidiary means an entity in which ageas SA/NV, directly or indirectly, has a majority shareholding and holds operational control, and Affiliate means any entity in which ageas SA/NV, directly or indirectly, has a minority shareholding and holds no operational control.

4° participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions referred to in points 1°, 2° and 3°.

The criminal activities from which derived the capital or property subject to money laundering are determined by local legislation and regulations on anti-money laundering.

Terrorist financing

Terrorist financing means raising or providing funds or other material means, by any means, directly or indirectly, with the intention that they will be used or with the knowledge that they will be used, in whole or in part, by a terrorist organization or by a terrorist acting alone, even in the absence of a link with a specific terrorist act.

GENERAL PROHIBITIONS / LIMITATIONS

Ageas and its **Staff members** are **prohibited from engaging in or facilitating, in any manner whatsoever, money laundering or terrorism financing.**

Therefore Ageas:

- does not accept assets and transactions that are known or suspected to be the proceeds of a criminal offence that qualifies as Money Laundering;
- does not conduct business relationships, directly or indirectly, with money launderers, and terrorists;
- does not enter into or maintain business relationships with people or entities that require Ageas to open an anonymous account or an account under a fictitious name;
- will not keep anonymous accounts (or similar products);
- accepts cash operations only within the limits set up by law;
- handles virtual currencies carefully and within the legal and regulatory provisions relating to these payment instruments;
- does not enter into or maintain business relationships with Shell Institutions or with counterparts in third countries that allow their accounts to be used by Shell Institutions.
- does not enter into or maintain business relationships with customers, their agents and beneficial owners, without proper identification and identity verification;
- does not enter into a business relationship when unable to obtain the information as required by the level of ML/TF risk as previously identified of the customer's characteristics and the purpose and nature of the business, at the latest at the time of establishment of the business relationship;
- does not enter into or maintain business relationships where Ageas has, in advance, reason to believe that it will not be able to meet its (ongoing) due diligence obligation with respect to the business relationship;
- where Ageas finds, in the course of a business relationship, that it can no longer satisfy its ongoing due diligence obligation with regard to the transactions carried out by the customer or update the data and information about the persons involved or the characteristics of the business relationship, it terminates this relationship or applies restrictive measures when the unilateral termination is contrary to legal or regulatory provisions.

AML PROGRAMME

Ageas implements a **risk-based** AML program to ensure it is compliant with the local legislation and regulations which is based on the principles set out in the AML/CFT policy.

To be noted, when individuals, legal entities, organisations, or countries are the subject of (economic) sanctions issued by the United Nations, the European Union or the Belgian authorities, the obligations are absolute and are not subject to a risk evaluation.

Ageas has up-to-date written policies and procedures, to ensure compliance with AML/CFT legal / regulatory requirements in particular to manage effectively the risks of Money Laundering and Terrorist Financing.

Staff members are trained regularly through the dissemination of general AML/CFT information.

Employees directly contributing to the compliance with AML/CFT requirements, must undergo an assessment before taking up these activities.

Ageas establishes a channel to report AML/CFT alleged breaches.

OVERALL RISK ASSESSMENT

Ageas identifies and assesses the risks of Money Laundering and Terrorist Financing to which it is exposed, taking into account, amongst others:

- the characteristics of its customers, the products, services or operations they offer, the countries or geographic areas concerned, and the distribution channels they use,
- any other risk variables and factors indicative of higher risk. Potentially lower risks factor can be taken in consideration as well, and
- (supra) national risk assessments if available.

This assessment is carried out under the responsibility of the AML/CFT Compliance Manager (AMLCO) and approved by the Management Body. It is documented and periodically reviewed, including when a significant event occurs. It is made available to competent authorities upon request.

Updating the overall risk assessment implies, where appropriate, that the individual risk assessments are also updated.

CUSTOMER AND TRANSACTION DUE DILIGENCE

1. Individual risk assessment

Ageas performs an assessment of the risks associated with each business relationship taking into account the overall risk assessment, the characteristics of the customer and the business relationship concerned.

On the basis of that assessment, the business relationship is classified in one or more risk categories and assigned a risk profile.

The individual risk assessment is a documented continuous process and is updated whenever one or more events occur that could have a significant impact on the risks associated with the given situation.

2. Identification and identity verification

Following on a risk-based approach, Ageas identifies and verifies the identity of the customers, their agents, the beneficial owners of the customers and of their agents and - as soon as they have been designated or are identifiable - the beneficiaries of life insurance policies or of equivalent policies.

3. Identification of the customer's characteristics and of the purpose and nature of the business relationship

Ageas assesses at the latest at the time when the business relationship is established, and later updates, the characteristics of its customers and the purpose and nature of the business relationship to ensure to possess the necessary information to:

- implement the customer acceptance policy;
- fulfil the due diligence obligations with regard to business relationships;
- fulfil the enhanced due diligence obligations as the case may be. In this context, Ageas takes reasonable measures to determine whether the persons identified, including the beneficial owner of the beneficiary of a life insurance policy, are politically exposed persons, family members of politically exposed persons or persons who are known to be closely associated with politically exposed persons.

4. Due diligence on business relationships

The obligation to exercise due diligence on business relationships comprises two aspects:

- obligation to carefully examine all transactions carried out over the course of the business relationship, by a customer, paying attention to intriguing facts related to the customer which, if they are suspect, are reported to the Competent Authority;
- obligation to update the data or information collected as part of the identification and identity verification obligation and the obligation to identify the customer's characteristics and the purpose and nature of the business relationship.

Detection of atypical transactions

Ageas conducts an adequate and risk-based examination of all transactions to determine if they should be reported to the AMLCO.

The goal is to identify atypical transactions that require submission to the AMLCO for further examination to decide if they are suspected to be related to ML/TF.

Ageas defines indicators/criteria to identify atypical transactions, puts in place systems for detecting atypical transactions, and develops a procedure for reporting atypical transactions to the AMLCO.

Updating of the data or information and of the individual risk assessment

Ageas keeps up-to-date the data or information it holds in the context of its business relationship and updates on that basis, if necessary, the individual risk assessment and, where appropriate, the extent or modalities of the ongoing due diligence measures implemented.

Updating the information includes the obligation to implement measures to identify persons among customers whose individual situations have changed, to such an extent that they fall within the scope of enhanced due diligence measures.

Updating the overall risk assessment may also imply updating the individual risk assessment.

5. Special cases of enhanced due diligence

Ageas subjects customer relationships and transactions that it deems to present an increased ML/TF risk to higher scrutiny through enhanced due diligence and increased monitoring procedures.

Some cases intrinsically entail high risk(s). For those, enhanced due diligence measures must be applied. They include:

- the verification of the identity of the persons implied in the business relationship is deferred;
- the customer or his/her beneficial owners are established in High-risk third countries;
- the business relationship or the transaction shows links with tax heavens;
- the business relationship involves Politically Exposed Persons (PEP), their family members or persons known to be close associates of those.

ANALYSIS OF ATYPICAL TRANSACTIONS AND REPORTING OF SUSPICIONS

Ageas notifies ML/TF suspicions following the analysis of atypical transactions to the competent Authority in accordance with local legislation and regulations in principle before carrying out the transaction.

PROHIBITION OF DISCLOSURE

Ageas may under no circumstances provide the customers concerned or third parties with information that is being, will be or has been submitted to the competent Authority or inform them that a money laundering or terrorist financing analysis is being, or may be carried out.

The prohibition of disclosure should not apply in specific circumstances concerning, for example, disclosures to competent authorities and self-regulatory bodies when performing supervisory functions, or disclosures for law enforcement purposes or when the disclosures take place between obliged entities that belong to the same group.

RECORD KEEPING

Ageas keeps the following documents and information, using any type of record-keeping system, during the period provided for by law:

- the identification data of customers, agents and beneficial owners, where appropriate updated, and a copy of the supporting documents or of the result of consulting an information source;
- the measures taken to identify the beneficial owner for the case all possible means have been exhausted;
- the supporting documents and records of transactions that are necessary to identify and accurately reconstruct the transactions carried out;
- the written report on the analysis of atypical transactions, which may result in reporting to the Competent authority, as well as the report drawn up in case the due diligence requirements cannot be fulfilled.

GOVERNANCE

The Board of Directors defines and supervises the AML Policy and endorses its principles.

The Chief Executive Officer, Senior Management and Line Management ensure that the employees under their supervision are complying with the Ageas AML/CFT Policy, in accordance with the supervisory requirements in their locations.

All Staff members are expected to adhere to these principles and live up to respect the Ageas's core values. They are also required to exercise the appropriate level of care and diligence when dealing with customers in order to identify suspicious transactions, and to avoid any involvement in ML/FT.

The Ageas Executive Committee implements the AML/CFT Policy and appropriately designates:

- an AML-CFT Compliance Officer, reporting directly to a member of the Management Body (ExCo)
- an AML-CFT Manager, member of the ExCo. Generally responsible for ensuring compliance of the entity with AML rules.

The Compliance function monitors the due implementation of this policy and informs the Board of Directors and the Executive Committee of any breach of policy.