

Policy

Anti-Money Laundering



Introduction

The Code of Conduct forms the basis for Compliance in the Baloise Group, in outlining the minimum standard for ethical and legally flawless conduct for all employees. The Baloise Code of Conduct regulates Anti-Money Laundering under the heading “Money Laundering Prevention and Embargoes”.

Baloise has to ensure that all business of operating Group companies in Switzerland and abroad affected by national anti-money laundering legislation comply with the principles of the Anti-Money Laundering (AML). Therefore Group Compliance has implemented Controlling Standards and a group directive. The group directive contains AML requirements which apply group-wide to all areas affected by the national anti-money laundering legislation. All affected employees must implement and comply with these guidelines. If local law provides further obligations, these must of course be complied with.

Group Compliance Standards

The Group Compliance Controlling Standards determine major compliance issues/standalone risks and define goals for these subjects, which need to be implemented as a minimum standard by all strategic business units (shortly: SBUs) of Baloise.

The following standards, which were adopted through the group CEO, explain, how to handle the topic money laundering prevention.

Principles of Anti-Money Laundering Anti-Money Laundering Officers

An internal anti-money laundering officer is appointed in each SBU who is operationally independent and known in the company, has the necessary expertise, has access to all relevant data, is responsible for the implementation of local legal requirements and regulations, for the training of employees concerned and for processes.

Internal Directives and Processes

In each SBU an anti-money laundering directive and processes are in force that govern at least

- the responsibilities (e.g. for additional clarification or approval of unusual transactions, reports and freezing of assets)
- the definition of the identification requirements at the beginning and during the business relationship like know your customer, your (ultimate) beneficial owner, your recipient of payments
- the plausibility check
- a definition of unusual transactions and the course of action in the event of business relationships with PEPs (politically exposed persons)
- the systematical and appropriate risk monitoring regarding relationships and transaction with increased risks.

Relationships with shellbanks are forbidden, as well as cash payments (except in the Bank).

Controls are in place which define the procedure in case of indications that assets are untaxed (before conclusion of a contract/account opening and during an ongoing business relationship). If the indications are substantiated, the business must be declined.

Training and Instruction

It is ensured that affected employees are regularly and promptly (new employees) trained on the anti-money laundering regulations and the internal directives as well as on relevant changes in legislation. The attendance is documented.

Controlling and Reporting

The compliance reporting process is used for the identification and assessment of compliance risks and key controls along all **compliance standards** as well as for the reporting of regulatory developments, indicators, organizational factors and main activities.

Group Compliance discusses the risk and control assessments as well as the annual reports with the SBUs and subsequently

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consolidates them annually for the attention of the Corporate Executive Committee and the Board of Directors. Based on the interim reports of the SBUs Group Compliance submits also a compliance interim report to the Corporate Executive Committee.

The compliance reporting allows Group Compliance, the Corporate Executive Committee and the Board of Directors to identify, assess and monitor compliance risks, and to counter these risks if required, in order to minimize them.

Baloise Group
Aeschengraben 21
4002 Basel
Schweiz

www.baloise.com