

**Anti-Money Laundering and Combating the Financing of Terrorism and
Proliferation of Weapon of Mass Destruction Policy (AML/CFT/WMD)**

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**Policy on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation
of Weapons of Mass Destruction (AML/CFT/WMD)**

1. Policy Objectives

Thai Reinsurance Public Company Limited (“the Company”) has been licensed to operate a non-life reinsurance business under the Non-Life Insurance Act and, therefore, is classified as a financial institution under the Anti-Money Laundering Act B.E. 2542, Section 3(4). As such, the Company is duty-bound to comply with the Anti-Money Laundering Act B.E. 2542 and the Counter-Terrorism and Proliferation of Weapons of Massive Destruction Financing Act B.E. 2559.

As a reinsurer, the Company transacts businesses with customers that are legal insurance entities, i.e. insurance companies licensed to operate insurance business under the Non-Life Insurance Act. The Company does not have the transaction or involve with the financial transactions directly with customers or the insureds like other insurance companies. The Company, therefore, is exposed to a very low risk of involving in the money laundering activities and the terrorism and proliferation of weapons of massive destruction financing activities.

Nonetheless, the Company is morally obligated to establish policies and procedures as a guideline to comply with the laws governing anti-money laundering and combating the financing of terrorism and proliferation of weapons of massive destruction (AML/CFT/WMD). The Company has thus formulated policies, guideline and procedures to ensure correctness and clarity in the discharge of duties, to promote and enhance the efficiency and effectiveness of its risk management and internal control systems, to protect business operation against being used as the means of money laundering and financing of terrorism and proliferation of weapons of massive destruction which could dampen its reputation and image, and to comply with the corporate governance policy and applicable laws.

This AML/CFT/WMD policy outlines the roles, duties and responsibilities of all concerned parties to comply with the policy, both the core policy and complementary policies, to enable the Company to comply with all the laws governing AML/CFT/WMD in a complete, correct and timely manner.

2. Duties and Responsibilities for Policy Compliance

2.1. The Board of Directors has duty to approve the policy on AML/CFT/WMD.

2.2. The top executives have duties and responsibilities as follows:

- 2.2.1. Prepare and propose policies and measures that align with laws and regulations governing AML/CFT/WMD.
- 2.2.2. Devise measures to control and manage risks associated with AML/CFT/WMD activities which may be conducted through products or services of the Company or other concerned risk factors.
- 2.2.3. Establish bylaws, manuals, and guidelines to support the Company's policy on AML/CFT/WMD in conformity with the applicable laws and regulations.
- 2.2.4. Designate the executives who have the power and duty to consider the use of discretion and approve the operational procedures, in both the usual case and the case where special scrutiny is needed, for customer acceptance, customer risk assessment and management, and customer identification activities.
- 2.2.5. Monitor and ensure employees' strict compliance with the bylaws, manuals, and guidelines under the Company's policy on AML/CFT/WMD.
- 2.2.6. Support and promote employees' sufficient knowledge and understanding of AML/CFT/WMD and their efficiency in implementing customer acceptance, customer risk assessment and management, and customer identification activities.

2.3. Concerned staff at all levels

The concerned staff at all levels have duty to strictly abide by the bylaws, manuals, and guidelines established under the Company's policy on AML/CFT/WMD.

3. Core Policy

Company treats the policy on AML/CFT/WMD as a core policy which is as important as its business operation policy. It has established operational measures that are explicit and conform to the laws and regulations governing AML/CFT/WMD.

The Company has mapped out polices and measures on AML/CFT/WMD for all parties to strictly adhere to and to ensure that the following actions are carried out:

- 3.1. Prepare a written core policy on AML/CFT/WMD and propose it to the Board of Directors for approval.
- 3.2. Prepare complimentary policies, which include measures, notifications, regulations, handbooks and operational guidelines, on AML/CFT/WMD in writing and propose them to the persons having the authority to approve those complimentary policies.
- 3.3. Monitor, manage, and ensure that the Company's internal operation is carried out efficiently and effectively in line with the core and complimentary policies on AML/CFT/WMD with a view to enable the Company to conform to the applicable laws and regulations in a correct, complete, and timely manner.
- 3.4. Provide continuous training to raise awareness and enhance all concerned staff's knowledge and understanding of the core and complimentary policies and the essence of the laws and regulations governing AML/CFT/WMD that is related to their work process in order to ensure that they could apply the obtained knowledge to their work efficiently and effectively.

Secondary Policies

The Company has developed complimentary policies to support the implementation of the core policy on AML/CFT/WMD. Details of each policy are as follows:

1. Policy on Customer Acceptance

The Company must arrange for self-identification of customers and verify customer identity when they apply for the first transaction.

1.1. Self-identification of customers

The Company must arrange for customers to provide their preliminary information in conformity with the applicable laws and regulations, when they wish to create business relationship or apply for the first transaction.

1.2. Customer identification

The Company must have customers' self-identification information and documents examined by its employee, subject to their proper use of discretion, for the purpose of:

- 1.2.1. Determining as to whether a customer who is a natural person, a juristic person or a person with whom an arrangement has been concluded does exist from the standpoint of law; and
- 1.2.2. Assessing whether the self-identification information made available to the Company is sufficient for carrying out risk management and inspection of customer factual information.

1.3. Verification of customer factual information

The Company must verify customers' self-identification information and evidence with the name-list of designated persons and other databases related to AML/CFT/WMD.

1.4. Approval of customer acceptance or customer acceptance practices

The Company must establish criteria for rejecting business relationship or business transactions e.g.

- 1.4.1. Customers do not provide their real names or use an alias or a fake name.
- 1.4.2. Customers provide false information or false material evidence.
- 1.4.3. Provision of self-identification information and documents by customers fails to conform to the Notification of Office of the Prime Minister Re: Procedures for Self-Identification of Financial Institution Customers.
- 1.4.4. The Company cannot examine customers' self-identification information and documents.
- 1.4.5. The Company discovers that the customers, their genuine beneficiaries or those having material involvement are members of the group of persons included on the name-list of designated persons.

The Company will report any customer rejection case, which results from the factors defined by the Company, as a suspicious transaction to the Anti-Money Laundering Office.

2. Policy on Inspection of Customer Factual Information

The Company establishes the procedures for inspection of the movement of customers' transactions in order to assess the extent to which each customer is exposed to AML/CFT/WMD, and then apply the assessment results to further implement the appropriate risk management measures on each customer. Such inspection will be carried on throughout the business relationship period.

3. Policy on Risk Management in Regard to AML/CFT/WMD

The Company maps out the policy on risk management in regard to AML/CFT/WMD so as to enable such risk management to be implemented in a correct, complete, timely, efficient and effective manner and in conformity with the applicable laws and regulations.

The Company uses the results of customer information examination with all databases to determine the levels of customers' money laundering risk exposure, comprising of low, medium and high risk levels according to the regulations prescribed by laws. The types of products and services, distribution channels, transaction channels and area/country are the factors used for risk assessment on each customer.

The Company ensures consistent management of risk incidental to AML/CFT/WMD. Such risk management is implemented at all steps, from self-identification of customers, customer identification, verification of customer factual information, customer acceptance, and throughout the period of the business transaction.

4. Policy on Suspicious Transaction Reporting

The Company puts in place the measures for suspicious transaction reporting in conformity with the applicable laws and regulations. When any suspicious transaction is discovered, the person concerned must perform an investigation in accordance with the established procedures and propose to the executive who has the approval authority on such suspicious transaction before submission to the Anti-Money Laundering Office.

5. Policy on Use of Information Technology for Inspection of Customer Factual Information

The Company has duty to make available an efficient access to the database used for inspection of customer factual information as required by laws, including, among others, information on persons who have committed predicate offences or money laundering offences, name-list of foreign politically exposed persons, and name-list of groups of persons included on the list of designated persons.

6. Policy on Information Keeping

The Company has duty to keep self-identification information, documents and evidence or any other documents and evidence of customers, non-life insurance agents or brokers, and persons acting on their behalf that have been used for inspection of customer factual information as required by laws.

7. Policy on Employment and Training

The Company arranges for the preparation of plans and main contents for employee development and training and the continuous implementation of those plans to ensure that the employees whose duties are relevant to the implementation of the core and complimentary policies on AML/CFT/WMD have gained knowledge and understanding of the essence of the laws and regulations or procedures established by the Company and are able to perform their duties completely and correctly.

8. Policy on Internal Audit on Operating Systems

The Company has set out the operational guidelines to ensure the efficiency of its internal control system in relation to AML/CFT/WMD as follows:

- 8.1. Examine knowledge and understanding of the operating staff concerned with the laws, regulations, policies and procedures for AML/CFT/WMD.
- 8.2. Evaluate employees' performance against the established targets.
- 8.3. Random-review the compliance with policies and procedures as a basis for the concerned executives to improve the operational efficiency of their staff members.
- 8.4. Assess the Company's exposure to non-compliance with the applicable laws and regulations and the policies and operational guidelines or when any deficiencies in staff's operation or business process are found.
- 8.5. Evaluate employees' knowledge and understanding of the applicable laws and regulations, policies and operational guidelines when there is a change or amendment to those laws and regulations.

9. Policy on Development and Update of Policies

The Company reviews the policies at least once a year and always keeps abreast of any changes in the laws and regulations governing AML/CFT/WMD. The Company also aligns its operation with the changing laws and the newly amended laws and regulations that come into effect.