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Allianz Ayudhya Standard for Anti-Corruption

(incl. Gift & Entertainment)

Allianz Ayudhya General Insurance Public Company Limited

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Authorization:

The content of this document has been reviewed and approved as follows:

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Allianz 
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Executive Summary

- I. The Allianz Group is committed to the highest standards of anti-bribery and anti-corruption compliance. Anti-bribery and anti-corruption compliance refers to the way in which relevant laws, regulations and best practices are implemented and executed, in order to prevent and detect bribery and corruption as well as to ensure that related incidents are appropriately investigated and reported.
- II. As part of this commitment, each Allianz OE is responsible for combating bribery and corruption, and must do so as part of its day-to-day business in accordance with applicable laws. To this end, each Allianz OE must ensure effective compliance with applicable rules and regulations for anti-bribery and anti-corruption compliance, including establishing and maintaining appropriate risk-based policies and procedures with clearly defined responsibilities for executing relevant tasks (including identifying relevant counterparties, performing appropriate compliance due diligence and establishing all other controls necessary to meet the requirements of this Standard as well as local law).
- III. The Allianz Ayudhya Standard for Anti-Corruption (the “**Standard**”) is mandatory within Allianz Ayudhya General Insurance Public Company Limited (“the Company”).
- IV. All employees of the Company (“**Employees**”) are required to adhere to this Standard to protect the Allianz Group’s reputation and prevent it from being misused to commit bribery and corruption or for other illegal purposes.
- V. The Compliance is assigned overall responsibility for this Standard.

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A. Introduction

I. Rationale and Scope of Application

1. This Standard defines framework for the management of bribery and corruption risk. This Standard establishes core principles for compliance with rules and regulatory standards for combating bribery and corruption.
2. The Allianz Ayudhya Standard for Anti-Corruption (the “**Standard**”) is mandatory within the Company.

The Company is required to implement this Standard appropriately, to ensure adherence to this Standard, and to communicate this Standard to all relevant addressees. In all cases, implementation of this Standard must be in a manner consistent with local legal requirements existing and applicable to the Company.

If this Standard is in conflict with local laws or regulations, local laws or regulations have priority. Where a conflict of law exists that prohibits an entity from complying with any aspect of this Standard, this fact must be notified promptly to Group Compliance to determine the appropriate means to address the conflict, which may include the granting of a deviation. Any deviation from this Standard must be approved and monitored within the deviation approval process described in the Allianz Ayudhya Compliance Manual.

3. The implementation of this Standard shall be guided by the principle of proportionality, taking into account the nature, size and complexity of the Company and the nature of its bribery and corruption risk. Therefore, the Company must adopt an appropriate risk-based approach to the implementation of the requirements contained in this Standard.
4. Compliance is responsible for monitoring the implementation of the requirements of this Standard. Monitoring will be performed in accordance with the monitoring and oversight procedures specified in the Allianz Compliance Manual.
5. To increase the readability of the document, not all terms are defined in the main body of this Standard. Instead, the definition for each capitalized term and abbreviation can be found in the comprehensive list in Annex A – Definitions, Abbreviations & Glossary.
6. The Company is advised to pay particular attention to, and comply with, the detailed definitions herein which in some cases may differ significantly from the definitions applied to the same terminology under the Company’s local applicable law.

II. Authorization and Updates

The Compliance is assigned overall responsibility for this Standard and is responsible for maintaining and updating this document. The Standard will be reviewed at least once per year.

This Standard is available on the Company’s intranet. It remains valid until superseded by an updated version.

This Standard supersedes and replaces the following corporate rules:

- Allianz Anti-Corruption Policy (Minimum Standards on Anti-Corruption and Anti-Bribery)
- Allianz Ayudhya Standard on Gifts and Entertainment Policy
- Compliance Guidance relating to the Allianz Gifts and Entertainment Policy: Sponsoring & Hospitality

B. Allianz Principles for Anti-Bribery and Anti-Corruption Compliance

The reputation of Allianz is based on the trust which clients, shareholders, Employees and the general public have in the integrity of Allianz. The Allianz Group Code of Conduct therefore defines integrity as the core principle of how Allianz chooses to conduct business.

Building on the foundation set by the Code of Conduct, this Standard defines the core principles that determine how Allianz seeks to prevent, detect and react appropriately to bribery and corruption. Allianz's core principles for anti-bribery and anti-corruption compliance are further described below in this section B.

The Company must retain appropriate, written documentation related to the execution of the requirements of this Standard. Documentation and record keeping must be in compliance with the requirements of the Allianz Standard for Information and Document Management as well as the Allianz Privacy Standard.

Anti-Bribery and Anti-Corruption Compliance

Allianz is committed to complying with all applicable anti-bribery and anti-corruption laws and regulations in all jurisdictions in which it operates.¹

Allianz's **CORE PRINCIPLES** for anti-bribery and anti-corruption compliance are:

(1) Allianz does not tolerate bribery and corruption

Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving 'Anything of Value' (defined broadly to include anything - monetary or non-monetary - that provides a benefit of any kind) to or from any Public Official or anyone in the private sector, in order to obtain or retain business or an improper personal or business advantage.

(2) Allianz does not make Facilitation Payments

Employees are prohibited from directly or indirectly giving or authorizing any Facilitation Payments. A Facilitation Payment is any payment to a Public Official to expedite or secure the performance of a routine, non-discretionary and legitimate governmental action, such as granting a visa, issuing customs clearance, granting a license or providing a regulatory approval.

The only exception from this rule is when Allianz is left with no alternative but to make a Facilitation Payment in order to protect against loss of life, limb or liberty. In such cases, OE Senior Management and Group Compliance must be promptly informed (which may be after-the-fact, such as if the situation occurs late at night), and particular care must be taken to ensure proper accounting and record keeping of the payment as well as compliance with regulatory reporting requirements, if any.

(3) Allianz only does business with business partners that share the commitment in respect of bribery and corruption

Prior to engaging with business partners such as vendors, representatives, joint venture partners or other business partners, the Company must take appropriate steps to mitigate the possible reputational, legal or regulatory risks of such engagements. These steps include performing due diligence commensurate with the nature of the engagement and background of the business partner and monitoring the relationship on an ongoing basis.

¹ This includes (where relevant) but is not limited to the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA) and the French Sapin II Law.

(4) Allianz maintains proper books and records

Books and records need to be accurate, complete, timely, and truthful. They need to accurately and fairly reflect all transactions and dispositions of assets.

No false, misleading or incomplete entries must ever be made in the books and records of Allianz for any reason. No undisclosed or unrecorded funds or accounts for or on behalf of Allianz may be established for any purpose. All expenses must be accurately accounted for, be based on appropriate supporting documentation and be promptly recorded in the books and records. Non-Allianz resources or payment channels (e.g., private accounts) may never be used to commit or enable bribery or corruption.

To assess the effectiveness of existing controls around the maintenance of books and records and to define enhanced mitigation measures, a Books & Records Red Flags List has to be completed annually by the Company's Finance department with the support of the Compliance department and other affected departments. Guidance for the execution of the Books & Records Red Flags List can be found in this Standard.

(5) Allianz does not make political or charitable contributions for improper purposes

Political Contributions: Political contributions (including contributions to political organizations, campaigns, parties, representatives or candidates) made on behalf of Allianz are allowed only if there is no purpose to improperly influence or induce a benefit for Allianz. Any political contributions constituting bribery or corruption are prohibited.

Allianz recognizes that some Employees may be politically active. However, Employees' political participation must be on an individual basis, and undertaken in their own time and using their own resources.

Charitable Contributions: Charitable contributions (e.g., sponsorships/donations to charitable organizations of Public Officials or their relatives) made on behalf of Allianz must only be given to *bona fide* charitable organizations for proper charitable purposes and must not violate the Allianz Group Code of Conduct, these core principles related to anti-bribery, anti-corruption and anti-fraud, applicable laws and regulations or the *Allianz Ayudhya Guidance for Charitable Contribution (Donations and Memberships)*. The Company must verify the integrity of the charitable organization by performing an integrity check before any contribution is made.

Charitable contributions may never be provided as a condition for or to influence an official action or decision.

(6) The giving and receiving of improper gifts or entertainment is prohibited

Giving and receiving gifts and invitations to entertainment events ("G&E") is a customary way to strengthen business relationships and, with some restrictions, it is a legitimate business practice. However, any conflict or the appearance of conflict between the interests of an Employee and their responsibility to Allianz, its customers or business partners must be managed appropriately.

All G&E must meet the following conditions:

- It must be consistent with customary business practices and reasonably understood to be aimed at improving the image of the giver as a commercial organization, promoting, demonstrating or explaining products and services or establishing cordial business relations;
- It must not be lavish, excessive in value, overly frequent or without appropriate business purpose as to raise issues of impropriety;
- It must be made in good faith (*bona fide*) and be reasonable in value;
- It must not have the appearance of being an improper inducement, bribe or payoff, no matter how small;

- It must not improperly influence, or be intended to improperly influence, the professional judgement or independence of an Employee, customer or business partner;
- It must not conflict with an Employee's duty to Allianz and/or Allianz's customers;
- It must not - directly or indirectly (e.g., via parents, spouses, children, in-laws, siblings, friends or other persons closely associated to an Employee) - violate the Allianz Group Code of Conduct, these G&E principles or any applicable law or regulation;
- It must not be performed in secret;
- It must be documented in writing specifying the nature, value and purpose of the expense and the approvals given;
- It must not offend the moral, religious or ethical standards of customers or business partners or otherwise violate Allianz's commitment to diversity and mutual respect;
- It must not be provided shortly before, during or shortly after a relevant (ongoing or intended) business tender, contract negotiation or contract prolongation;
- It must not be provided or extended to any clients of a business partner;
- It must not involve cash or cash equivalents (such as gift vouchers and gift cards), except where this is acceptable as part of local festive/cultural traditions or is an established common market practice. In these cases, prior local Compliance approval always needs to be obtained before the gift is given. Compliance approval may only be given if the practice is in line with local laws and all requirements (including the limits) defined in this Standard;
- In the case of an invitation, it must not involve the provision of additional gifts except for promotional (e.g. corporate-branded) items of modest value provided during an event;
- It must fall within reasonable monetary caps/limits, if any, set by the Company, and must be assessed (and, where necessary, approved) by the involved Employee, the Employee's line manager and in certain higher risk cases, by the Compliance function.

(7) Allianz offers and manages Sponsoring & Hospitality appropriately to mitigate the risk of corruption

Offering Sponsoring or Hospitality to customers, business partners and other persons is a common component of marketing and sponsoring concepts. However, invitations must comply with applicable laws and regulations. For Sponsoring and Hospitality events, therefore, the steps must be taken to manage the corruption risk associated with the often predominantly entertainment-based nature of these events.

C. Requirements for Anti-Bribery and Anti-Corruption Compliance

This part further specifying the requirements on the steps the Company must take to implement and adhere to its core principles. A summary of the controls including key controls to ensure anti-bribery and anti-corruption compliance is provided in the Compliance Controls Catalogue and related guidance provided to all OEs by Group Compliance (and available on Group Compliance's pages on Allianz Connect).

The Company must retain appropriate, written documentation related to the execution of the requirements and guidance in this Standard and retain it as long as required by internal and external requirements.

C.-1. General Requirements for Bribery and Corruption

C.-1.1. Understanding Bribery and Corruption Risk Exposure

The Compliance Function must identify and assess the Company's specific bribery and corruption risks in order to understand its individual risk exposure. For this purpose, the Compliance Function must analyse relevant information, and scenarios with the intention of identifying patterns and early warning signs to prevent bribery and corruption. For more information on risk assessments, please refer to the Allianz Ayudhya Compliance Manual.

C.-1.2. Monitoring

The Company must periodically monitor the robustness of their anti-bribery and anti-corruption related controls and document the results of this assessment. The monitoring can comprise a combination of various monitoring activities (as appropriate to their business) including, for example:

- a. Quality control checking;
- b. Assurance testing;
- c. Internal audits;
- d. External audits;

When the results of an assessment indicate that there is a control weakness or a control gap, the Company must ensure that these are documented, and that steps are taken to address them in a timely manner.

The Company must maintain records of actions taken to address weaknesses and any testing undertaken to ascertain whether these actions were effective in achieving their desired outcome.

Further details on monitoring processes can be found in the Allianz Ayudhya Compliance Manual.

C.-1.3 Record Retention

The Company must ensure all applicable Employees have access to one or more standard document repositories in which to file and maintain auditable records relating to the execution of anti-bribery and anti-corruption related controls. The length of time for which records should be maintained should be as stipulated in the Allianz Standard for Information and Document Management or, if this is longer, local applicable laws.

C.-1.4. Responsibilities of Employees

Each Employee of the Company is responsible for maintaining vigilance towards preventing and detecting bribery and corruption and mitigating bribery and corruption risks, whether perpetrated internally or externally, for protecting the company's reputation and resources and for ensuring that the company's and its customers' assets and information are properly cared for. These responsibilities can be satisfied by taking relevant actions such as:

- Adhering to the Allianz Code of Conduct.

- Reading and complying with Allianz's Policies, Standards, Functional Rules, and procedures.
- Bringing risks, potential breaches of procedure, and suspected bribery and corruption matters to the attention of Management or a relevant function (e.g. direct supervisor, Compliance department, Internal Audit, Human Resources).
- Identifying and proposing improvements in the processes and controls to mitigate bribery and corruption to the respective direct supervisor on an ongoing basis.

C.I. Anti-Bribery and Anti-Corruption Compliance

The CORE PRINCIPLES for anti-bribery and anti-corruption which apply throughout the Allianz Group, are:

C.I-1. Bribery and Corruption

Principle 1: Allianz does not tolerate bribery and corruption.

This principle expresses Allianz' stance towards the abuse of a position of power for an improper personal advantage (corruption) or when a corrupt offer, solicitation or promise is made to obtain an improper personal or business advantage (bribery).

The Company help to execute and evidence Allianz's zero tolerance policy to bribery and corruption by adhering to the core principles related to investigation and reporting of Employee Misconduct (as described in Allianz Ayudhya Whistleblowing (Speak-up) Committee and Internal Investigation Manual), as well as to the other requirements throughout this Section including:

- a) Avoiding Facilitation Payments
- b) Performing proper due diligence and monitoring of business partners
- c) Maintaining proper books and records
- d) Adhering to our rules on political and charitable contributions
- e) Observing all of requirements relating to Gifts and Entertainment
- f) Following the guidelines for sponsoring and hospitality

Countering bribery and corruption also means taking steps to identify and assess bribery and corruption risks. This can include, for example, identifying cases where corruption may be deep-rooted due to factors such as poverty within a jurisdiction or where there are recurring cases of institutional corruption or where there may be corrupt companies seeking to gain improper advantages.

Following the identification and assessment of risk, The Company is required to implement adequate mitigating measures, which will typically include strengthening Books and Records controls.

C.I.-2. Facilitation Payments

Principle 2: Allianz does not make Facilitation Payments.

Facilitation Payments are seen as bribes in most jurisdictions, and are therefore illegal. Allianz enforces a policy that forbids Facilitation Payments not only under circumstances where local law would also forbid them, but also in cases where they might be permitted under a locally applicable legal exception.

C.I.-2.1. How to recognize Facilitation Payments

Facilitation Payments occur in situations where a Government Official demands a bribe in return for (i) performing a service (e.g. issuing as a visa, licence, certificate, utility service or regulatory approval) to which a person or company is entitled or (ii) avoiding a fine or other adverse consequence that the Government Official could impose on the person or company. Facilitation Payments can be also demanded by private sector employees especially as a consequence of privatization.

Facilitation Payments can take many forms, e.g. cash, vouchers, pre-paid phone cards, alcohol, perfume, cigarettes, and tickets to events.

Typically, a bribe demander will use explicit or implied threats of delay, inconvenience, business cost or some other undesirable outcome. Bribes can also be solicited by an official with the inducement of a faster service, overlooking incomplete paperwork, or some other benefit, or may also be offered by the bribe payer to obtain such benefit.

Facilitation Payments are seen as bribes in most jurisdictions. They are allowed as an exception in the bribery laws of only four countries: Australia, New Zealand, South Korea and the USA. These laws apply only when they are made abroad and paradoxically, remain illegal in their own domestic laws. It should be noted that as Facilitation Payments are often hidden in the books, they can lead to a books and records offence under the U.S. Foreign Corrupt Practices Act (FCPA).

C.I.-2.2. What about cases involving physical safety or threats?

Facilitation Payments made in response to genuine threats to life, limb or liberty are payments made under duress, and this may provide a legal defense for the payment. This may occur for example if an insured with serious life-threatening injuries must be urgently air-lifted to a qualified medical facility, but the granting of a local air traffic clearance has been conditioned on payment of a facilitation fee. Such payments are therefore prohibited pursuant to this Standard. In such cases, the Company are required to ensure appropriate escalation to, and approval by, Senior Management (taking into consideration that very urgent cases may require ex-post escalation and/or approval) and to ensure accurate recording of the payment in the Company's Books and Records.

Economic or other coercion such as travel delay, however costly or inconvenient, may appear valid reasons for making a payment but are not legal grounds for paying even a small bribe. Such payments are treated as facilitation payments and are therefore prohibited under this Standard.

C.I.-2.3. What are the internal controls to prevent and detect Facilitation Payments?

The first step is to gather information to identify where Facilitation Payments are happening or could happen, and to find out how employees and third parties are dealing with demands when made. It is important to use the knowledge of front-line employees who are encountering the demands for facilitation payments.

The Company can best prevent Facilitation Payments by implementing strong controls, including Books and Records controls (see **Section C.I.-4.** below) with the aim to ensure that:

- Expenses categorized as "miscellaneous expenses" will not be reimbursed to Employees (and if an Employee attempts to gain such a reimbursement, the Company will initiate an internal investigation/audit of existing expenses categorized as such).
- Payments for transactions and expenses are for what they are said to be and not a cover for facilitation payments.
- All expenses are recorded accurately in clearly categorized accounting codes.
- Transactions are supported by documentation (e.g. official receipts and copies of relevant written internal approvals).

In the event the Company determines that a Facilitation Payment was made by or on behalf of the Company, the Company must promptly report that fact to the Company's Board of Management and to Group Compliance, and take any other necessary action, such as to report to a local supervisory authority, if required.

C.I.-3 Business Partners/Third party Due Diligence

Principle 3: Allianz only does business with business partners that share the commitment in respect of bribery and corruption.

This core principle requires the Company to ensure that vendors undergo the Vendor Integrity Screening Process (VISP) described under C.I.-3.1. and, in respect of tied agents and other sales intermediaries, that the processes described below under C.I.-3.2. Red Flags for Intermediaries are followed. In addition, the Company are required to ensure that Anti-corruption clauses are included in contracts with vendors, tied agents and other sales intermediaries.

C.I.-3.1 Vendor Integrity Screening Process (VISP)

Vendor Integrity Screening is one important component of how Allianz implements its strict prohibition of any offer, acceptance, payment or authorization of bribes and any other form of corruption.

When seeking to engage a business partner (such as sales intermediary or a vendor) the Company are required to assess and mitigate the corruption risks of such engagements. The due diligence process supporting the assessment is referred to as VISP (Vendor Integrity Screening Process). VISP requires the assessment of information obtained from the business partner as well as from public sources and through screening tools in order to be able to identify and address indicators of integrity risk associated with that business partner.

The assessment of integrity risk is based on factors such as whether:

1. **the business partner:**
 - is located in a country which has a high rating on the Corruption Perception Index (CPI)
 - has implemented an internal anti-corruption policy and/or internal guidelines for G&E
 - has been charged or fined for bribery or corruption within the past 3 years (or is currently under investigation)
 - is referenced in any adverse media as being involved in matters such as corruption, fraud, tax evasion, embezzlement or money laundering.
2. **the business partner, any of its direct or indirect owners up to its ultimate beneficial owner or any of its officers, directors or managing partners is:**
 - a Sanctions Target, a Politically Exposed Person (PEP) or a Government Official
 - is referenced in any adverse media as being involved in matters such as corruption, fraud, tax evasion, embezzlement or money laundering
3. **if the business partner plans to use sub-contractors, whether there is any information that calls the integrity of the sub-contractors into question.**

All vendors triggering quantitative and qualitative criteria must be VISP-screened prior to onboarding and at least once every three years thereafter during the contract period. The quantitative criteria can be defined by dividing the value of a certain number of procurement transactions performed during a specific period of time per the respective number of procurement transactions incurred in that same period. This assessment will enable the identification of the actual threshold applied for that universe of transactions in that period of time. However, the quantitative criteria alone might not reflect the proper trigger, since: a) a relevant number of risky vendors with transactions below the threshold might exist, e.g., consultants, financial advisors, headhunters, external accountants; and b) a relevant number of one-off transactions or non-risky services above the threshold might also be in place, e.g., contracts with cleaning staff, office supply companies (printing papers), catering services etc. In these cases, therefore, it is necessary to: a) identify those sorts of risky vendors and make them subject to the VISP even if they are below the threshold and b) identify those sorts of one-off transactions and less risky vendors and exclude them from scope.

If a local vendor is a subsidiary or branch of an international organization and the parent company has an up-to-date VISP screening on file in the Allianz Group VISP process, then the Company seeking to engage the local vendor does not have to execute a complete VISP check but instead must only complete an adverse media check, sanctions screening and a PEP check.

Existing vendors must be screened ad hoc if the contract is amended or expressly renewed. The VISP must be embedded into the existing selection process independent of a central purchasing function.

As further described below, VISP is executed in 4 Parts (each of which must be recorded in written documentation):

- Part I: vendor self-assessment
- Part II: integrity assessment
- Part III: scoring
- Part IV: contract design.

A VISP template can be found in Allianz Connect in the Anti-Corruption module within the Group Compliance pages.

VISP Part I: Vendor Self-assessment

This comprises a questionnaire to be completed by the potential vendor as part of the vendor selection process.

Objectives	Mandatory requirements
Potential vendor to provide purchasing owner at Allianz with information related to its own level of integrity.	a) Self-assessment questionnaire to be completed by the potential vendor as part of the vendor selection process; b) Evidences to be attached where applicable.

VISP Part II: Assessment

This step comprises an integrity assessment to be completed by the Company’s Procurement department (or other function entitled to purchase from the vendor).

Objectives	Mandatory requirements
The Company to assess vendor integrity status and provide an opinion.	a) Integrity Risk Assessment template to be completed by Allianz Procurement or Allianz purchasing owner(s); b) Answers categorized from Part I and Part II into "green", "orange" and "red" with regards to the integrity; c) Identification of steps on how to proceed and when to involve Compliance.

VISP Part III: Scoring

The scoring is made using an integrity risk assessment template, which must be completed by the Company’s Procurement department (or other function entitled to purchase from the vendor). The template categorizes the answers from Parts I and II into “green” (low/no integrity issues), “orange” (medium risk of integrity issues) and “red” (high risk of integrity issues) with regards to the integrity of the vendor and defines steps on how to proceed and when to involve the Compliance department.

Objectives	Mandatory requirements
The VISP Part III supports the purchasing owner to evaluate the overall integrity risk for each vendor.	a) Mitigation on a case by case basis; b) External screening (due diligence report) on potential vendor in case of doubts; c) Compliance recommendation in case of either orange or red rating. d) Decision (rationale) whether to proceed with the vendor, in light of scoring outcome;

VISP Part IV: Contract design

Contracts with vendors should be thoroughly worded. In each contract an anti-corruption clause must be included (apart from the exceptions). Where applicable, a termination provision is to be included which allows Allianz to terminate the contract in case of bribery or suspected bribery.

Objectives	Mandatory requirements
a) Clear definition of rights & duties of both parties; b) Enable Allianz to terminate the contract with immediate effect in case of corruption arising from the counterparty.	Once the Vendor Integrity Screening has been finalized a contract should be designed. The contract should contain an Anti-Corruption clause, either in a long or short format. The current version of the Anti-Corruption clauses (long and short form), as well as complete instructions how to decide which of the two is appropriate can be found on Group Compliance's pages on Allianz Connect under the heading Anti-Corruption.

C.I.-3.2. Red Flags for Intermediaries

Allianz's commitment to transparency and integrity in its business dealings extends to tied agents and other sales intermediaries acting on behalf of Allianz, as unlawful acts or omissions of those may expose Allianz to risk even if Allianz did not specifically authorize such acts. When engaging a new tied agent or other sales intermediary, Allianz requires the Red Flags List for Intermediaries to be followed (including completion of all required steps) in order to identify and mitigate possible reputational, legal or regulatory risks of such engagements.

Completion of the Red Flags List for Intermediaries is the responsibility of the Company's Sales and Distribution departments. A template to document execution of the process (and with complete instructions) can be found in Allianz Connect in the Anti-Corruption module within the Group Compliance pages.

The process for completion of the Red Flags List for Intermediaries involves the collection and analysis of information regarding the intermediary as well as the local market, a scoring process to evaluate the information collected, and certain steps (such as possible mitigation measures) to be taken depending on the outcome of the scoring.

Contracts with Intermediaries are required to include Allianz's long- or short-form Anti-corruption clause. The current version of the Anti-Corruption clauses (long and short form), as well as complete instructions how to decide which of the two is appropriate, can be found on Group Compliance's pages on Allianz Connect under the heading Anti-Corruption.

C.I.-4. Books and Records

Principle 4: Allianz maintains proper Books and Records.

C.I.-4.1. Books & Records Red Flags List

The Company are required to use the processes described in the Books & Records Red Flags List (“**Books & Records Red Flags List**”) to assess and respond to the level of bribery, fraud and corruption risk created by certain types of accounts, accounting practices and payments. The current version of the Books and Records Red Flags list is available as an Excel file that can be downloaded directly from Group Compliance’s pages on Allianz Connect. The list consists certain pre-defined early warning indicators (red flags), and the Company is required to add any additional red flags that are also relevant for their entities.

Predefined red flags in the Books & Records Red Flags List include, for example:

- Suspense accounts are not regularly reconciled or cleared.
- Invoices are incomplete or insufficient and there is no corresponding control (e.g. no 4-eyes principle is applied).
- Ex gratia payments are made to government officials or others.
- Payments are made to beneficiaries located in Tax Havens.
- Donations are made to foreign accounts.
- Donations, guarantees or loans are made to the benefit of government officials or political parties.
- Expenses are booked under “Miscellaneous”.

The Books & Records Red Flags List must be completed (and the completed documentation maintained in an auditable format) on at least an annual basis. If a particular red flag is determined to have a higher impact, a more frequent assessment may also be required. The objective of the Books & Records Red Flags List is to give the Company’s Finance departments a starting point to identify whether the red flags exist in the Company’s business and to assess the effectiveness of existing controls. The control assessment should give an indication whether the mitigation measure is effective or not. In some cases, in order to obtain such indication, the control assessment will require data analysis, e.g., level of cash funds analysis, overriding commission analysis, agent master data analysis, ex gratia payments analysis, extensive payment analysis. The Compliance Function performs an oversight role.

For each red flag for which it is determined that the risk is not currently mitigated within the implied level of risk tolerance, the Company must develop and implement an action plan and make an entry in the Compliance Issue Management Tool (CIMT). An action plan and CIMT entry are also required in respect of any control deficiencies identified (i.e., missing or insufficient controls).

C.I.-5. Political and Charitable contributions

Principle 5: Allianz does not make political or charitable contributions for improper purposes.

The Company is responsible for any contributions made and therefore responsible for the prevention and avoidance of wrongful contributions as these can pose various risks such as corruption and embezzlement for the organisation itself or even influence on public policy.

The Company should ensure that appropriate controls (such as approval processes) are implemented to effectively ensure that activities relating to or leading to direct, or indirect charitable or political contributions

are in line with this Standard, the Allianz Ayudhya Guidance for Charitable Contribution (Donations and Memberships) and applicable laws.

The Company that provide political and or charitable contributions must define an approval process that involves the Company's Board of Management based on proportionality according to the monetary value and nature of the contributions.

This process shall usually reflect at a minimum:

- An assessment of applicability of internal guidelines or laws.
- The threshold defined for involvement of the Company's Board of Management.
- An integrity check according to Allianz Ayudhya Guidance for Charitable Contribution (Donations and Memberships).
- The total duration of the engagement in the contribution in the sense of , one-off payments or continuous contributions.
- The value or monetary value equivalent must be specified.
- The motivation of this contribution must be specified, and any conflict of interest or potential red flags must be outlined.

The Compliance Department should be consulted if any questions arise throughout the integrity check or in case any financial crime risks might be detected.

C.I.-6. Gifts & Entertainment

Principle 6: The giving and receiving of improper gifts or entertainment is prohibited.

The general information regarding gifts and entertainment (G&E) in the Standard is supplemented by the following:

C.I.-6.1. What qualifies as a G&E?

The term G&E includes all types of Gifts as well as Entertainment that are offered by or on behalf of Allianz to, or received by an Employee of Allianz from, a Customer or other third party (such as a Public Official) with whom Allianz has a current business relationship or is seeking a future business relationship. It includes G&E offered directly and indirectly (such as G&E provided to close relatives or associates of the Employee, Customer, Public Official, rather than to the Employee, Customer, Public Official directly).

The term G&E does not include personal presents offered from one Employee to another, nor does it include presents from Allianz as an employer to an Employee. (Presents from Allianz as employer to an Employee must nevertheless comply with relevant tax laws and should be purchased via official procurement channels, thus where possible avoiding cases where presents are purchased by a manager or colleague against reimbursement.)

A **Gift** is any tangible item received at any time, as well as any invitation to an event where the inviting party will not be present. (See also **C.I.-6.3- Prohibited G&E.**)

Entertainment includes all forms of entertainment, including but not limited to any social event, hospitality event, cultural event, concert, charitable event, leisure activity, conference, seminar, marketing event, sporting event or an event of like nature. An event qualifies as Entertainment only if the representative of the inviting party is present (e.g., an Allianz Employee). Where this is not the case the gift rules and applicable restrictions (e.g., local gift cap) apply. Any Gift provided to or received at an entertainment event retains its status as a Gift and is subject to the restrictions applicable to Gifts.

Invitations offered by or on behalf of Allianz as part of sponsoring, strategy or marketing events organized by Group or local Strategy, Marketing and Distribution departments must be evaluated under **Section C.I.-7.**

C.I.-6.2. How must the value of G&E be determined?

The Employee giving or receiving the G&E must make reasonable efforts to determine the **value** of the G&E, using the higher of cost or market value (and in the case of tickets, using the higher of nominal value and market value).

There may be tax implications (e.g., on personal income tax) regarding the proper treatment of G&E. The local tax department should be consulted in relevant cases to ensure that applicable tax laws and regulations are complied with.

C.I.-6.3. Prohibited G&E

Employees are prohibited from:

- soliciting or offering G&E for their own benefit in return for business, service or information that is proprietary or confidential to Allianz or its Customers.
- offering or accepting any kind of favour such as "adult entertainment" that respectively might create an offence to the moral, religious or ethical standards of Allianz Customers or business partners or otherwise violate Allianz's commitment to diversity and mutual respect.
- offering or accepting G&E in the form of cash & cash equivalents, unless it falls within and complies with all requirements of sub-section C.I.-6.4(b)(7) below. (Note: Special rules also apply to retail marketing campaigns involving gift vouchers. See below under B.I.-6.8 Special Requirements for Marketing Campaigns Offering Gift Vouchers.)

C.I.-6.4. G&E Approval and Consultation Requirements

In assessing whether G&E can be approved, at a minimum, the following considerations will be relevant:

- Is it lavish, excessive in value, so frequent or without business purpose such that it raises issues of impropriety?
- Is it made in good faith and in a transparent manner (e.g. directed to the business address)?
- Is it consistent with customary business practices?
- Could it reasonably be construed as a bribe or payoff?
- Is it intended to (or does it in fact) improperly influence the recipient's professional judgment?
- Does it conflict with the Employee's duty to Allianz or its Customers?
- Does it directly or indirectly (such as via relatives or close associates of the Allianz Employee, Customer, Public Official) violate the Allianz Code of Conduct, the requirements of this Standard or any local law or regulation?
- Where the case requires approval by the Employee's line manager, has the line manager taken into account the advice, if any, received from the Compliance department?
- If the case falls under clause (a) or (b) of this sub-section, has the line manager and Compliance department considered that G&E under these circumstances has a (significantly) elevated risk of being construed as bribery, corruption or a Facilitation Payment?

(a) Cases requiring line manager and Compliance pre-approval: Pre-approval by the line manager and the local Compliance Department is required for:

- Any retail marketing campaign under which actual or prospective Customers are provided with gift vouchers (See **C.I.-6.8 Special Rules for Retail Marketing Campaigns Offering Gift Vouchers**).
- Any G&E where **travel or accommodation** is proposed to be provided to a **Public Official**.
- Any G&E where **travel or accommodation** is proposed to be provided to a **financial analyst or rating agency representative**.

- Any G&E where **travel or accommodation** is proposed to be provided to a **media representative or journalist**.

Note: Compliance departments should generally not approve international travel under this subsection (a), other than in cases where the invited party is speaking at a conference or event of the inviting party.

(b) Cases requiring line manager pre-approval plus compliance consultation: Pre-approval from the Employee's line manager (or appropriate delegate), who must also consider the results of a consultation with the responsible Compliance department, is required if any G&E involves:

1. Any G&E that has a value in excess of an applicable local cap or limit;
2. G&E to or from a **Public Official**. (Note: If travel and accommodation costs are proposed, see also (a) above.)
3. G&E to or from a financial **analyst or rating agency** representative. (Note: If travel and accommodation costs are proposed, see also (a) above.);
4. G&E to or from a **media** representative or **journalist** (Note: If travel and accommodation costs are proposed, see also (a) above.)
5. G&E resulting in a **union** official or **works council** member being privileged as a result of his/her function in that role.
6. G&E from any **outside vendors** doing business or seeking future business with Allianz.
7. G&E in the form of **cash or a cash equivalent** (e.g. gift voucher or gift card). In such cases, approval should only be granted if giving G&E in this form among similarly-situated parties is part of a widely accepted local festive/cultural tradition, is a common practice within the financial services industry and is in line with local legal requirements as well as any local cap or limit and the requirements of this Standard.
8. G&E that includes the cost of **travel or accommodation** for any party not covered in (a) above. As a general rule, travel or accommodation costs should not be borne by the inviting party.
9. When G&E is being extended or offered to **spouses, children, friends** or other persons related to the Employee, Customer or business partner.
10. When **independent distribution partners** (e.g. brokers, bancassurance partners) are involved.
11. Any individual exception to the requirements of this Standard.

(c) Cases requiring line manager pre-approval without Compliance consultation: Unless the G&E, falls within (a) or (b) above or is exempted under C.I.-6.6, all G&E requires pre-approval by the Employee's line manager (or appropriate delegate), taking into account the general considerations listed at the beginning of section C.I.-6.4.

C.I.-6.5. Record Keeping Requirements

It is the responsibility of each Employee to properly record all G&E provided or received. The Company need to provide a Logbook (which may be a tool, a written document or a document repository) to ensure proper recording, including of the results of approval and consultation requests. Expenses incurred by Allianz for G&E must also be properly documented in the Company's books and records, specifying the nature, value and purpose of the expense.

C.I.-6.6. Exemptions from the Approval and Consultation Requirements

The following types of G&E do not have to be assessed or approved by the line manager or Compliance Department. For these G&E, the assessment whether it falls within the exemption can be made by the involved Employee directly. No entry in the Logbook is necessary.

(a) Business Meals

Business meals (e.g. breakfast, lunch or dinner) are exempted, so long as they do not involve Public Officials and also comply with the general principles, i.e., are not lavish, excessive in value, so frequent or without business purpose as to raise issues of impropriety.

(b) Promotional items

Promotional Items (such as corporate-branded merchandise) are exempted, so long as they are of a modest value, e.g., below local caps.

(c) Personal G&E

Personal G&E (e.g. wedding invitations or newborn gifts) are exempted, so long as Allianz is not paying for (or reimbursing) the G&E and a personal relationship exists between the Employee and the giving/receiving party.

(d) Local festive traditions

G&E related to local festive traditions are exempted, so long as they are not lavish, excessive in value, so frequent or without business purpose as to raise issues of impropriety. The relevant Compliance department should be consulted in case of questions.

C.I.-6.7. Caps & Limits for G&E

The Company is permitted (but not required) to define specific monetary amounts or limits defining the thresholds:

- (i) under which a G&E can generally be deemed not to be lavish or excessive in value (for purposes of assessment under the first bullet point in Section C.I.-6.4) and/or
- (ii) over which the G&E will require specific approval requirements within the Company.

These monetary limits must be reasonable in amount, as defined based on an assessment of local standards (including the risk of an exposure to bribery & corruption), in light of the requirements of the Allianz Code of Conduct and this Standard.

The Company's cap/limit is defined at **3,000 Baht** per item/occasion.

C.I.-6.8. Special Requirements for Retail Marketing Campaigns Offering Gift Vouchers

The Company is permitted to offer gift vouchers (i.e. a cash equivalent) to current or prospective retail Customers as part of marketing campaigns only when the following six requirements are satisfied:

- (i) no corporate Customers or corporate policies are to be eligible for gift vouchers;
- (ii) the value of each gift voucher must not exceed the lower of (a) 15% of the premium paid by the Customer for the product (b) €50 (or equivalent in local currency) or (c) such lower amount to ensure that the voucher would not be viewed as an improper inducement for the Customer to purchase the product;
- (iii) the target customer segment must be broad and not limited to small groups of retail customers (and this target segment must be specified in the marketing materials);
- (iv) the use of gift vouchers in the campaign must be approved by the Company's Compliance function;
- (v) the granting of gift vouchers must be a very common market practice across the retail industry (including in the financial services sector) in the relevant jurisdiction;

(vi) the granting of gift vouchers under the circumstances is not prohibited under local law.

If a gift voucher offered as part of a retail marketing campaign exceeds the value of €50 per Customer (but all other requirements mentioned in this sub-section C.I.-6.8 are satisfied), the decision whether to approve the campaign is left to the local Compliance Function, and the decision must be documented.

C.I.-7. Sponsoring and Hospitality

Principle 7: Allianz offers and manages Sponsoring & Hospitality appropriately to mitigate the risk of corruption.

C.I.-7.1. What is “Sponsoring”, and what is “Hospitality”?

Sponsoring is the financial support of individuals, organizations or events in order to support the communication, strategic and/or marketing goals of Allianz. Unlike a Gift, Sponsoring is generally a larger, more focused show of support.

Hospitality refers to various types of entertainment events that are organized by Group Strategy, Marketing, Distribution (or by the Company’s departments responsible for local marketing and strategy), and to which Allianz Customers and/or business partners are invited. Hospitality events are structured events rather than discrete individual invitations.

Business invitations for a seminar, conference, congress or other similar business appointments should be considered as G&E and not as Sponsoring or Hospitality, as they do not involve sponsoring and are not organized by Group or the Company’s Strategy, Marketing and Distribution departments. However, if (for example) the Marketing Department creates a two-day event and as part of this event the business division wants to invite business partners or clients, this needs to be treated as Sponsoring & Hospitality. The approval process in this case comprises line manager approval and Compliance consultation for all invitations.

If the Company undertakes Sponsoring and/or Hospitality events, adequately designed local Sponsoring & Hospitality Guidelines need to be in place, which outline the minimum standards on Sponsoring and Hospitality undertakings and define the conditions and approval procedures applicable for Sponsoring concepts and Hospitality offerings to Customers, business partners and other persons

Events organized centrally by Group Strategy, Marketing, Distribution are usually based on permanent contractual agreements (in particular partnership or sponsorship agreements) with the respective main organizers. These include in particular:

- Football (Allianz Arena, FC Bayern Munchen)
- Golf (St Andrews Links)
- Olympic and Paralympic Partnership
- Formula E
- Drone Racing League
- Other high-quality events in the fields of sport, art and culture, organized centrally by Group Strategy, Marketing, Distribution

For these Group-organized Hospitality events, the person making the invitation is responsible for ensuring line manager approval and Compliance consultation prior to issuing any invitations.

C.I.-7.2. Must the Company handle Sponsoring & Hospitality differently from Gifts & Entertainment (G&E)?

Yes, the consultation and approvals for Sponsoring and Hospitality are as follows:

- 1) The Company with local sponsoring agreements and hospitality initiatives must have in place:
 - a local Compliance Sponsoring & Hospitality Guideline

- an approval process which comprises prior line manager and local Compliance Officer approval
- 2) The local Compliance Officer (for events organized by Group Strategy, Marketing, Distribution: Group Compliance) should be involved in all Sponsoring and Hospitality strategies in order to check potential compliance issues and recommend the appropriate mitigation measures upfront.
 - 3) Once the Sponsoring and Hospitality strategy is approved, the line manager of the inviting Employee needs to approve, and the local Compliance Officer needs to review, all invitations before they are made. For this purpose, Group Strategy, Marketing, Distribution provides an approval form, which needs to be completed by the inviting party. The inviting party then needs to submit the form to the line manager for approval and the local Compliance Officer for review to assess compliance with local internal and external policies, laws and regulations, and whether on its face it raises material corruption concerns.
 - 4) Each individual invitation must satisfy any additional pre-approval and consultation requirements applicable to Gifts (see Section C.I.-6).
 - 5) Invitations must be fully transparent. This means that invitations must be directed to the business address of the invitee.
 - 6) Group Market Management holds the ultimate right to decide whether an invitation is permissible. In cases of doubt, this can be decided in conjunction with Group Compliance.
 - 7) In the case of invitations to the Allianz Arena (Munich), the Company must comply with any additional restrictions and requirements communicated by Group Compliance.
 - 8) In the case of events where no Allianz representative will be present, the entire event and all invitations must be treated as Gifts, this means however, that a business context no longer exists.

An explanation (“Compliance Disclaimer”) must be provided with every invitation to alert the recipient that additional checks and approval requirements may apply under local law or the recipient’s internal corporate rules, and that these must be addressed by the recipient him/herself. All tickets provided must be non-transferable. In case, an invited guest cannot participate in the event, the whole approval and review process has to be repeated for a new/alternative guest.

C.II. Training and Awareness of Employees

The CORE PRINCIPLES on training and awareness, which apply throughout the Allianz Group, are:

C.II.-1. Awareness

Principle 1: Allianz fosters a culture of anti-bribery and anti-corruption awareness.

Fostering the right culture begins with the requirement for the Company's Senior Management to provide adequate tone from the top messages to Employees to underscore the importance of the anti-bribery and anti-corruption compliance program.

The Company is required to communicate and disseminate relevant details of the anti-bribery and anti-corruption policies and procedures to Employees, management and (where appropriate) to relevant intermediaries, including tied agents.

Information shall be communicated in such detail as to ensure that parties working for or on behalf of the Company understand the importance and aim of the anti-bribery and anti-corruption program and the nature of the bribery and corruption risk that the Company must manage.

C.II.-2. Training

Principle 2: Allianz trains its Employees.

The Company's Compliance function needs to train Employees and relevant third parties acting on behalf of Allianz, to ensure adequate knowledge of and familiarity with the requirements of this Standard. Training must be based on a training needs analysis policy and procedure that specifies clear principles, objectives, scope, rules, conditions, and frequency of training.

The training requirements for anti-bribery and anti-corruption should be based on legal requirements and the nature of the bribery and corruption risk and exposure.

(a) Group-Mandated Training

As part of its obligations on group oversight, Group Compliance may develop and mandate the delivery of specific training related to anti-bribery and anti-corruption topics, either on a one-off or on an ongoing basis. The Company must deliver these training requirements as specified by Group Compliance in the relevant training documentation. This may be in addition to any training required in the Company's training framework.

(b) OE Level Training

i. Training Framework

The responsibilities of the Company's Compliance function include (i) ensuring training of relevant Employees regarding the obligations for the prevention bribery and corruption and (ii) the preparation of a training concept.

Anti-bribery and anti-corruption training may be provided through appropriate internal or external sources. Anti-corruption training must be provided at least once every three years to all Employees.

The training concept must take into consideration the individual risk situation of the Company and any training requirements under applicable law, as well as applicable ad hoc circumstances, such as regulatory developments or recent instances of violations discovered within the Company, jurisdiction or industry. Trainings shall be tailored to the Company's lines of business, the department or function of the Employee (such as Sales, Finance/Treasury) and other matters, such as:

- new statutory and/or regulatory provisions;
- significant changes to the administrative practice of local regulators or other changes in supervisory requirements and the resulting rules of conduct for employees;
- typologies and current methods of bribery and corruption;
- relevant data protection principles;
- new Employees joining the Company;
- any specialist training requirements;
- the frequency of bribery and corruption related incidents or increased error ratios/violations; and

The training concept must ensure appropriate support for the operational functions (first line of defense) providing any training that the Compliance function (if relevant) is not providing directly.

ii. Employees in Scope of Training

Training must include training the Company's Compliance function (Chief Compliance Officer/Head of Compliance) and their supporting organization (i.e. Compliance department) as well as the Company's Employees on a risk based approach.

Training shall include introduction training and ongoing training for relevant Employees (including management, tied agents and other relevant intermediaries). Where appropriate, training materials shall also be deployed to intermediaries. The Company must track the completion of training by Employees, when legally possible, and adequately document it.

The training shall be aimed at improving the understanding and awareness of bribery and corruption topics and how to prevent and detect this, and shall emphasize Employees' individual responsibilities according to applicable law. Training shall include a general overview of the Company's anti-bribery and anti-corruption compliance program, examples of indicators of bribery and corruption as well as information regarding new developments in bribery and corruption trends and regulations.

iii. Training Delivery Methods

The Company may independently decide, on a risk-oriented basis, on the forms of training used as well as their nature, scope and timing.

This training can be provided through classroom training or by means of current IT based training programs (e.g. web-based training) or documents with suitable contents.

The data protection officer or suitably trained personnel may provide instruction regarding data protection provisions.

C.II.-3. Reporting of Compliance Failures

Principle 3: Allianz encourages internal reporting of compliance failures.

The Company must make sure that Employees are aware of the systems or channels through which they can raise bribery and corruption related concerns or compliance failures related to the requirements of this Standard. This may be via the internal whistleblowing tool, or via other channels as applicable and appropriate.

Each Employee has responsibility for maintaining vigilance toward preventing and detecting bribery and corruption and mitigating bribery and corruption risks. To help Employees meet these responsibilities, the Company's training and awareness concept must encourage Employees to bring risks, potential breaches of procedure, and suspected financial crime matters to the attention of Management or a relevant function (e.g. direct supervisor, Compliance department, Internal audit, Human Resources). See also Investigating and Reporting Employee Misconduct in Allianz Ayudhya Whistleblowing (Speak-up) Committee and Internal Investigation Manual.

The Company has a policy not to demote, punish or adversely affect employees who refuses to engage in corruption. Even if that action will cause the company to lose business opportunities.

D. Responsibilities and Organizational Obligations

Roles and responsibilities must reinforce the general requirements of the three lines of defense model which seeks to reinforce accountabilities and responsibilities by (i) establishing risk ownership in the first line of defense (for operational controls, such as initial Customer Due Diligence) and (ii) performing monitoring and assurance in the second line of defense (such as the involvement of the Compliance Function for oversight activities).

I. Allianz Group Level

(1) Board of Management of Allianz SE

The Board of Management of Allianz SE takes notice of the AFC Standard and Standard or the AFC Functional Rule and all major changes.

Within the Board of Management of Allianz SE, the Board Member in charge of H6 bears responsibility for anti-financial crime compliance and approves the Standard.

(2) Group Compliance

Group Compliance is responsible for:

- (a) Advising on topics related to anti-financial crime compliance and supporting and liaising with central functions on topics relating to anti-financial crime compliance;
- (b) Ensuring adherence to and implementation of the Standard and its Functional Rule, monitoring the status of their implementation by OEs and performing any necessary reviews;
- (c) Liaising with regulators, supervisors, associations or other relevant public entities in all matters related to anti-financial crime compliance, to the extent that these are not specifically related to a single Allianz OE;
- (d) Providing a report at least annually to the Board of Management of Allianz SE in relation to anti-financial crime topics and the management of financial crime risk.
- (e) Receiving, analyzing and investigating whistleblowing reports on misconducts allegedly committed by Employees, tied agents and intermediaries acting on behalf of an Allianz entity.
- (f) Having oversight over the so-called Major Cases (as defined in the AFC Functional Rule).
- (g) Monitoring the Compliance Case Management Tool.

II. Allianz OE Level

(1) OE Board of Management

The respective OE Board of Management is responsible for establishing and maintaining a sound and clearly-defined organizational and operational set-up to ensure compliance with this Standard. This includes establishing an organizational set-up to ensure that all processes and frameworks required within this Standard are performed and/or adhered to by the OE's first line of defense and overseen by its second line of defense.

(2) Employees

Each Employee is responsible for maintaining vigilance towards preventing and detecting bribery and corruption, including misconduct (perpetrated internally), and for ensuring that the company's assets, reputation, resources and information are properly protected.

E. References

This Standard will be supplemented by Allianz internal corporate rules governing specific related topics:

- Allianz Code of Conduct
- Allianz Ayudhya Compliance Policy
- Allianz Standard for Information and Document Management
- Allianz Privacy Standard
- Allianz Ayudhya Outsourcing Policy
- Allianz Ayudhya Governance and Control Policy
- Allianz Ayudhya Guidance for Charitable Contribution (Donations and Memberships)
- Allianz Ayudhya Whistleblowing (Speak-up) Committee and Internal Investigation Manual

Annex A Definitions, Abbreviations and Glossary

For the purpose of this Standard, the following definitions will be applied

Abbreviation / Term	Description
Books & Records Red Flags List	The list consisting of certain pre-defined early warning indicators (red flags) for assessing the effectiveness of existing controls around the maintenance of Books & Records. The current version of the Books and Records Red Flags list is available as an Excel file that can be downloaded directly from Group Compliance's pages on Allianz Connect.
Bribery	Situation when a corrupt offer, solicitation or promise is made to obtain an improper personal or business advantage.
Corruption	Abuse of a position of power for an improper personal advantage.
Employee	Any individual who works part time or full-time under a contract of employment with the relevant entity, as well as other persons who act on behalf of the relevant entity within the scope of its business activities and who are therefore in a similar position to Employees, but who are not employed by the relevant entity (e.g. self-employed or temporary workers).
Facilitation Payment	Any payment to a Public Official to expedite or secure the performance of a routine, non-discretionary and legitimate governmental action, such as granting a visa, issuing customs clearance, granting a license or providing a regulatory approval.
Misconduct	Illegal or otherwise improper conduct committed by an Employee
OE	Operating Entity
Public Official	A Public Official is any person holding a legislative, administrative or judicial office (either appointed or elected), any officer or employee of a government or any department, agency or instrumentality thereof, any officer or employee of a public enterprise (e.g. state-owned/state-controlled enterprises), any officer or employee of a public international organization (e.g. the World Bank, the World Trade Organization, the United Nations), or any person acting in an official capacity or exercising a public function for or on behalf of any such government or department, agency or instrumentality or public enterprise or for or on behalf of any such public international organization as well as any political party, party official, or political candidate. The term covers local and foreign public officials and immediate family members (parents, spouses, children, in-laws, siblings), and anyone else to whom the Public Official provides material support.
Senior Management	An officer or a senior employee of an OE with sufficient knowledge of the OE's financial crime risk exposure, and with the authority to make decisions in this respect.