

Anti-Money Laundering Policy

GGL_Corporate Legal_20220301_5

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Version History:

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1.0	Anti-Money Laundering Policy	Group Compliance	Via Executive Board on 05.04.2019	15.04.2019
2.0	Anti-Money Laundering Policy	Group Compliance	Via Executive Board on 15.02.2022	01.03.2022

For questions regarding the versioning and exact content-related changes please contact Group Compliance.

The currently valid version is highlighted bold. Currently applicable Compliance policies and SOPs may be consulted via the intranet (COIN, local intranet).



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Glossary

Local Compliance Manager (LCM)	The individual who is responsible for the implementation of the CMS – following the specifications from Corporate Compliance – in their respective company and who is available as a local point of contact for all matters relating to compliance. One LCM has been designated for each unit within the PHOENIX group. (See the Compliance Principles Policy for more details)
Employee	An Employee is any individual, who signed a direct employment contract with PHOENIX group, and performs work or tasks directly for PHOENIX group.
SOP	Standard Operating Procedure. This policy contains numerous references to further SOPs with which each Employee of the PHOENIX group must comply. All compliance policies and SOPs may be consulted via COIN.
PHOENIX group (or just "PHOENIX")	Comprises all companies in which a majority of the shares are held by PHOENIX Pharma SE or one of its subsidiaries, or which are directly or indirectly controlled by the holding company or its subsidiaries.



I General information

This policy and all materials referenced within this policy govern the PHOENIX group's efforts to prevent money laundering and the financing of terrorism.

The PHOENIX group – as well as every other company, in principle – is confronted with the continuous risk of one of the group's companies being targeted by criminals for money laundering transactions.

The objective is to protect PHOENIX from being implicated in offences related to money laundering and/or the financing of terrorism.

[See Compliance Principles](#)

The regulations of the Compliance Principles shall apply without restriction to this policy. They must be complied with and put into practice in their entirety. Contact your LCM or Corporate Compliance with any questions you might have regarding money laundering or any other topic addressed in this policy.

The 4th and 5th EU Anti-Money Laundering Directives form the basis of this policy.

[See country-individual policies \(COIN\)](#)

Each EU member state is itself responsible for the implementation of the EU Anti-Money Laundering Directives into national legislation. Some companies in the PHOENIX group have therefore introduced further policies and management systems relating to the prevention of money laundering based on the demands of national legislation. The regulations laid out in these policies are to be applied individually for each country, in addition to this policy, which represents a minimum standard for preventing money laundering and the financing of terrorism. The Compliance section of COIN may be consulted to determine whether a policy for a particular country exists; alternatively, the LCM can provide further information.

The regulations of this policy are binding on all companies in the PHOENIX group, irrespective of whether a particular company is headquartered within the EU or not.

II Regulations

1. Restriction of Cash Transactions

The PHOENIX group exclusively conducts business using money lawfully obtained from legal sources; money laundering is prohibited.

By their nature, cash transactions come with an increased risk for potential money laundering and/or terrorism financing; therefore, the following regulation applies:

[Principles and rules](#)

Cash payments valued at EUR10,000 (or the corresponding value in a different currency) or above are prohibited and may neither be accepted nor made by an Employee or company in the PHOENIX group.



In such a case, this value limit always pertains to the intended overall transaction. As such, breaking up, or structuring, payments into smaller amounts (so-called "smurfing"; see Section 1.1 of this policy) is prohibited.

Definition

Cash transactions are all transactions which are made by accepting or handing over cash.

Money laundering is defined as those financial or business transactions with which illegally obtained money is introduced into legal circulation, with the objective of concealing the origin of the money.

Money laundering always involves what is known as a predicate offence. These predicate offences include, but are not limited to, counterfeiting, fraud, corruption, and organised crime, but also particularly severe cases of tax evasion and other tax-related crimes. The predicate offences to money laundering are specified in local laws.

See Sanctions Compliance Policy

"Terrorism financing" is understood to mean the provision and collection of financial means or other assets for terrorist activities.

Principles and rules

1.1 Structuring of Payments (Smurfing)

The (intentional) structuring (splitting up) of cash payments (actively or passively) with either the intent to exceed the set limitations (see Section 1), or with this as its result, is prohibited.

The limit for cash transactions specified in Section 1 of this policy concerns the total volume of a transaction.

Care should be taken that this total transaction volume is never exceeded by breaking up the overall amount, either intentionally or unintentionally.

Definition

Smurfing concerns the payment, transfer, etc. of several smaller amounts ("structuring") with the intention of concealing the actual amount of the payment. This is supposed to make it so that the actual, high amount is no longer noticeable because of the number of the transactions.

Active smurfing concerns the (intentional) structuring of cash transactions by PHOENIX, passive smurfing the (intentional) structuring by a third party.

Smurfing is illegal and is used to circumvent inspection obligations under money laundering regulations.

1.2 Infringement

Principles and rules

If a company infringes against Section 1 or 1.1 of this policy – for whatever reason – or plans to do so, this must be reported to the LCM and Corporate Compliance immediately.



Principles and rules

2. Assurance

The PHOENIX group as a whole, as well as each individual company, ensures that no cash transactions totalling EUR10,000 (or the corresponding value in a different currency) or above will be accepted or made.

This is to be confirmed in writing annually (see references).

To ensure observance of this regulation, the LCM will oversee compliance according to a defined process (see references).

Once a year, the LCM will send confirmation of this for the completed fiscal year to Corporate Compliance.

As an additional measure, the PHOENIX group conducts regular risk analyses to regularly check and re-evaluate the risks of potential instances of money laundering.

References

- Template to confirm the non-acceptance of cash payments \geq EUR 10,000

3. Contact

See Compliance Principles

There are various options available for reporting misconduct (see Compliance Principles).

In case of any questions about this or one of the other policies, please contact your LCM or Corporate Compliance.

Corporate Compliance may be reached via the following channels:

By email: compliance@phoenixgroup.eu

By phone: +49 621 8505 - 8519

(Anonymously) via the case reporting system: <https://phoenixgroup.integrityplatform.org/>

By post:

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