



EQUITABLE

Anti-Money Laundering Policy

July 13, 2020

Anti-Money Laundering Policy

This policy addresses the risks arising from money laundering, financing of terrorist activities, and Economic Sanctions administered by OFAC, to Equitable, its customers, shareholders and employees and other personnel. It sets forth the accountabilities of Equitable in the prevention, detection, and reporting of money laundering and terrorist financing, and ensures compliance with Economic Sanctions. In order to comply with OFAC rules and regulations, Equitable has adopted a program prohibiting any business transactions with certain countries, entities and individuals.

Equitable is a leader in the provision of financial protection and wealth management. Equitable is conscious of the risks arising from sanctions, money laundering and financing of terrorist activities to the Company, its customers, shareholders and staff. It has therefore decided to fight what are both a threat to our society and a threat to our economy.

Compliance with Economic Sanctions and the fight against money laundering is implicit in the corporate values that underpin the way Equitable operates.

Equitable, therefore, exercises the utmost vigilance wherever its products and services are involved by any of its distribution channels. This vigilance extends to third party products and services where, for example, Equitable is acting as the distributor.

I. Scope:

This policy applies to all Equitable Persons, and is meant to govern the detection and prevention of money laundering and comply with Economic Sanctions.

II. Statement of the Policy:

Equitable is firmly committed to preventing the use of its products, services, personnel and facilities to launder and disguise the proceeds of unlawful activity. Equitable makes every effort to comply fully with all laws and regulations relating to: 1) combating money laundering; 2) Economic Sanctions; and 3) the prevention of the financial institution's products and services to fund or facilitate terrorist or other criminal acts. Under no circumstances may an employee or associate of the Company facilitate or participate in any money laundering activity or the concealment of sanctioned activities. Any violation of this policy will subject the individual involved to disciplinary action, including dismissal, as well as possible civil and criminal penalties.

Equitable' anti-money laundering and sanctions program is set out in the manuals listed below and in the Supporting Information section and in the specific operating procedures of individual business units (the "AML Policies").

Equitable has adopted this policy to assist Equitable Persons in avoiding any involvement in money laundering activity or activity subject to Economic Sanctions, and to ensure that Equitable Persons have the requisite understanding to detect and report suspicious activity.

Anti-Money Laundering



Under the USA PATRIOT Act, financial institutions are required to establish a corporate anti-money laundering program with policies and procedures appropriate for the business to detect and prevent money laundering: designate a chief anti-money laundering compliance officer, develop a program for training employees, associates and managers on money laundering, and establish an audit process to test and enforce the corporate anti-money laundering procedures.

As set out in the AML Policies the main focus of the Financial Crime Office ("FCO") at Equitable is to prevent and detect money laundering and report on suspected money laundering. The FCO implements, monitors and controls all activities involved in countering money laundering and the financing of terrorist activities. The FCO also liaises between Equitable and any relevant regulatory bodies.

Economic Sanctions

OFAC's Rules generally prohibit Equitable from engaging in any transfer or transaction involving an account or property of any person or any entity on the OFAC List or a Sanctioned Country (which, in most cases, includes governmental agencies, businesses and individuals in the Sanctioned Country). Depending upon the sanctions program at issue, OFAC's Rules may prohibit all transactions with a national of a Sanctioned Country, regardless of where he or she is located, or only prohibit transactions on behalf of nationals of a Sanctioned Country when he or she is physically present in the Sanctioned Country.

It is important to note that international sanctions against certain of the Sanctioned Countries are comprehensive in that they generally prohibit any business in or with: (i) the country in question, (ii) the government of that country, (iii) any government official, (iv) any government controlled entity, (v) any company headquartered in the country and/or (vi) residents of that country. Similarly, the concept of doing business with Sanctioned Countries and the jurisdictional nexus for application of these sanctions can be extremely broad.

The manner and extent to which international sanctions apply to private sector companies like Equitable depends on a variety of facts and circumstances, but it is important to recognize the full scope and reach of some sanctions which are often complex and more pervasive than they may initially appear. The following are examples of arrangements potentially relevant to Equitable that can lead to the imposition of penalties under sanctions legislation:

- Establishing a company, a joint venture or partnership in a Sanctioned Country or partnering with an enterprise from a Sanctioned Country to operate in another country;
- Insuring lives, buildings, equipment, plants or machinery located in a Sanctioned Country;
- Insuring persons or equipment (from another country) operating in a Sanctioned Country;
- Insuring certain types of cargos destined for Sanctioned Countries or the transportation of cargo from such countries (e.g. oil products and armaments are



particularly sensitive);

- Engaging in US dollar transactions involving certain Sanctioned Countries;
- Investment in the securities of or other commercial investments in companies headquartered in or engaging predominantly in business in a Sanctioned Country;
- Reinsurance business in or involving Sanctioned Countries.

Although certain international sanctions may not apply directly to Equitable' businesses, the extent of international sanctions and the countries to which they apply may change and the relevant prohibitions are not always straightforward or easily understood. In addition, business in these countries may give rise to other risks that must be carefully reviewed. In this regard, it is critical that you escalate any direct, or indirect, association to a sanctioned country, individual or entity to the Chief Financial Crime Officer

In addition to Sanctioned Countries, there are a number of jurisdictions that have been identified as high corruption, high political risk and/or tax haven jurisdictions ("Targeted Countries"). In considering business activities in any capacity with these countries, it is important not only to assess the normal commercial risks, but also to take careful account of the prevailing environmental risks and their implications.

A list of Sanctioned and Targeted Countries is maintained by the FCO and distributed to key business units across the organization.

Reporting

The FCO makes regular reports on anti-money laundering activity to the Executive Management Committee and/or committees of the Board of Directors.

The FCO ensures the adequacy of resources devoted to anti-money laundering and comments accordingly in the reports. Independent testing of the AML Program is conducted in compliance with the USA Patriot Act and the regulatory rules of the Financial Industry Regulatory Authority ("FINRA") and the Securities Exchange Commission ("SEC"). Any questions about this policy should be directed to **Gina Jones, Financial Crime Officer, at (212) 314-5738** or by sending an e-mail to **FCO@equitable.com**.

III. Guidelines and Principles:

1. It is vital that all appropriate Equitable employees and business units fully understand the actions and action failures that may be violations of applicable anti-money laundering statutes and regulations and Economic Sanctions, and to report any potential violation in the manner set forth in the Manual listed in Section IV or directly to the Chief Financial Crimes Officer.
2. All requirements of AML and Economic Sanctions compliance apply to Equitable Persons in the performance of their daily responsibilities.
3. Employees and sales associates must NOT ignore indications that a customer's funds



originated from criminal or other money laundering activities. An employee or sales associate must escalate to the FCO if they become aware of facts which lead to a reasonable presumption that funds could be from criminal or other money laundering activity.

4. Equitable strictly prohibits any direct or indirect business activity in or investments with Sanctioned Parties. All Equitable Persons must ensure that they escalate to the FCO when they know or suspect any activity associated with Sanctioned Parties.
5. Equitable Persons are prohibited from supporting or assisting customers seeking to deceive law enforcement agencies through the provision of false, altered, incomplete or missing information.
6. Equitable Persons must cooperate fully with the Financial Crime Office or, when applicable, law enforcement and regulatory agencies to the extent that the Company can do so under all applicable laws and regulations.
7. Equitable Persons must comply with Suspicious Activity Report Confidentiality rules.
8. Under no circumstances may an employee or sales associate of the company facilitate or participate in any money laundering activity, whether it be "Willful Blindness," "Negligence," or "Intentional Non-Compliance." Any violation of this policy will subject the individual involved to disciplinary action, including dismissal, as well as possible civil and criminal penalties.
9. Equitable Persons are required to review, understand and comply with the procedures set out in the compliance manuals listed in Section IV below and in the specific anti-money laundering procedures of individual business units (the "AML Policies").
10. The following principles related to the prevention of money laundering must be adhered to by all relevant employees and sales associates:
 - (a) The principle of "Know Your Customer" is paramount and should underpin all transactions;
 - (b) Particular attention should be paid to transactions involving cash and equivalent monetary instruments for red flags and structuring;
 - (c) The degree of verification should reflect the nature of the source and destination of the funds;
 - (d) Records must be kept of all activities relating to business done, and these records should be in a readily accessible form to facilitate any subsequent inquiries;
 - (e) An appropriate system of escalation must be followed (i.e., issues must be brought to the attention of an individual of adequate status within the hierarchy), and any such escalation should be documented;
 - (f) Recruiting procedures must reflect the character requirements of "sensitive" roles wherever they may be in the entity. Similar care is to be exercised when appointing or contracting an introducer of business, or entering into any form of distribution agreement;
 - (g) Wherever possible, staff appraisals and assessments should be used as an opportunity for determining any change in behavior, either in the office or outside. Similar reviews should take place as far as introducers of business are concerned;



- (h) All statutory requirements should be met in the spirit of the law, as well as the letter;
 - (i) Procedures should be regularly reviewed and modified in the light of experience or as a result of the development of anti-money laundering laws and regulations or the Equitable policy; and
 - (j) The procedures in place should be communicated to all members of staff and the importance of vigilance should be emphasized.
- (11) Training for all staff involved in operations is essential, and this training includes induction training for new members of staff and refresher training for existing staff. All training is approved by the FCO, who ensures records of the training given are kept.
- (12) Equitable's ability to operate procedures effectively will frequently depend upon the quality of its management of information systems. Any new development in this area should reflect the requirement to have an effective anti-money laundering approach and the advantages of being able to introduce detection "tools."

IV. Supporting Information:

For Additional Information on the AML policies of Equitable please view the following manuals at the Company's intranet site:

Workplace Essentials > Resources > Policies

Office of Foreign Asset Controls (OFAC) Compliance Manual

The Office of Foreign Asset Controls (OFAC) Compliance Manual describes the process for administering and enforcing economic sanctions programs against targeted countries and groups of individuals.

You can escalate to the FCO by calling the Financial Crime Officer or sending an email to [**FCO@equitable.com**](mailto:FCO@equitable.com).

V. Definitions

- (1) "Equitable" or the "Company" refers to the retirement and protection subsidiaries of Equitable Holdings, Inc., other than AllianceBernstein Holding L.P., AllianceBernstein L.P. (collectively, "Alliance Bernstein"), and any subsidiary of AllianceBernstein.
- (2) "Equitable Person" means any employee, officer, inside director, registered representative, other financial professional, or any person or entity acting on behalf of Equitable. For the purposes of the Ethical Wall Policy and the Insider Trading Policy, Equitable Persons shall include outside directors.
- (3) "Confidentiality of Suspicious Activity Reports" means a Suspicious Activity Report, and any information that would reveal the existence of a Suspicious Activity Report, are confidential, and shall not be disclosed.
- (4) "Economic Sanctions" means laws and regulations administered by OFAC, including 31



C.F.R. § 500, et.seq.), that impose economic and trade sanctions against:

- (a) certain foreign governments and their agents;
 - (b) terrorists and terrorism sponsoring agencies and organizations; and
 - (c) international narcotics traffickers
- (5) "Intentional Non-compliance," includes instances where an employee knows or has reason to know the applicable laws, regulations, and Equitable policies and procedures, but chooses to willfully act in a non-compliant manner.
- (6) "Know Your Customer" refers to due diligence activities that financial institutions and other regulated companies must perform to ascertain relevant information from their prospective or current clients for the purpose of doing business with them.
- (7) "Money Laundering" refers to transactions undertaken to convert illegal income or assets into funds with an apparently legal source. This enables illegally obtained funds to be used freely. Financial institutions, including Equitable, are required to file suspicious activity reports (SARs, as defined below) with law enforcement if "the firm knows, suspects or has reason to suspect that the transaction facilitates criminal activity."
- (8) "Negligence" means the failure to exercise that degree of care which, under the circumstances, the law requires, and which would be expected of reasonable individuals in a similar situation.
- (9) "OFAC" means the United States Treasury Department's Office of Foreign Assets Control.
- (10) "Sanctioned Country" or "Sanctioned Countries" means a targeted country or targeted countries that have economic and trade sanctions based on US foreign policy and national security goals. When dealing with foreign countries, you must seek the direction of the FCO who maintains the targeted countries list.
- (11) "Sanctioned Parties" means individuals and companies owned or controlled by, or acting for or on behalf of, sanctioned countries, or have been designated as "Specially Designated Nationals" under sanction programs that are not country-specific, but their assets are blocked and U.S. Persons are generally prohibited from dealing with such parties under the law.
- (12) "SAR" means the Suspicious Activity Report required to be filed with government authorities when money laundering is suspected.
- (13) "Structuring" means structuring transactions with a financial institution with the intent to evade government reporting and certain recordkeeping requirements, e.g. by making a series of separate smaller transactions of \$10,000 or less over a period of time or by conducting transactions through multiple accounts through multiple financial institutions. The structuring technique is indicative of money laundering.
- (14) "USA Patriot Act" refers to the act passed after the September 11, 2001 attacks designed to provide law enforcement agencies with the ability and tools needed to prevent future terrorist attacks. The USA Patriot Act took into account laws that were already on record and made adjustments to preserve the liberty and lives of American citizens both stateside and abroad. Also called: Uniting and Strengthening



America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism.

- (15) "Willful Blindness" is a deliberate, voluntary or intentional activity for concealing or masking an action or purpose. An employee is considered to be willfully blind if he or she has suspicions regarding a customer's transaction activity, but deliberately chooses not to make further inquiries, wishing instead to remain ignorant of, or conceal, the circumstances.

VI. Training

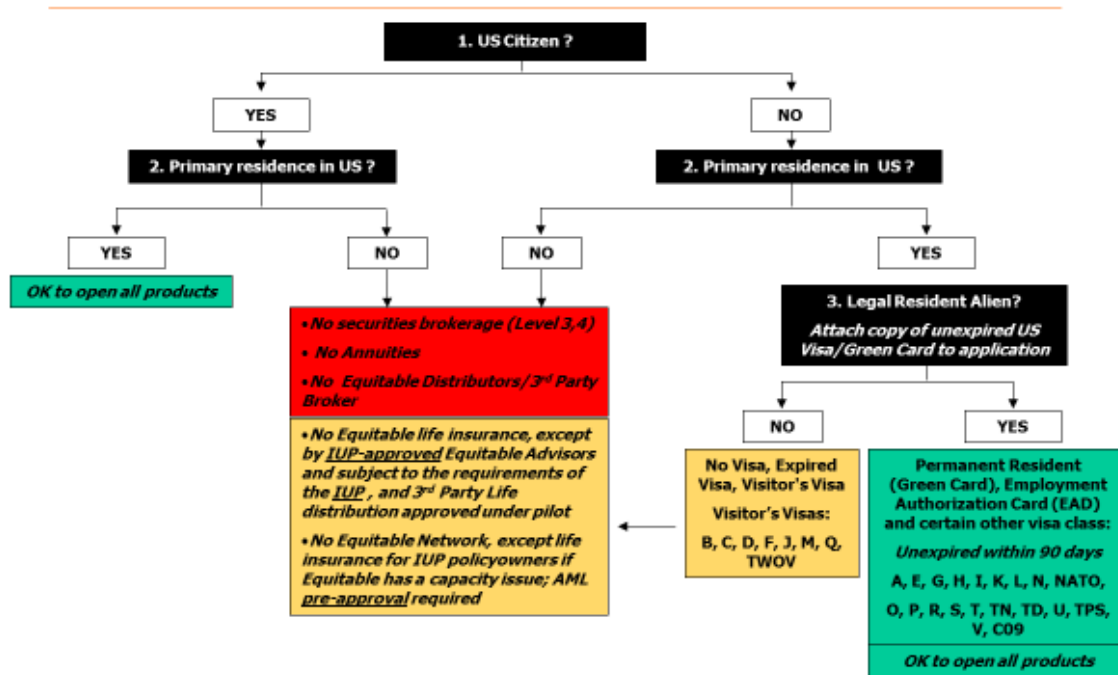
One objective of the USA PATRIOT Act is to prevent and detect money laundering. Under this legislation, financial institutions are required to establish a company-wide anti-money laundering (AML) program.

In support of its AML program, Equitable adopted the following Anti-Money Laundering Policy Statement:

Equitable, its senior management and its affiliates (the "company") are firmly committed to preventing the use of its products, services, personnel and facilities to launder and disguise the proceeds of unlawful activity. The company makes every effort to comply fully with all laws and regulations relating to combating money laundering and use of the financial institution's products and services to fund or facilitate terrorist or other criminal acts. Under no circumstances may an employee or sales associate of the company facilitate or participate in any money laundering activity. Any violation of this policy will subject the individual involved to disciplinary action, including dismissal, as well as possible civil and criminal penalties.

Training for employees, managers and financial professionals is an important element of the company's AML program. Each year, AML training is carried out throughout Equitable. In addition, all new employees and financial professionals receive introductory materials on Equitable AML program.





(1) These rules also apply to entity owners (trusts, companies, partnerships). (2) Primary residence means actually resident more than 182 days (6 months) in the calendar year. (3) US trust ownership written on non-resident lives is generally not permitted. Pre-approval from the AML Office is required. (4) Non-resident customers must have a US bank account, i.e. at a branch located in the US and regulated by US banking regulators.

VIII. Anti-Money Laundering Program Links

For more information about anti-money laundering, refer to these websites:

Anti-Money Laundering Source Tool

<http://www.sec.gov/about/offices/ocie/amlsourcetool.htm>

USA PATRIOT Act

<https://www.fincen.gov/resources/statutes-regulations/usa-patriot-act>

OFAC

<http://www.ustreas.gov/offices/enforcement/ofac>



FinCEN (the U.S. Financial Crimes Enforcement Network-Department of the U.S. Treasury)
<http://www.fincen.gov>

To review frequently asked questions from FinCEN, refer to:

<https://www.fincen.gov/resources/statutes-regulations/guidance/anti-money-laundering-program-and-suspicious-activity>

Money Laundering Cases

<http://www.fincen.gov/fiunaction.pdf>

FINRA (Financial Industry Regulatory Authority) <http://www.finra.org/>

FBI's War on Terrorism

<https://www.fbi.gov/investigate/terrorism>

CIA's War on Terrorism

<https://www.cia.gov/news-information/cia-the-war-on-terrorism/index.html>

State Department's Arms Control & Security

<http://www.state.gov/t/>

FATF (the OECD's International Fight Against Money Laundering)

<http://www.fatf-gafi.org>

To review AML methods and trends, refer to the [FATF-GAFI Methods and Trends](#) web page.

IX. FAQs

1. What is the Role of the Financial Crime Office (FCO)?

The FCO implements, monitors, and controls all activities involved in countering money-laundering and the financing of terrorist activities. The FCO also liaisons between Equitable and any relevant regulatory bodies.

2. What is my role?

To avoid involvement in money laundering schemes, employees and sales associates should adhere to the following guidelines:

- Respond promptly and accurately to queries from the Company regarding any customer or transaction in a customer account.
- Understand that it is unlawful for any person acting alone or with others to arrange or "structure" a financial transaction for the purpose of evading reporting



requirements. **Employees should not discuss or answer customer inquiries about the legal requirements for reporting payments or suspicious activity**, except to advise customers that the Company files required reports with the proper authorities and makes other filings as appropriate.

- Complete annual AML Training.
- Know each customer's identity, background and financial situation, in particular whether there appears to be a legitimate source of funds for the customer's purchase of products or services.
- Be alert for and report unusual transactions which are suspect because they are inconsistent with a customer's known, legitimate business or personal activities or with the normal business for that type of account or may otherwise be indicative of money laundering or other illegal activity.

3. What are examples of suspicious activities?

Some examples of "**red flags**" include, but are not limited to, examples below. For further red flags, please see the AML Compliance Manual.

General

- The proposed transaction **lacks business sense** or is inconsistent with stated objectives
- Any accounts identified, during subsequent review, where there is **no apparent relationship between the owner and annuitant**
- Client has **multiple accounts** under a single name or multiple names **with no apparent rationale**
- For no apparent reason, a client has multiple accounts under a single name or multiple names, with a **large number of inter-account or third-party transfers**
- You become aware of **incriminating news reports** about a client or an associate of the client
- Client/Agent **refuses to provide required information** or misrepresents details in order to make information difficult to verify
- Client/Agent has **little knowledge of** the amount and details of **a transaction**; provides confusing and/or inconsistent details about a transaction; or is unwilling to provide explanation about a transaction
- The client requests that a transaction be processed in such a manner so as **to avoid normal documentation** or reporting requirements

Agent

- The agent seems very **concerned with government reporting requirements**
- The agent is very, travelers checks or third-party **payments interested in our rules about accepting money orders**
- The agent has **difficulty/reluctance describing the nature** of the client's business
- The agent seeks to have a **transaction expedited**, with required **documentation to follow later**

Third Party



- **Use of an entity** such as a company or a trust when there is no apparent rationale
- A deposit followed by an **immediate request that the money** be wired out or transferred to a third party, or to another firm with no apparent rationale
- **Transactions passed through intermediaries** with no apparent rationale
- **Address “in care of (c/o)” of a third party**
- A request for payment is made by an individual who is not the owner, annuitant, or beneficiary

Cash Equivalents

- Presentation of **money orders from numerous payer** sources for initial investment
- Individual opens account(s) with **cash equivalents in average amount of \$3,000 to \$5,000**
- **Payments made with multiple cash equivalents** (bank check, cashier check, money order) purchased from the same and/or different financial institutions
- A **client asks for exemptions** to the firm’s **policies relating to the deposit of cash** and cash equivalents
- A client engages in transactions involving cash equivalents that appear to be **structured to avoid government reporting requirements**, especially if the cash equivalents are in an amount just below reporting or recording thresholds and/or are sequentially numbered

Source of Funds

- The client or agent is **unable to provide a coherent explanation of the client’s wealth** – where it came from or how it was accumulated
- A client attempts to open an annuity or policy in an amount that is **beyond the client’s apparent means**, has no purpose, or where the source or nature of funds to be used is suspicious
- Upon request, client **refuses to identify** or fails to indicate any legitimate **source of funds** and other assets
- Annuity/Policy/Account **incongruent with occupation**

Free-Look

- The client intends to make **withdrawals** (e.g. policy loans) **soon after investing** with us – for example if the agent/client has unusual interest in free-look features
- A client has a **pattern of purchasing annuities and canceling** them during the free-look period



- A client seeks to **cancel a contract without regard to penalties**

Ownership Changes

- **Owner changes to a company** or trust with no apparent rationale
- **Multiple transfers of ownership of an account**
- A **full redemption after multiple deposits** or changes in ownership

Payments

- An account has **sudden extensive cash flows or wire activity** where previously there had been little, or no activity, without an apparent business purpose
- Client makes a **large deposit followed by an immediate request to withdraw or transfer** a substantial portion, without an apparent business purpose
- Client **makes a deposit to purchase a long-term investment, then** soon afterwards **seeks to liquidate the position**
- Starter check utilized to set up the automatic reoccurring payment (EFT)
- **Initial premium** checking account **number is different than the EFT Checking** account number
- **Memo line on checks identify other accounts** or assets

Foreign

- **You suspect a US address is being used** for a client whose primary residence is offshore – This includes situations where the client provides a US address but you suspect it is not their primary residence.

4. When should I contact the FCO?

Equitable' Policy Statement on Ethics: *"Reporting such infractions is encouraged in the spirit of good corporate governance. Anyone doing so in good faith will be protected against reprisals. You will be subject to disciplinary action - which may include suspension or termination of employment - if you... willfully fail to report a violation."*

- Suspicious activity by a client, or suspicious proposal by a prospect
- Red Flag examples can be found below and in the [AML Compliance Manual](#)
- False information (e.g. address) provided by a prospect or client
- You need details on our policies regarding non-resident business or resident aliens
- You need guidelines on acceptable payers or forms of payment
- You feel that your concern has fallen on deaf ear



5. Whom should I contact if I suspect money laundering or if I have questions?

- Speak with your manager and/or designated AML coordinator
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- Email the Financial Crime Office at FCO@equitable.com
- Call the Ethics Hotline at 800.554.1503
- Call the Fraud Hotline at 212.314.6600

6. How do I contact the FCO?

The FCO has a centralized e-mail box for most inquiries, notifications, and approval requests from the service center business units. This is to provide for ease of use to the business unit personal, and to provide for seamless back-up when the key FCO reviewer is unavailable. For general inquiries, please contact FCO@equitable.com

Important: Business unit personal MUST appropriate label all e-mails sent to this central e-mail box in order for the request to be routed to the correct person, and to ensure a quick response. See below examples.		
BU Function:	Send to:	Standard Subject Title:
Foreign Address Change	FCO@equitable.com	FOREIGN ADDRESS CHANGE, Pol #xxx
Foreign Owner Change	FCO@equitable.com	FOREIGN OWNER CHANGE, Pol # xx
Foreign Disbursements	FCO@equitable.com	FOREIGN DISBURSEMENT request, Pol #
Charitable Disbursements	FCO@equitable.com	CHARITABLE DISBURSEMENT request, Pol #
Third Party Disbursements	FCO@equitable.com	THIRD PARTY DISBURSEMENT request, Pol #
OFAC and Targeted Countries	FCO@equitable.com	OFAC inquiry, Pol #
Politically Exposed Persons	FCO@equitable.com	PEP notification, Pol #
Wire Payments	FCO@equitable.com	Payment Inquiry, Pol #
Uninterested Party Payments	FCO@equitable.com	Payment Inquiry, Pol #
IRS 8300 Form	FCO@equitable.com	IRS 8300
CIP Inquiries	FCO@equitable.com	New Business: CIP_NB, Pol#



		Inforce: CIP_OwnChg, Pol#
AML Systems – User Administration	FCO@equitable.com	OFAC: User Request_OFAC CIP: User Request_CIP NetReveal: UserRequest_NetReveal
Non-Resident Inquiries/IUP	Gina.Jones@equitable.com cc: Dave.Armstrong@equitable.com and FCO@equitable.com	Non-Resident Inquiry, Pol #
AML Service Center Coordination		
Desk level procedures	Kelsey.McAdoo@equitable.com	
SC projects & changes	Kelsey.McAdoo@equitable.com	
Audits	Kelsey.McAdoo@equitable.com	
Controls	Kelsey.McAdoo@equitable.com	
Violations & Issues	Kelsey.McAdoo@equitable.com	
Misc coordination and oversight	Kelsey.McAdoo@equitable.com	

