

QUANTA N.V.
Anti-Money Laundering
& Counter Terrorist Financing Procedures V1.2

Version History

Version	Date	Author	Notes	Approved
1.0	01-09-2022	D. Pesci	Initial Version	D.Maher, Director
1.1	28-02-2023	M. Charilaou	Removal of Cambodia and Morocco and Inclusion of South Africa and Nigeria under Appendix A - High Risk Countries	D. Pesci, MLRO
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1 Regulatory Framework

Quanta N.V. is a limited liability company incorporated in Curaçao and registered in the Curaçao Commercial Register under number 161049 (the "Company").

It is thus regulated by the Curaçao Civil Code (CC) and subject to all relevant subsidiary legislation. Company information and documentation is made available through the Curaçao Chamber of Commerce portal.

The Curaçao Gaming Control Board is a member of the Caribbean Financial Action Task Force (CFATF), which is an associate member of the Financial Action Task Force (FATF). All member states of the CFATF agreed to implement common countermeasures to address the problem of criminal money laundering. Operators in Curaçao are required to take notice of all notifications and, if applicable, include them in their Customer Due Diligence policies and procedures in order to remain compliant with current anti-money laundering and terrorist financing legislation, provisions and guidelines. Anti-money-laundering (AML), counter terrorist financing (CFT), "Know Your Customer" (KYC) compliance and "Know Your Business" are regulations and procedures that financial institutions follow to prevent and detect money laundering or terrorist financing activities.

The Curaçao Gaming Control Board is required to enforce these standards. This has a positive impact on holders of the Curaçao online gaming license, since financial institutions are viewing licensees' operations as being less "high-risk" than if it was located in another non-compliant jurisdiction.

Remote gaming operators in and from Curaçao are held to compliance with the National Ordinance on identification when rendering services (Landsverordening identificatie bij dienstverlening (LID), PB 2017, no. 92), and the National Ordinance on the reporting of unusual transactions (Landsverordening melding ongebruikelijke transacties (LMOT), PB 2017, no. 99).

The Company, as an operator under a sublicense with Curaçao Gaming Control Board is held to the strictest compliance standards. The Company is adamant to implement a robust AML/CTF framework to protect its business interest as evidenced by this document.

2 The Company

The Company's approach is to do business with customers of good character, integrity and reputation, whose wealth and funds are derived from legitimate sources. We obtain reasonable information, adequately documented and corroborated, about the identity of all our customers at the point of entering into an agreement with them, as well as full review at point of any contract change, and as part of an annual review. The Company has implemented a manual process to support management of the Customer Due Diligence (CDD) measures.

2.0 Company Commitment & Strategy

The steps taken by the Company to create a holistic compliance culture throughout its operations include (but are not limited to):

- A. Appointment of a Compliance Officer
- B. Establish and maintain adequate AML/CTF policies and procedures
- C. Implementation of Know Your Business (KYB) processes
- D. Regular Staff training
- E. Record Keeping

2.1 Appointment of the Compliance Officer

The Company has appointed a Compliance Officer who shall monitor compliance with Curaçao AML/CTF laws and regulations as well as with the Company's internal policies and procedures, as referred to in art. 5g of the NOIS. The Compliance Officer acts as a point of contact with the local authorities on behalf of the Company and he responds to the Board of Directors.

The Compliance Officer:

- enjoys sufficient seniority and command to be able to act independently of management,
- hold the ability to take decisions on whether internal reports are to be escalated to the Curaçao FIU,
- does not hold no other role within the organization that may pose any conflict of interest versus the AML/CTF function

2.2 Company Policies & Procedures

All company policies and procedures are reviewed at least annually unless there are changes within the business or new developments in the jurisdiction in which we operate, in such latter cases the update is done within a reasonable time following these changes/developments.

This AML/CTF policy shall be maintained by the Compliance Officer, and approved by the Board when changes are substantial. Changes are communicated throughout the business thereafter via the communication channels that are available to staff.

2.3 KYB Process

Through its Compliance department the Company has implemented a KYB process at business onboarding, whereby the relevant documentation is collected, stored, and properly vetted. Through this process the Company identifies and verifies through documentation the company details of the body corporate and who is the ultimate beneficial owner/s (UBO) of the companies entering into a business relationship with us.

In this process the Company follows the National Ordinance Reporting Unusual Transactions or NORUT (Landsverordening Melding Ongebruikelijke Transacties or LvMOT) and the National Ordinance Identification when Rendering Services or NOIS (Landsverordening Identificatie bij Dienstverlening, LID).

2.4 Staff Training

All relevant staff, including management are made aware of the company's obligations under anti-money laundering and counter terrorist financing regulations, and the risks the company faces in relation to this. Training is carried out and adapted to the role and the responsibility of the staff and is provided on an annual basis.

Records of all such training will be kept for a minimum of 5 years. The Compliance Officer or person nominated by him will monitor such records to ensure that no one is overlooked and that refresher courses are held at timely intervals.

2.5 Record Keeping

Records are kept in accordance with our regulatory requirements and our Data Protection Policy. For

more details about the personal data we hold, use and process please refer to the company's Data Protection/Privacy Policy.

The Company shall maintain records collected as part of the KYB for AML/CTF purposes, for a retention period of 5 years. This period can be extended upon request of the Curaçao Gaming Control Board, relevant supervisory authorities or law enforcement agencies. The maximum retention period shall however not exceed 10 years. In the case of termination of a business relationship, the 5-year period starts counting from the date of termination.

The Company is obliged to keep any data pertaining to its own financial position for a maximum period of 10 years.

3 Accepted Business Partners

The Company mainly operates in a B2B model, therefore, we do not onboard third-party individual clients.

Business partners must be licensed by a regulator, either with the Curaçao Gaming Control Board or an equivalent license within any jurisdiction with the same level of regulatory standards. All our business partners of which must pass from the KYB. The documentation is reviewed yearly by the Compliance Officer, to make sure it is still relevant and up-to-date.

3.0 Identification & Verification of a Company

Our Company collects the following information to identify each business partner:

- (a) the company's official full name;
- (b) the company's registration number;
- (c) the company's date of incorporation or registration; and
- (d) the company's registered address or principal place of business.

To corroborate this information. During the KYB process we collect the following documentation dependent on the case-by-case basis and risk posed by the entity:

- (a) the certificate of incorporation;
- (b) a certificate of good standing (which is not older than three (3) months);
- (c) a company registry search;
- (d) the most recent version of the Memorandum and Articles of Association or other constitutive document;
- (e) audited financial statements, annual returns, and/or tax returns for the previous or current year; and/or
- (f) bank statements that are not older than six (6) months.

During this process we also collect copies or proof of the gaming and/or operating license of the entity.

3.1 Identification & Verification of the UBO

As indicated by the Curaçao FIU standard, the beneficial owner is the natural person/s who ultimately own/owns or control/controls that body corporate or body of persons through the direct or indirect ownership of a sufficient percentage of shares, voting rights or ownership interest.

The Company identifies direct ownership as follows:

- direct ownership of 10% plus one (1) or more of the shares (including bearer shares);
- direct ownership of more than 10% of the voting rights; or
- a direct holding of an ownership interest of more than 10%.

Indirect ownership or control of the body corporate or body of persons means:

- indirect ownership of 10% plus one (1) or more of the shares (including bearer shares); or
- indirect ownership of more than 10% of the voting rights; or
- an indirect holding of an ownership interest of more than 10%.

During this stage the verification is done through obtaining certified identification and proof of address of the identified UBO. A company corporate structure is also collected with an explanation from the prospective business partner.

3.2 Obtaining information on the Intended Business Relationship

This is covered as part of the contractual obligations between the Company and its business partners. The intended business relationship is self-evident and therefore covered by a contractual agreement whereby the Company will offer the services needed and for which it is licensed for.

3.3 Levels of Due Diligence

The Company shall have three levels of due diligence as follows:

Regular Due Diligence (RDD): this is the standard due diligence as applied via the KYB process by collecting the necessary information matching the case-by-case criteria.

Simplified Due Diligence (SDD): will be conducted where the information pertains to a public listed entity or accredited financial institutions, and where the information can be easily obtained via public databases. The Compliance Officer will determine on a case-by-case basis such scenarios.

Enhanced Due Diligence (EDD): while the Company does not engage in business relationships that will merit mandated EDD (such as when PEPs are identified), there will be instances where adverse media may be found on potential business partners (either UBOs/Directors/Entities). In this case the Compliance Officer will determine any additional documentation that may be required depending on the case.

3.4 Methods of Payment

The Company shall not accept cash payment, nor payment in cryptocurrency. The business partners shall transfer any payments towards the Company using a bank transfer.

4 PEPs & Sanctions

4.0 Politically Exposed Persons

The business risk appetite of the Company does not allow for onboarding of business partners where one or more.

UBOs are identified as a Politically Exposed Person (PEPs).

While there is no global definition of a PEP, the Financial Action Task Force (FATF) has issued guidelines: a PEP is a person who is or has been entrusted with a prominent function by an international organisation.

Below is a non-exhaustive list of public functions that are considered to be prominent public functions and would therefore render the holder thereof a PEP. This includes:

- (a) Heads of State, Heads of Government, Ministers, Deputy or Assistant Ministers, and Parliamentary Secretaries;
- (b) members of Parliament or similar legislative bodies;
- (c) members of the governing bodies of political parties;
- (d) members of the superior, supreme, and constitutional courts or of other high level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
- (e) members of courts of auditors, or of the boards of central banks;
- (f) ambassadors, chargé d'affaires and other high-ranking officers in the armed forces;
- (g) members of the administrative, management or supervisory boards of state owned enterprises; and
- (h) anyone exercising a function equivalent to those set out in paragraphs (a)-(f) above within an institution of the European Union or any other international body.

4.1 Relatives & Close Associates

Other persons such as close family members may act on behalf of the PEP and themselves are deemed to classify as such. With respect to the term 'family members' these include:

- (a) the spouse, or any person considered to be the equivalent to a spouse;
- (b) the children and their spouses, or persons considered to be the equivalent to a spouse; and
- (c) the parents.

With respect to the term 'persons known to be close associates', these include:

- (a) a natural person known to have:
 - (i) joint beneficial ownership of a body corporate or any other form of legal
 - (ii) or any other close business relations with that PEP.
- (b) a natural person who has sole beneficial ownership of a body corporate or any other form of legal arrangement that is known to have been established for the benefit of that PEP.

4.2 Sanctioned Individuals, Entities and Countries

The Company does not accept business relationships with sanctioned individuals, entities or companies situated in sanctioned countries.

The Cuaraçao FIU is the national competent authority in Curaçao responsible to monitor the implementation of, and ensure compliance with sanctions issued by the United Nations Security Council (UNSC).

4.3 PEP & Sanction Screening

The Company uses a reliable third-party screening tool to check the names of the UBOs, Directors, and Company name to screen for potential PEP and Sanction screening. This is done by the Compliance officer and any potential matches are to be escalated to the Compliance Officer. Furthermore, immediate notification of any identified positive sanctions hits need to be reported to the Curaçao FIU.

The Company will terminate any business relationship if during the ongoing business relationship, the business partner/UBO/Directors becomes sanctioned.

5 Money Laundering and Terrorism Financing

5.0 Money Laundering

The UN Convention Against Transnational Organized Crime defines money laundering at Article 6 as:

The conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action; or the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime.

The act of conversion and concealment amounts to the "laundering" of criminal proceeds but those funds only ever have the "appearance" of legitimacy, not the reality, even though the so-called money trail may be complicated and obscure the original criminal source of the funds. National strategies to combat money laundering must include not only effective criminal laws prohibiting money laundering and persuasive penalties for those convicted, but also efficient and effective confiscation or forfeiture mechanisms as well as effective laws to permit international cooperation around information sharing, extradition and mutual legal assistance.

5.1 Funding of Terrorism

"Terrorist financing" is defined in the UN Convention for the Suppression of the Financing of Terrorism at Article 2 as follows:

Any person commits an offence within the meaning of this Convention if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out: (a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex; or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

5.2 ML vs FT

The focus of criminals in money laundering is to conceal the illegal nature of their funds with the scope of making such funds look legit, so that they may enjoy it or reinvest it. In terrorist financing the main scope is to disguise the destination of the funds (funds can be obtained legally) with the aim of financing terrorism.

The element of secrecy and disguise is common to both cases, as the aim is not to get caught by the authorities. Both instances also need the aid of financial systems to succeed in their aims. Another similarity relates to criminal activity, as there may be links between criminal groups and terrorist organizations.

The below table shows the main characteristics.

	MONEY LAUNDERING	FUNDING OF TERRORISM
SOURCE OF FUNDS	➤ Proceeds of crime	➤ Could derive from Legitimate revenue sources
DESTINATION OF FUNDS	➤ Legitimate activities	➤ Individual terrorists or terrorist organizations
AIM	➤ Concealing the origin of the funds ➤ Cleaning proceeds of crime	➤ Concealing the destination of the funds ➤ Generate profit for terrorism use
PROCESS	➤ Circular process (Placement –Layering –Integration)	➤ Linear Process (collection, storing, moving and ultimately using the funds)

6 Reporting Obligations

6.0 Internal Reporting

Employees are to report suspicions of ML/FT immediately to the Compliance Officer by completing the Internal Suspicious Reporting form. The form template is made available to all employees via the Company's internal document sharing system.

Reports are done in writing in order to legally protect both employee raising the internal report and for documentary evidence towards senior management. The Company guarantees anonymity of the person filing the internal report, and only the name of the Compliance Officer is provided to the authorities. Thus employees are encouraged to make these reports without fear of repercussion.

Through internal reporting, employees outline the reason for their suspicion and are to provide context before submitting a report to the Compliance Officer. This is done to assist the Compliance Officer in making a determination without further delays. Employees receive an acknowledgement for every report they present.

The Compliance may also request the employee to assist in gathering more evidence for the particular case. The Company allows employees to even report a suspected instance of ML/FT to the Compliance Officer when their immediate superior is in disagreement with them.

It is up to the Compliance Officer to determine if the information available can be considered as sufficient for a STR to be made to the Curaçao FIU.

6.1 External Reporting

External reporting refers to the instance when a report is filed with the Curaçao FIU. An STR is filed when the Compliance Officer determines that the Company:

- knows;
- suspects; or
- has reasonable grounds to suspect that:

a transaction, including attempted transactions, may be related to ML/FT; or a person may have been, is or may be connected with ML/FT; or ML/FT has been, is being or may be committed or attempted.

6.2 Confidentiality & Tipping Off

Employees are trained and informed adequately about keeping confidentiality and to avoid tipping-off any customer about internal disclosure/investigation and filing of Suspicious Transaction/Activity Reports.

Employees are instructed to liaise directly with the Compliance Officer, who shall provide the necessary guidance in cases for which there are pending transactions on hold following a submission of a suspicious transaction report to the Curaçao FIU. This is highly important in order not to prejudice the analysis being conducted by the Curaçao FIU.

7 AML Policy Review

7.0 Document Update & Approval

The person responsible for designing, monitoring and updating these internal controls is the Compliance Officer.

The approver of The Policy is the Compliance Officer. In addition to this the Policy will be reviewed and approved by the board on an annual basis at minimum, or in case significant changes are made to a level which warrants a Board approval.

The Compliance Officer will review the AML/CTF Policy on an annual basis at minimum, or whenever circumstances change to warrant a review such as when changes occur within the business or developments happen within the jurisdiction in which we operate in.

7.1 Communication of changes to policies and procedures

All relevant staff will be provided with a copy of this Policy and Processes and will be asked to confirm that they have read and understood it.

Definitions

AML	Anti-Money Laundering
CDD	Customer Due Diligence
CTF	Counter-Terrorist Financing
EDD	Enhanced Due Diligence
FIU	The Financial Intelligence Unit Curaçao
KYB	Know Your Business
NOIS	National Ordinance on Identification when rendering Services (Landsverordening identificatie bij dienstverlening, N.G. 2010, no. 40 as last amended by N.G. 2015, no. 69)
NORUT	National Ordinance on the Reporting of Unusual Transactions (Lands- verordening Melding Ongebruikelijke Transacties, N.G. 2010, no. 41 as last amended by N.G. 2015, no. 68)
PEP	Politically Exposed Person
RDD	Regular Due Diligence
STR	Suspicious Transaction Report
SDD	Simplified Due Diligence
UNSC	United Nations Security Council