

Pexcellent Services Ltd B.V.

MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM OPERATING MANUAL

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CHAPTER 1 INTRODUCTION

Section 1.1. - PEXCELLENT SERVICES LTD B.V. ("PEXCELLENT"), is a company incorporated under the laws of Curaçao and licensed by the Gaming Control Board ("GCB") to operate as an online gaming operator. This Money Laundering and Terrorist Financing Prevention Program (the "Manual") is issued in compliance with the law of Curacao.

This Manual establishes a comprehensive compliance framework to detect, prevent, and report money laundering and terrorist financing risks in the gaming sector, ensuring PEXCELLENT meets its regulatory obligations under Curaçao law.

CHAPTER 2 DESCRIPTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Section 2.1. - All acts done with money of illegal origin to change its identity so that it appears to have originated from a legitimate source, can be considered money laundering (ML). It is the process of making dirty money look clean. Terrorist Financing (TF) is the financing of terrorist acts, of terrorists and terrorist organizations. A terrorist act is an act to intimidate a population, or to compel a Government or an international organization to do or to abstain from doing any act. Both present significant risks to the integrity of Curaçao's financial system and the licensed gaming sector.

CHAPTER 3 BASIC PRINCIPLES AND POLICIES TO COMBAT MONEY LAUNDERING

Section 3.1. - In pursuing its commitment to assist in the detection, prevention, and reporting of money laundering and terrorist financing activities, PEXCELLENT shall be guided by the following principles:

- a. *Know Your Customer.* Before opening an account, PEXCELLENT shall know its customers by obtaining satisfactory evidence of their identity and having effective procedures to verify the authenticity of the information furnished by new customers.
- b. *Compliance with Laws and Ethical Standards.* PEXCELLENT shall ensure that its business is conducted in conformity with high ethical standards and good corporate governance and that laws, regulations, and guidelines are adhered to in order to protect the integrity of its operations and that of the gaming industry.
- c. *Cooperation with law enforcement agencies.* Subject to the legal constraints relating to customer confidentiality, PEXCELLENT shall fully cooperate with the Government of Curaçao, taking appropriate measures allowed by law if there are reasonable grounds for suspecting money laundering or terrorist financing.

- d. *Policies, Procedures, and Training.* PEXCELLENT shall adopt and effectively implement an appropriate risk management system that will identify, assess, monitor and control risks associated with money laundering and terrorist financing. In this regard, PEXCELLENT shall ensure that its officers and personnel are trained and well aware of the policies and procedures adopted to prevent and detect possible money laundering and terrorist financing activities.

CHAPTER 4

CUSTOMER IDENTIFICATION AND DUE DILIGENCE

Section 4.1. – As part of its Manual, PEXCELLENT hereby establishes a Customer Identification and Due Diligence (“CDD”) System that will outline the methods and adequate internal controls for verifying and recording the true and full identity of its customers. PEXCELLENT will be guided by the provisions of the CDD Guidelines for Offshore Gaming issued and furnished by the GCB from time to time, and such other guidelines, rules and regulations that may be issued by other relevant government agencies.

Section 4.2. – Prospective customers shall be made aware of PEXCELLENT’s express policy that gaming accounts cannot be opened or registered for applicants who fail to provide evidence of their identity or whose identity papers are fraudulent or unverifiable. Where initial checks fail to identify the applicant or give rise to suspicions that the information provided by him/her is false or conflicting, additional verification measures shall be undertaken to determine whether to proceed with the opening of the account. Details of the additional checks are to be recorded.

Section 4.3. – PEXCELLENT shall obtain satisfactory evidence of the true and full identity, domicile and nationality of its customers as well as other identifying information that may be requested by PEXCELLENT. The following documents are acceptable to prove the identity as well other personal details of the prospective customer:

- a. Valid passport;
- b. Provisional or full driver’s license;
- c. Government issued National Identity Card; and
- d. Such other similar documents whose authenticity is verifiable from the institution issuing the same.

The identifying documents should provide evidence of true name or names used, date of birth and nationality of the applicant. They should include at least one bearing a photograph of the applicant.

Section 4.4. - PEXCELLENT does not allow proxy or nominee betting. Designating another person or party to deposit, bet, wage, use the account, accept any winnings, accept any withdrawal, or use PEXCELLENT's other services on a customer's behalf is absolutely prohibited.

Section 4.5. - All customer accounts shall be maintained only in the name of the account holder. PEXCELLENT shall not open or keep anonymous accounts, fictitious accounts, incorrect name accounts and other similar accounts. PEXCELLENT shall outright deny an application for account opening if the documents or other evidence show that the customer is a resident or citizen of prohibited jurisdictions.

Section 4.6. - All material information with respect to PEXCELLENT's customer shall be kept current and accurate through the conduct of regular verification and updates. PEXCELLENT shall conduct a risk-based CDD on its customers and shall secure the following information:

- a. Name of customer;
- b. Date and place of birth;
- c. Present address;
- d. Permanent address;
- e. Contact number or information, if any;
- f. Nationality;
- g. Proof of identification and Identification Number;
- h. Nature of work, name of employer or nature of self employment/business; and
- i. Source of funds.

PEXCELLENT makes use of emails, live chats, voice calls, and/or video calls in conducting the CDD. It can verify the identity of the customer by video call or by selfie photo of the customer holding his or her identification document.

Its due diligence on the business relationship with its customers is a continuing process. Customer profiles and risk assessments shall be reviewed periodically based on risk level (e.g., annually for low-risk, semi-annually for medium-risk, and quarterly or more frequently for high-risk customers) and upon the triggering of certain events, such as significant changes in transaction patterns or requests to update personal information.

PEXCELLENT shall also, based on materiality and risk, update all customer information and identification documents of existing customers required to be obtained under the AML rules of Curacao.

PEXCELLENT digitized and established a central database of customer records to be maintained in its office pursuant to Curacao laws on digitization of customer records.

Section 4.7. – In conducting the CDD, the customer’s risk classification shall be determined by the client’s source of funds, occupation, customer’s residence or origin, status as politically exposed persons, adverse media exposure, appearance on government, international and industry watch, device IP lists, IP lists, linked bank accounts, linked bank account names, mobile phones, first names, last names, the types of services, products, and transactions sought by the customer; and the presence of linked accounts, PEXCELLENT shall document the risk classification and level of CDD applied to each customer:

- a. High-risk customers include those that originate from a country that is recognized as having inadequate, internationally accepted anti-money laundering standards; does not sufficiently regulate businesses to counteract money-laundering; fails to incorporate Financial Action Task Force (“FATF”) recommendations into its regulatory regimes; or exhibits a relatively high prevalence or risk of crime, corruption, or terrorist financing. In making these determinations, PEXCELLENT should rely on national authorities, domestic and foreign agencies and other reliable regulators or expert sources on money laundering.

PEXCELLENT shall apply countermeasures (such as conduct of enhanced due diligence, limit business relationship or financial transactions with the identified country or persons in that country) when warranted.

- b. Medium/Normal-Risk Customers are those customers not classified as High Risk or Low Risk Customers. Standard Due Diligence shall likewise be required once a customer has been classified as a Medium/Normal-Risk Customer.
- c. Low-Risk Customers are those customers who have submitted all the required minimum customer identification and are not nationals or citizens of foreign jurisdiction or geographical location that presents greater risk for ML/TF or its associated unlawful activities or is recognized as having inadequate internationally accepted AML/CTF standards, as determined by relevant domestic or international bodies.
Simplified or Reduced Due Diligence shall be required once a customer has been classified as a Low Risk Customer.

Section 4.8. – Further, PEXCELLENT makes use of reputable websites and reliable software in order to determine customer risks, such as those originating from banned, high risk, or medium risk countries. Customers who are flagged as

originating from banned countries are prohibited from availing PEXCELLENT's services.

This also aims to identify Politically Exposed Person ("PEPs"). PEPs undergo a more enhanced screening process, where they are classified as High Risk, Medium Risk, and Low Risk PEPs.

Section 4.9. – PEXCELLENT shall continue to develop clear, written, and graduated customer acceptance policies and procedures, including a set of criteria for customers that are likely to pose low, normal, or high-risk to their operations. The criteria may include:

- a. the customer risk (e.g., resident or non-resident, type of customer, occasional or one-off, legal person structure, types of occupation, Politically Exposed Person classification);
- b. the account used to make the deposit and the account designated to receive each withdrawal;
- c. the amount of funds to be transacted by a customer or the size of transactions undertaken or to be undertaken;
- d. the regularity or duration of the transaction;
- e. the fact that a customer came from a high-risk jurisdiction;
- f. the existence of suspicious transaction indicators;
- g. such other factors may deem reasonable or necessary to consider in assessing the risk of a customer to ML/TF; and
- h. any other information suggesting that the customer is either of a lower or higher risk.

Section 4.10. – The frontline personnel shall be guided by this customer assessment procedures:

- a. The frontline personnel shall determine classification by assessing the customer as provided above, whether it is a low, medium/normal, or high risk.
- b. Before entering into a transaction, the frontline personnel shall also check the name of the customer if it is one of the names under the watch list of any government agencies, as may be accessible to PEXCELLENT.
- c. After determining the customer classification, the frontline personnel shall require customer to submit information and identification documents according to the level of required customer due diligence.

Section 4.11. – No withdrawal or transfer funds from the account of a customer may be processed unless the customer: (1) provides satisfactory and updated evidence of identity as enumerated in Section 4.3 of this Manual; and (2) undergoes contact through online or virtual means unless otherwise unreasonably impractical so as to cause interruption in the normal conduct of business. Provided, that in cases of high-risk customers, PEXCELLENT shall also conduct enhanced due diligence procedures.

Section 4.12. – PEXCELLENT shall employ Enhanced Due Diligence (“EDD”) if it acquires information that:

- a. Raises doubt as to the accuracy of any information or document provided by the customer;
- b. Justifies re-classification of the customer from low or normal risk to high-risk; and
- c. When establishing business relationship with any person from countries identified by the FATF or relevant Curacao government agency as having on-going or substantial ML/TF risks;

EDD can include obtaining additional information on the customer, including the validation procedures but are not limited to the following:

- a. Confirming the date of birth from a duly authenticated official document;
- b. Verifying the address through evaluation of utility bills, bank or credit card statement;
- c. Contacting the customer by phone, by email, or by online chat;
- d. Determining the authenticity of the identification documents through validation of its issuance by requesting a certification from the issuing authority or by any other effective and reliable means; and
- e. Determining the veracity of the declared source of funds.

The customer data of high-risk customer shall be updated more regularly and transaction monitored more closely.

Where lower risks of ML/TF have been identified, through an adequate analysis of risk by PEXCELLENT, Reduced Due Diligence (“RDD”) procedures may be applied. The RDD procedures shall be commensurate with the lower risk factors, but are not acceptable whenever there is suspicion of Money Laundering/Terrorism Financing, or specific higher risk scenarios apply.

Section 4.13. – In addition to establishing the full identities of PEP, PEXCELLENT shall also establish and record the identities of the immediate family members and entities if publicly known to be related to the PEP. PEXCELLENT shall carefully

consider a PEP's position and the position's attendant risks with respect to money laundering and terrorist financing in determining what standard of due diligence shall apply to them.

CHAPTER 5 RECORD KEEPING

Section 5.1. - Documentation on customer relationships and transactions shall be properly prepared and maintained such that the requirements of the relevant Curacao laws are fully met.

Section 5.2. – The following transaction records must be maintained on a current basis with corresponding personnel assigned to verify the accuracy and completeness of the said records:

- a. The volume of funds flowing through the account of the customer;
- b. The form in which the funds were deposited or withdrawn to/by the customer;
- c. The identity of the person undertaking the transaction;
- d. The form of instruction and authority;
- e. The external financial account details from which the funds were paid (including, bank name, sort code, account number and name of account holder);
- f. The form and destination of payments to be made by PEXCELLENT to the customer;
- g. A record of all deposits, both successful and unsuccessful, made to the customer's account; and
- h. Such other documents, records, and information that may be deemed required to be kept and retained.

Section 5.3. – All customer and transaction records must be maintained for at least five (5) years. Records shall allow reconstruction of transactions, including customer identification, transaction amounts, dates, and payment methods. Records shall be readily accessible to FIU Curaçao and GCB upon request.

Section 5.4. – PEXCELLENT shall designate at least one (1) person responsible in the safekeeping of all records required to be maintained herein. The Records Officer will also be responsible for making these records readily available to any Government Agencies of Curaçao upon request, subject to laws on confidentiality.

Section 5.5. – All records relating to training or events attended by PEXCELLENT's employee(s) must be kept, such as:

- a. Details of the content of the training programs provided;
- b. The names of personnel who have received the training;
- c. The date on which the training was delivered; and
- d. The results of any testing carried out to measure personnel understanding of the anti-money laundering requirements.

CHAPTER 6 UNUSUAL TRANSACTION REPORTING

Section 6.1. – PEXCELLENT shall identify and report Unusual Transactions (UTRs) to FIU Curaçao.

The following transactions or intended transactions are deemed unusual:

- a. Transactions which in connection with money laundering or terrorism financing are reported to the Police or to the Department of Justice;
- b. Transactions by or on behalf of a natural or legal person, a group or an entity, who is named on a list, adopted by virtue of the Sanctions National Ordinance (N.G. 2014 no. 55);
- c. Transactions in the amount of **Caribbean Guilder** (XCG) 5,000 or more, regardless of whether the transaction is made in cash, by check or other form of payment, or through electronic or other non- physical means. This includes but is not limited to:
 1. A cashless transaction in the amount of XCG 5,000 or more. A cashless transaction is a transfer from a bank account of the casino to a local or international bank account, at the request of the client.
 2. Accepting or releasing a deposit in the amount of XCG 5,000 or more at the request of the client;
 3. Sale to a customer of chips in the amount of XCG 5,000 or more. "Chips" include but is not limited to tokens and credits.
 4. A cash out in the amount of XCG 5,000 or more;

Note: A transaction may be a single transaction, but may also be a series, combination or pattern of transactions involving a total amount of the monetary equivalent of XCG 5,000 or more and is considered per gaming day. d. Presumed money laundering transactions or terrorist financing: transactions where there is

cause to presume that they can be related to money laundering or terrorist financing.

Section 6.2. Any staff or personnel who identifies a transaction believed to be unusual based on one or more indicators must take the following steps **without delay**:

1. **Do Not Proceed:** Do not complete the transaction without clearance. If the transaction is already in progress, halt any further action pending review.
2. **Escalate Immediately:** The employee must immediately and confidentially notify the designated Compliance Officer.
3. **Complete Internal Report:** The employee shall complete an internal Unusual Transaction Report (UTR) form, providing all relevant details concerning the client, the transaction, and the specific reasons for the suspicion.
4. **Maintain Confidentiality:** The employee must not discuss the suspicion or the internal report with any person other than the Compliance Officer or legal counsel.

CHAPTER 7 REPORTORIAL REQUIREMENTS

Section 7.1. – Reports of unusual transactions shall be submitted electronically to FIU Curaçao in the prescribed format and within required timelines. All staff/personnel are required to escalate suspicions internally to the Compliance Officer, who will decide on external reporting. Strict confidentiality must be maintained.

CHAPTER 8 INTERNAL CONTROL AND AUDIT

Section 8.1. – PEXCELLENT shall establish internal controls to ensure AML/CFT compliance. Independent internal audits shall be conducted as frequently as required by GCB. Audits shall test the effectiveness of CDD, record keeping, reporting, and training. Audit results shall be submitted to senior management and corrective measures shall be implemented when needed.

CHAPTER 9 COMPLIANCE

Section 9.1. – The Compliance Officer/Unit shall be tasked to advise management and PEXCELLENT's personnel on the issuance and enforcement of in-house instructions to promote adherence to this Manual including personnel training, reporting of suspicious transactions and generally, all matters relating to the prevention of money laundering and terrorist financing. The Compliance Officer

shall be designated by the Board of Directors of PEXCELLENT through a resolution on that matter.

CHAPTER 10

PERSONNEL BACKGROUND CHECKING AND TRAINING

Section 10.1. – PEXCELLENT aims to take measure in hiring personnel to ensure that he/she is not related or involved in any money laundering business or a member of any organization supporting terrorism. All employees shall undergo background checks to ensure integrity and suitability. Training shall be mandatory for all staff and management, covering:

- a. AML/CFT laws and obligations;
- b. Identification of unusual transactions;
- c. Internal escalation and reporting procedures; and
- d. Sanctions compliance

Training records shall be kept for at least five (5) years and be available to FIU Curaçao and GCB.