

# AML-CFT Policy

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## Change Control

| Version | Date       | Name            | Role | Comment                                  |
|---------|------------|-----------------|------|------------------------------------------|
| 1.0     | 25.05.2023 | Lorenza Godett  | MLRO | First Draft                              |
| 2.0     | 12.12.2023 | Lorenza Godett  | MLRO | Review and consolidation to group policy |
| 3.0     | 21.08.2024 | Everhona Makaya | MLRO | Unchanged                                |
|         |            |                 |      |                                          |

## Sign-off / Approval

| Version | Date       | Name | Role                    | Comment |
|---------|------------|------|-------------------------|---------|
| 1.0     | 25.05.2023 | 1.0  | The Directors of Fruity |         |
| 2.0     | 12.12.2023 | 2.0  | The Directors of Fruity |         |
| 3.0     | 21.08.2024 | 3.0  | The Directors of Fruity |         |
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1. Introduction

1.1. Purpose and objective of the AML/CFT Policy (“the Policy” / “AML/CFT Policy”)

Fruity Entertainment B.V. (“the Group” / “Fruity” / “Company”) is a group of companies which offer Business to Consumer gambling services. As a licenced gambling operator, Fruity recognises that it is under a duty of care to maintain the fairness of gambling, keep crime out of gambling and to prevent gambling from being associated with or being a source of crime and/or disorder. Fruity therefore acknowledges that it must have measures in place to ensure that the funds received from its customers and business partners are obtained by legitimate means. Fruity further recognises that in order to operate a sustainable gambling operation, compliance with AML requirements and ensuring operational ownership of such compliance is critical. The purpose of the AML/CFT Policy is to set and establish the (“AML/CFT Procedure Manual”) principles and standards of the Board of Fruity with regards to AML/CFT. The AML/CFT Policy will then be supplemented by further procedure and process documents detailing how different departments at Fruity will implement the Policy. The objective of this AML/CFT Policy is to ensure regulatory compliance in line with any licence obtained by Fruity from time to time and establish an internal framework that minimises the risk of funds derived from criminal activity being accepted by Fruity and prevents abuse of Fruity’s products and services for money laundering and terrorist financing purposes.

1.2. Scope and application of AML/CFT Policy

The Policy applies to all employees (and persons of a comparable position) of Fruity. All of Fruity’s employees need to understand how money laundering may be carried out, so that they can be as alert as possible to any signs of suspicious behaviour and can protect Fruity from breaching its obligations in this area. The aim of Fruity within this Policy and associated Procedures is to comply with legal requirements and to ensure that a risk-based approach is implemented, enabling Fruity to place compliance efforts where they are most needed and to mitigate and reduce potential risk to Fruity from having its products, services and delivery channels used for money laundering or to fund terrorist activity.

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2. AML and Relevant Regulations

2.1. Overview of AML and Terrorist Financing within Gambling

Traditionally, three stages are identified for the process of money laundering:

- 1. **Placement:** illegally obtained funds are placed into the financial system.
- 2. **Layering:** the funds are moved, and ownership is changed (funds are often divided into multiple parts, so-called structuring) to obscure the origin.
- 3. **Integration:** the funds are used to purchase goods and services, invest in businesses or financial services, and are therefore made to look legitimate.

Fruity recognises that the above three-stage model is more reflective of organised crime and does not reflect a large proportion of money laundering that impacts gambling. Fruity further recognises that whilst measures should be in place to identify such organised crime behaviours, all AML processes and procedures should also seek to identify everyday criminals who are gambling with funds obtained by tax evasion, petty crimes, embezzlement and similar crimes but who do not always seek to use gambling facilities to layer such funds. Such customers rather spend such illicit funds on gambling as they exhibit signs of problematic gambling. Fruity recognises that it should prevent such funds from being spent at Fruity’s websites and therefore recognises that Fruity’s AML departments (and processes) and Responsible Gambling analysts (and measures) should seek to align in all respects in order to quickly identify such individuals and intervene appropriately.

Terrorist Financing is the process of making funds or other assets available to terrorist groups or individual terrorists to support them, even indirectly, in carrying out terrorist activities. Such process in fact comprises two separate types of financial activity:

- a. money and other assets generated by acts of terrorism; and
- b. money and other assets intended to fund acts of terrorism (including the promotion of terrorism, and the radicalisation of individuals).

The funding of terrorist activity, terrorist organisations or individual terrorists may take place through funds deriving from legitimate sources or from a combination of lawful and unlawful sources. Indeed, funding from legal sources is a key difference between terrorist organisations and traditional criminal organisations involved in money laundering operations.

Another difference is that while the money launderer moves or conceals criminal proceeds to obscure the link between the crime and the generated funds and avails himself of the profits of crime, the terrorist’s ultimate aim is not to generate income from the fund-raising mechanisms, but to obtain resources to support terrorist operations.

Although it would seem logical that funding from legitimate sources would not need to be laundered, there is nevertheless often a need for terrorists to obscure or disguise links between the organisation or the individual terrorist and the legitimate funding sources. Therefore, terrorists must similarly find ways to process these funds in order to be able to use them without drawing the attention of authorities.

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2.2. Regulations

Fruity currently holds gambling licences in various markets and seeks to draw parallels between the various laws it is subject to in each jurisdiction so that it can implement best practice over all jurisdictions and align processes where relevant and applicable.

Anti-money laundering laws in European Union Member States are based on EU anti-money laundering legislation (subject to each country’s implementation following a National Risk Assessment) and therefore a number of parallels exist.

More specific details relating to each jurisdiction in which Fruity has a gambling licences can be found in Annexes attached herein.

2.3. Politically Exposed Persons

Politically Exposed Persons (PEPs) pose a high risk of Money-Laundering and Financing of Terrorism due to:

- a. the position they occupy, and
- b. the influence they exercise.

PEPs may abuse of their prominent public functions for their personal gain by accepting bribes, getting involved in corrupt practices, and abusing or misappropriating public funds, just to mention a few. These crimes generate proceeds that would need to be laundered.

Family members or individuals known to be close associates of PEPs may, as a result of their connection, also benefit from, or be used to facilitate, abuse by the PEP of his/her position and influence.

3. Money Laundering Reporting Officer (MLRO)

Fruity shall appoint (and ensure that such appointment remains there at all times) an MLRO (and a designated employee to cover in his or her absence) who shall be afforded every assistance and cooperation by all employees and senior management when carrying out their duties.

The MLRO will be a level of seniority which either sits on the Board of Fruity or reports directly into the Board. The MLRO will be responsible for managing the AML/CFT Policy and implementing procedures and processes which ensure compliance with the Policy. Such procedures shall ensure that:

- a. The MLRO carries out any related task(s) as may be required by law or Fruity from time to time.
- b. Fruity Entertainment B.V. develops systems and controls that are appropriate for the businesses and comply with legal and regulatory requirements.
- c. Fruity assesses the AML risks inherent in the current business at least annually; it then adopts a risk-based approach that is flexible, effective, proportionate and cost effective.
- d. Fruity regularly assesses the adequacy of its systems and controls.
- e. Fruity maintains, where necessary, records of transactions that meet the needs of law enforcement investigations tackling money laundering and terrorist financing.
- f. Fruity provides initial and ongoing training for all relevant employees.

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- g. Fruity makes relevant and timely reports to all relevant regulators.
- h. Fruity has established and maintained the following risk-based policies and procedures relating to:
  - a. Arrangements for nominated officer reports to senior management;
  - b. Systems for client identification and verification;
  - c. Procedures for handling suspicious activity reports (“SARs”), covering both reporting by employees and transmission to the respective financial intelligence unit;
  - d. The mechanisms for contact between the nominated officer and the relevant financial intelligence unit, including the circumstances in which appropriate consent should be sought;
  - e. The arrangements for recording information not acted upon by the nominated officer, with reasoning why no further action was taken;
  - f. Reporting to the relevant authority of any criminal investigation by a law enforcement agency, including the police, in which the Company has been involved in circumstances where it appears to have failed in its objective to keep crime out of gambling, or to take reasonable steps to do so. This applies whether the investigation relates to crimes allegedly committed by or against the Company, or its employees or by a third party on its site;
  - g. Fruity’s internal review processes for compliance with internal policies and procedures.

The Company shall ensure that such budget is allocated as is reasonably required to assist the MLRO with outsourcing aspects of duties, to pay for specialised training for MLRO so that MLRO can continue to develop in areas of best practice and to allow the MLRO to employ such persons of such qualification as the MLRO believes are required to carry out their duties to the best of their ability.

Senior management is fully committed to and responsible for the implementation of this policy. Senior management is made aware of their individual personal liability for consenting to, or conniving in, the commission of offences under the Regulations, or where such offence is attributable to any neglect on his/her part.

Due to the serious confidentiality obligations and the level of responsibility of the MLRO/ Nominated Officer, the appointed person should be sufficiently senior to command the necessary authority.

The MLRO also has responsibility for:

- a. making reports to senior management on anti-money laundering and countering terrorist financing activity;
- b. receiving disclosures from employees; and
- c. if appropriate, making such external reports.

The MLRO/ Nominated Officer should be responsible for the implementation and maintenance of reporting procedures, both internally and externally, if the report is elevated and sent to the competent authority.

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4. Training

Fruity shall ensure that all employees are suitably trained in AML as relevant to their role. Examples of such relevant training could include:

- a. Assisting those responsible for onboarding external partners in correct due diligence of such companies and where Fruity’s legal department should be involved;
- b. Training customer facing employees (customer services, VIP managers) in identifying data or customer behaviours which exhibit money laundering.

Such training should be reviewed periodically to ensure that it remains relevant to Fruity’s AML Policy and associated Procedures. Fruity also encourages employees to share learning in a non-formal manner by sharing experiences where internal lessons have been learnt regarding AML practices.

5. Records

Fruity will retain all relevant records in line with the legal requirements in each jurisdiction in which it is licensed and will ensure that all decision making is appropriately and centrally recorded so that internal checks and audits can be undertaken on AML/CFT to ensure compliance and identify risks and required improvements in the field of AML/CFT.

6. Duplicate Accounts

Fruity shall monitor and put in place reporting to assist in identifying duplicate accounts. Such accounts shall be managed and handled as informed to customers, from to time, via the Fruity terms and conditions and as more detailed within the AML Procedures.

7. Risk-Based Approach

Fruity shall undertake an annual Business Risk Assessment (“BRA”) and shall work to mitigate such risks as are identified in the BRA. The Company recognises that risk is not static and that where risk may change due to items such as addition of a new market, licence, product, channel, service or payment method, Fruity may need to revisit the BRA in its entirety or undertake a micro Risk Assessment in accordance with the change in risk.

8. Special Provisions

Fruity requires all employees to comply with the AML /CFT Policy. Failure to comply with the AML/CFT Policy and any associated Procedure can result in:

- a. criminal action being taken against employee, where:
  - a. one has failed to correctly identify or report money laundering where there are grounds for reasonable suspicion of the same, and/or
  - b. one has tipped off a customer that money laundering is suspected.
- b. dismissal of employees, where non-compliance results in Fruity breaching (or could reasonably result in a breach of) the provisions of its gaming licences.

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9. Business Partners

When selecting suppliers, on a risk-based approach, the Company seeks to undertake the relevant due diligence including:

- a. financial strength (for long-term sustainability),
- b. legal and regulatory compliance,
- c. where relevant, commitment to a wider corporate responsibility program, and
- d. desire and ability to deliver quality and value.

Fruity must ensure that all organisations which are contracted understand the compliance obligations under the relevant player jurisdictions.

10. Questions About Policy

Any questions regarding this policy should be referred to the MLRO at Emakaya@xcm.cw who is in charge of administering, enforcing, and updating this policy.

11. Review and Amendment of Policy

This Policy shall be reviewed at soonest point listed below:

- a. no later than 12 months from the date upon which the Policy was last reviewed;
- b. upon the discovery or recognition by an audit or risk assessment that the Policy requires amendment;
- c. upon the change of any relevant law or regulation which applies to the Policy;
- d. upon the finding by any regulator that an amendment to the Policy is required;
- e. upon the award of any new gambling licence in a new jurisdiction;
- f. upon the acceptance of customers from a jurisdiction / territory where Fruity did not previously accept customers;
- g. upon the change of control or a change of corporate structure of Fruity.

Any amendment of the Policy shall, as soon as is reasonably practicable, be distributed or informed to all persons within the scope of the Policy for information of the amendment. Any change in Policy giving rise to Procedure review shall be identified and such changes shall be implemented to the relevant procedures.

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Annex A- Curacao

1. Company details operating under the Curacao regime:

Name: Fruity Entertainment B.V.  
Registry code: 168862  
Address: Korporaalweg 10, Curacao  
Director: Xecutive Corporate Management B.V.

2.AML Specific Training

Fruity Entertainment B.V.will provide regular AML training to employees to ensure they understand their responsibilities relating to AML-CFT and maintaining the training logs.

3.Compliance Officer (MLRO)

Fruity Entertainment B.V.has appointed a MLRO for Curacao regime, and the individual appointed is Everhona Makaya - who will report all suspicious transactions to the relevant authorities.

4.Risk Assessment

It is Fruity Entertainment B.V.’s policy that the codes are to be complied with in full and that the company is committed to meeting and, where possible, exceeding such obligations. Positive management action will be exercised in order to minimise the risk of the company’s services and gaming activities being abused for the purposes of laundering funds associated with criminal activity.

Fruity Entertainment B.V.will not continue established relationships with customers whose conduct gives rise to suspicion of involvement with illegal activities. The company will seek to terminate any customer relationship where the customer’s conduct gives reasonable cause to believe or suspect involvement with illegal activities. Any such termination will follow the reporting of the suspicion to the relevant authorities and, thereafter, will be undertaken in conjunction with the relevant authorities and in accordance with best practice to avoid any risk of Fruity Entertainment B.V.committing a tipping-off offence.

The company’s vigilance, policy and procedures will be based upon the regulations referred to above and any associated guidance issued by any relevant regulatory authority or governmental body. Procedures will be maintained to ensure the following:

- All persons conducting business with the company are properly identified, that their identity is verified where appropriate and sufficient information is gathered and recorded to permit the company to “know its client” and predict the expected pattern of business;
- Potential new customers who do not appear to be legitimate are declined and, where there is suspicion relating to criminal conduct on the part of a declined customer, such suspicion is reported to the Money Laundering Reporting Officer (MLRO);
- Established customers’ activities are regularly monitored to ensure that they fit the customer’s profile, especially in respect of large or abnormal transactions;
- Records are retained to provide an audit trail and adequate evidence to regulatory and/or law enforcement agencies in their investigations;
- All suspicions are reported promptly to the MLRO;

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- Full cooperation is provided to regulatory and law enforcement authorities to the extent required by statute/regulation; and
- Fruity Entertainment B.V.’s vigilance systems are implemented and regularly monitored.

**Business Risk Assessment**

The Business Risk Assessment shall assess the chances and severity of the casino's products and services being used to finance proliferation, terrorism, and money laundering. The risk assessment must consider all factors that may affect the risks of money laundering, financing of terrorism, and financing of proliferation. However, certain factors, such as the type of customers, products and services offered, delivery channels, and geographical risk factors, must be given special consideration.

**Customer Risk Assessment**

Fruity Entertainment B.V.has to consider the AML/ATF risks associated with its service offering and adopt a risk- based approach when considering the requirements for:

- identity of customers.
- evidence of identity; and
- enhanced customer due diligence.

The business undertaken by the company and management’s assessment of its inherent money laundering/terrorist financing risk has been considered as follows:

**Nature of Customers**

Corporate/business customers are considered by the company to represent a greater risk to the company from an AML/ATF risk, than an individual customer. Accordingly, the company’s business model does not allow for corporate/business customers, nor any type of customer that is not a natural person, to register for a gaming account and/or otherwise participate in gaming services provided by Fruity Entertainment B.V..

**Status of Customers**

A Politically Exposed Person (PEP) is generally considered to present a higher risk to a business with whom they are transacting. Screening is undertaken by the company to identify PEPs and sanctioned individuals upon registration, together with ongoing PEP/sanction monitoring.

**Location of Customers**

A customer located in a jurisdiction which is determined by the Financial Action Task Force (FATF) as on the black or the grey list, may generally be considered to represent a potential higher risk of money laundering or terrorist financing activity.

Whilst the above factors are considered when determining the identification requirements at registration, management considers that other factors, when combined with the above, create heightened risk of ongoing money laundering or terrorist financing activity. These contributory factors include but are not limited to:

- the amount of funds transacted; and
- the nature and frequency of transactions.

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In order to determine customer risk, these factors will be considered on a case-by-case basis.

Fruity Entertainment B.V.does not permit customers, whether temporarily or permanently resident, to utilise any of Fruity Entertainment B.V.’s products or services from jurisdictions outlined in its blocked jurisdiction list, as amended from time to time.

Fruity Entertainment B.V.actively monitors the jurisdictions from which its products and services are accessed by its customers and adopts a dynamic response to enhanced risk in cases of suspicious, or unusual, website traffic.

Robust geolocation and geo-blocking technologies are deployed by Fruity Entertainment B.V.to establish and verify customers’ locations, and to detect the presence of techniques designed to circumvent such checks.

**Nature and Frequency of Transactions**

Where an individual is making regular deposits and gaming transactions there is considered only a minimal potential risk of money laundering or terrorist financing. Irregular patterns of activity or regular deposits and withdrawals with limited gaming transactions may represent enhanced risk.

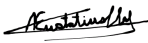
**5.CDD**

Fruity Entertainment B.V.recognises that customers who have transacted more than Naf. 4,000(or local currency equivalent) in aggregated deposits and withdrawals, present an enhanced risk of being related to money laundering or terrorist financing activities and, accordingly, is committed to a staunch system of customer verification, transaction monitoring and regulatory reporting in full compliance with all applicable legislation and regulatory guidance.

**6.Record Keeping.**

Fruity Entertainment B.V.shall maintain the records of all player information, copies of due diligence documentation for a period of five years after the business relationship has ended, or after the date of the occasional transaction.

**7. Approval.** Fruity Entertainment B.V. AML-CFT Policy Annex A-Curacao was reviewed and signed by Directors Lorenza Godett and Analissa Heiland on behalf of Xecutive Corporate Management B.V.

Signed by:  
  
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Analissa Heiland

Signed by:  
  
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Lorenza Godett

obo Xecutive Corporate Management B.V.

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