

Know Your Customer (KYC)

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Know Your Customer (KYC) Policy of Right5 Online N.V.

1. Introduction and Purpose

Right5 Online N.V. (hereinafter referred to as the "Company"), registered under number 156281 in the Commercial Register of the Chamber of Commerce and Industry of Curaçao, operates in a global business environment and is committed to maintaining the highest standards of integrity, transparency, and regulatory compliance. We recognize the crucial importance of preventing the misuse of our services for illicit activities, including but not limited to money laundering, terrorist financing, fraud, and other criminal activities.

This Know Your Customer (KYC) Policy establishes the internal procedures and controls that the Company implements to verify the identity of its customers, monitor their activities, and assess the risks associated with the business relationship. The main objectives of this policy are to:

- **Prevent and detect illicit activities:** Implement robust measures to prevent our services from being used for criminal purposes.
- **Ensure regulatory compliance:** Fully comply with applicable laws, regulations, and guidelines in Curaçao and in other jurisdictions where we operate.
- **Protect the Company's reputation:** Maintain the trust of our customers, partners, and regulatory authorities by avoiding involvement in suspicious activities.
- **Manage risks:** Assess and mitigate the risks associated with relationships with different types of customers and jurisdictions.
- **Promote a secure and reliable business environment:** Contribute to the integrity of the global financial system.

This policy is a living document and will be reviewed and updated periodically to reflect changes in laws, regulations, industry best practices, and the evolving needs of the Company. All employees, agents, and partners of the Company are responsible for adhering to the principles and procedures established in this policy.

2. Key Definitions

For the purposes of this policy, the following terms shall have the meanings set forth below:

- **Customer:** Any natural or legal person who establishes or seeks to establish a business relationship with the Company, including but not limited to users of our online services.
- **KYC (Know Your Customer):** The process of identifying and verifying the identity of customers, as well as obtaining relevant information about them to assess and monitor the risk of money laundering and terrorist financing.
- **DD (Due Diligence):** The process of collecting and analyzing information about a customer to identify and verify their identity, understand the nature of their business, and assess the level of risk associated with the relationship.
- **CDD (Customer Due Diligence):** The Due Diligence process applied to all customers.
- **EDD (Enhanced Due Diligence):** Additional Due Diligence measures applied to customers considered high-risk.
- **PEP (Politically Exposed Person):** An individual who holds or has held a prominent public function, as well as their close family members and close associates.
- **Sanctions List:** Lists issued by government authorities and international organizations that identify individuals, entities, and countries subject to financial sanctions or other restrictions.

- **Suspicious Transaction:** Any transaction that appears inconsistent with the customer's profile, their normal business activity, or that raises suspicions of money laundering, terrorist financing, or other illicit activities.
- **Beneficial Owner:** The natural person(s) who ultimately owns or controls a customer or on whose behalf a transaction is being conducted.

3. Fundamental Principles of the KYC Policy

The implementation of this KYC Policy is guided by the following fundamental principles:

- **Risk-Based Approach:** The intensity of KYC and Due Diligence measures will be proportionate to the risk of money laundering and terrorist financing identified for each customer and business relationship. High-risk customers will be subject to more stringent measures.
- **Identification and Verification:** The Company will implement robust procedures to identify and verify the identity of its customers before establishing a business relationship or conducting significant transactions.
- **Ongoing Monitoring:** The customer relationship will be monitored continuously to identify any changes in the risk profile, suspicious activities, or inconsistencies.
- **Record Keeping:** The Company will maintain accurate and up-to-date records of all customer identification information, verification documents, transaction data, and relevant communications, in compliance with legal and regulatory requirements.
- **Training and Awareness:** All relevant employees will receive regular training on KYC policies and procedures, as well as on the latest trends and techniques in money laundering and terrorist financing.
- **Cooperation with Authorities:** The Company will fully cooperate with competent authorities in the fight against money laundering and terrorist financing, providing relevant information when requested, in compliance with applicable data protection laws.

4. Customer Identification and Verification Procedures (CDD)

The Company will implement the following Customer Due Diligence (CDD) procedures when establishing a new business relationship:

4.1. Natural Person Customers:

For natural person customers, the Company will collect and verify the following information and documents:

- **Identification Information:**
 - Full name.
 - Date and place of birth.
 - Nationality.
 - Full residential address.
 - National identification number (e.g., identity card, passport).
 - Contact information (telephone, email).
- **Identity Verification Documents:**
 - Clear and legible copy of a valid official photo identification document (e.g., passport, national identity card, driver's license). The document must contain the full name, date of birth, photograph, and expiration date.
 - Recent proof of address (issued within the last three months), such as a utility bill (water, electricity, gas), bank statement, or government correspondence.
- **Additional Information (as needed):**
 - Profession or occupation.
 - Source of income.
 - Purpose of the business relationship.

Identity verification will be performed using reliable and independent methods, such as comparing the information provided with the documents presented and, where appropriate, through reliable electronic data sources.

4.2. Legal Person Customers:

For legal person customers, the Company will collect and verify the following information and documents:

- **Entity Information:**
 - Full name of the entity.
 - Country of registration.
 - Registration number.
 - Registered office address and principal place of business.
 - Date of incorporation.
 - Nature of business or principal activity.
 - Contact information (telephone, email).
- **Entity Verification Documents:**
 - Copy of the certificate of registration or equivalent document issued by the competent authority.
 - Copy of the articles of association or memorandum of association.
 - Ownership and control structure, including the identification of the beneficial owners.
 - Relevant licenses or authorizations for the operation of the business.
- **Identification and Verification of Relevant Individuals:**
 - Identification and verification of the identity of directors, administrators, major shareholders, and beneficial owners, following the procedures applicable to natural person customers.
- **Additional Information (as needed):**
 - Purpose of the business relationship.
 - Sources of funding.
 - Relevant financial information.

The verification of the legal person's identity will involve analyzing the documents presented, verifying the legal existence of the entity through public records, and understanding its ownership and control structure. The identification and verification of beneficial owners are crucial and will be carried out by obtaining detailed information about the chain of ownership and control until the natural persons who ultimately own or control the entity are identified.

5. Enhanced Due Diligence (EDD)

In higher-risk situations, the Company will apply Enhanced Due Diligence (EDD) measures. These situations may include, but are not limited to:

- **Customers considered high-risk:** Identified based on factors such as the nature of the business, geographic location, complex ownership structure, or history of suspicious activities.
- **Customers who are Politically Exposed Persons (PEPs):** Due to the potential for involvement in corruption. Procedures will be implemented to identify PEPs, obtain senior management approval to establish or continue the business relationship, and conduct enhanced ongoing monitoring.
- **Customers from high-risk jurisdictions:** Identified by international organizations such as the Financial Action Task Force (FATF) or by internal assessments of the Company.
- **Complex or unusual transactions:** That do not have an apparent economic or legal justification.

EDD measures may include:

- Obtaining additional information about the customer, their business activity, and the origin of funds.
- Verifying information through additional independent sources.
- Conducting more detailed background checks.
- Obtaining senior management approval for the establishment or continuation of the business relationship.
- Increasing the frequency and intensity of transaction monitoring.
- Requesting additional information about the purpose of transactions.

6. Ongoing Monitoring

The Company will implement a continuous monitoring process of the customer relationship to:

- **Identify transactions that are not consistent with the customer's profile or their normal business activity.**
- **Detect significant changes in the nature of the customer's business, their ownership structure, or their risk profile.**
- **Ensure that customer documents and information remain up-to-date.**
- **Assess the need to update KYC information and perform new Due Diligence.**

Monitoring will be carried out on an ongoing basis and will be risk-based, with higher frequency and intensity for customers considered high-risk. Systems and procedures will be used to analyze customer transactions and identify suspicious activities.

7. Reporting of Suspicious Transactions (STR)

All employees of the Company are required to promptly report any transactions, activities, or behaviors that raise suspicions of money laundering, terrorist financing, or other illicit activities. The Suspicious Transaction Report (STR) process will be clearly defined and communicated to all employees. Reports will be investigated internally, and if the suspicion is confirmed, they will be forwarded to the competent authorities in accordance with applicable laws and regulations.

8. Record Keeping

The Company will maintain complete and accurate records of all customer identification information, verification documents, transaction data, and relevant communications, in compliance with legal and regulatory requirements. Records will be stored securely and will be available to competent authorities when requested. Record retention periods will be defined in accordance with applicable legislation.

9. Employee Training and Awareness

The Company will provide regular and comprehensive training to all relevant employees on the KYC Policy, Due Diligence procedures, the identification of suspicious activities, and reporting obligations. The training will ensure that employees understand the importance of implementing the KYC policy and are equipped to identify and mitigate the risks of money laundering and terrorist financing. Periodic training will be conducted to keep employees updated on the latest trends and techniques in financial crime.

10. Compliance and Policy Review

The responsibility for the oversight and implementation of this KYC Policy rests with the senior management of the Company. A designated officer or department will be responsible for ensuring compliance with this policy and applicable regulatory requirements. The KYC Policy will be reviewed and updated periodically, at least annually, or whenever there are significant changes in laws, regulations, or the Company's operations, to ensure its continued effectiveness and relevance.

11. Non-Establishment or Termination of Business Relationship

The Company reserves the right not to establish a business relationship with a customer or to terminate an existing relationship if it is not possible to verify the customer's identity, if unacceptable risks of money laundering or terrorist financing are identified, or if the customer fails to provide the requested information and documents to comply with KYC procedures. The decision not to establish or terminate a business relationship will be made in accordance with this policy and applicable laws and regulations.

12. Use of Technology

The Company may utilize technological solutions to assist in the implementation and execution of this KYC Policy, including electronic identity verification systems, risk analysis tools, and transaction monitoring platforms. The use of technology will be carried out in a manner that ensures the security and protection of customer data, in accordance with applicable data protection laws.

13. Cooperation with Competent Authorities

The Company is committed to fully cooperating with regulatory and law enforcement authorities in their efforts to combat money laundering and terrorist financing. This includes providing relevant information when requested, in compliance with applicable data protection laws, and responding promptly to any requests for information from competent authorities.

14. Final Provisions

This KYC Policy is a fundamental document for the responsible and secure operation of Right5 Online N.V. Compliance with this policy is mandatory for all employees, agents, and partners of the Company. Any violation of this policy will be subject to appropriate disciplinary action.

The Company is committed to the continuous improvement of its KYC and Due Diligence procedures and will closely monitor regulatory developments and industry best practices to ensure the effectiveness of this policy.

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Registered in the Commercial Register of the Chamber of Commerce and Industry of Curaçao