
*PROCEDURE FOR SANCTIONS AND
POLITICALLY EXPOSED PERSON (PEP)
SCREENING*

KING ENTERPRISES N.V.

POLICY OWNER: KING ENTERPRISES N.V.

APPROVER: VASIL TONCHEV

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1. PURPOSE

The purpose of this procedure is to establish a standardized process for conducting sanctions screening and Politically Exposed Person (PEP) screening in order to:

- Prevent the company from engaging with sanctioned individuals or entities.
- Identify players who may present elevated corruption, bribery, money laundering, or reputational risks.
- Ensure compliance with applicable Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and sanctions regulations.
- Support a risk-based approach to customer due diligence and ongoing monitoring.

The purpose of this procedure is to act according to applicable laws and regulations as CGA rules, National Ordinance of the Games of Chance (LOK), National Ordinance of Reporting of Unusual Transactions (NORUT) and National Ordinance on Identification When Rendering Services (NOIS).

2. SCOPE

This procedure applies to:

- All new player account registrations.
- Existing players through ongoing monitoring.
- Beneficial owners and authorized representatives.
- Employees, affiliates, vendors, and business partners were applicable.
- All jurisdictions in which the company operates.

3. DEFINITIONS

3.1 SANCTIONS SCREENING

The process of checking players, entities, and transactions against official sanctions lists and watchlists issued by governmental and international authorities.

3.2 POLITICALLY EXPOSED PERSON (PEP)

An individual who holds or has held a prominent public function, including:

- Heads of State or government.
- Senior politicians.
- Judicial or military officials.
- State-owned enterprise executives.
- Immediate family members.
- Close associates.

3.3 ADVERSE MEDIA

Negative publicly available information indicating potential involvement in criminal activity, corruption, fraud, terrorism, or other illicit conduct.

4. SCREENING PROCEDURE

4.1 CUSTOMER INFORMATION COLLECTION

Prior to screening, the following information should be collected where available:

- Full legal name.
- Date of birth.
- Nationality.
- Residential address.
- Identification number.
- Country of residence.

5. TIMING OF SCREENING

Screening must be conducted:

- Annually for low-risk players and quarterly for medium and high-risk players during the player relationship.

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- Upon reaching five thousand Euros deposits or withdrawal threshold.
- Upon changes to player information.
- When updated sanctions lists are published.
- When suspicious activity is identified.

PEP screening shall also be conducted within 30 days from the date a player reaches the applicable deposit threshold, irrespective of whether prior PEP screening has already been completed.

6. SCREENING PROCEDURE

6.1 INITIAL SCREENING

All players and relevant associated parties must be screened against applicable sanctions databases before account activation.

The screening process should include:

- Exact name matching.
- Fuzzy or close-match logic.
- Alias and alternative spelling checks.
- Date of birth comparison where available.
- Country and nationality comparison.

6.2 REVIEW OF POTENTIAL MATCHES

Potential matches must be reviewed manually by trained personnel.

Review considerations include:

- Name similarity.
- Date of birth.
- Nationality.
- Address.

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- Supporting documentation.
- Nature of the sanctions listing.

6.3 CONFIRMED MATCHES

If a sanctions match is confirmed:

- The account must be restricted immediately.
- Transactions must be suspended where legally required.
- The case must be escalated to Compliance.
- Regulatory reporting obligations must be assessed.
- The relationship may be terminated where appropriate.

Employees must not notify the customer of any sanctions investigation unless authorized by Compliance or required by law.

7. PEP SCREENING PROCEDURE

7.1 IDENTIFICATION OF PEPS

Customers shall be screened to determine whether they are:

- Foreign PEPs.
- Domestic PEPs.
- International organization officials.
- Family members of PEPs.
- Close associates of PEPs.

7.2 RISK ASSESSMENT

PEP status does not automatically prohibit customer relationships; however, it requires enhanced risk assessment. Customers will be classified as low risk, medium risk, high risk or prohibited. The findings level on each customer will determine the impact on the risk ratings.

Factors to consider include:

- Country risk.
- Position held.
- Source of wealth.
- Source of funds.
- Transaction patterns.
- Adverse media findings.
- Expected account activity.

7.3 ENHANCED DUE DILIGENCE FOR PEPS

Where a customer is identified as a PEP, Enhanced Due Diligence (EDD) measures should include:

- Senior management approval.
- Verification of sources of wealth.
- Verification of source of funds.
- Enhanced transaction monitoring.
- Periodic account reviews.
- Increased monitoring frequency.

8. ONGOING MONITORING

Screening must not be limited to onboarding.

Ongoing monitoring should include:

- Daily or real-time sanctions list updates where possible.
- Periodic rescreening of customer databases.
- Monitoring of transactional activity.
- Review of updated adverse media information.
- Reassessment of customer risk profiles.

High-risk customers should be reviewed more frequently.

9. ADVERSE MEDIA SCREENING

Adverse media checks should be conducted:

- During onboarding.
- During enhanced due diligence reviews.
- When suspicious activity is identified.

Examples of adverse media include:

- Fraud allegations
- Corruption investigations
- Money laundering allegations
- Terrorism financing links
- Organized crime associations
- Regulatory enforcement actions

Adverse media findings should be documented and reviewed by Compliance.

10. SOURCES USED FOR SCREENING

The company may utilize a combination of official government lists, commercial databases, and open-source intelligence tools. The company is currently using all the following databases, and those databases are updated at least once per year.

10.1 OFFICIAL SANCTIONS SOURCES

United Nations (UN)

- UN Security Council Sanctions List.

United States

- OFAC Specially Designated Nationals (SDN) List.

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- OFAC Consolidated Sanctions List.

European Union

- EU Consolidated Financial Sanctions List.

United Kingdom

- UK HM Treasury Sanctions List (OFSI).

Canada

- Consolidated Canadian Autonomous Sanctions List.

Australia

- DFAT Consolidated Sanctions List.

Other Local Regulatory Lists

- Jurisdiction-specific sanctions databases where applicable.

10.2 PEP AND ADVERSE MEDIA SOURCES

The company may use:

- Commercial AML/KYC vendors.
- World-Check.
- Dow Jones Risk & Compliance.
- LexisNexis.
- Comply Advantage.
- Refinitiv.
- Government corruption databases.
- Public records databases.
- Reliable news and media sources.

11. DOCUMENTATION AND RECORDKEEPING

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The following records must be maintained:

- Screening results.
- Match review notes.
- Escalation records.
- Compliance decisions.
- Supporting documentation.
- Risk assessments.
- EDD approvals.

Records should be retained in accordance with applicable legal and regulatory requirements.

12. ESCALATION PROCEDURE

Potential matches or high-risk findings must be escalated immediately to the Compliance Department.

Escalations should include:

- Customer details.
- Screening results.
- Supporting evidence.
- Risk assessment summary.
- Recommended action.

Only authorized personnel may determine whether:

- A match is false positive.
- EDD is sufficient.
- Account restrictions are required.
- Regulatory reporting is necessary.

13. EMPLOYEE RESPONSIBILITIES

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Employees involved in onboarding, compliance, fraud prevention, or payments must:

- Follow this procedure at all times.
- Escalate suspicious findings promptly.
- Maintain confidentiality.
- Completely required AML/KYC training.

Failure to comply may result in disciplinary action.

14. REVIEW AND UPDATES

This procedure shall be reviewed periodically and updated to reflect:

- Regulatory changes.
- Updated sanctions programs.
- Emerging AML risks.
- Operational improvements.
- Internal audit findings.

The Compliance Department is responsible for maintaining the current version of this procedure. The Department will maintain control of the documents used in the procedure and will number each version of the control of documents done for the procedure.