



ARROW WOOD N.V.

Anti-Money Laundering & Source of Funds Policy

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Document Synopsis

This document sets out Arrow Wood Group's Anti-Money Laundering Policy. All employees, procedures, and internal processes will be established and maintained to ensure compliance with this policy.

Documentation Control

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Documentation Approval

Name	Role	Date	Signature
Ok Rye You	Director	16 th July 2021	Approved digitally
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1. Why This Policy Exists

1.1 Objective

Arrow Wood N.V. (“Arrow Wood”, “the Company”, “we”) maintains this Policy to demonstrate, to the financial institution that provides its banking channel, that every sum of money the Company receives and subsequently moves has a known, lawful and evidenced origin. The single organising principle of this document is the establishment of source of funds. Everything else — governance, screening, monitoring and reporting — exists to support that one objective: that no money of unknown, disguised or non-compliant provenance is permitted to enter the Company’s accounts or to pass onward through its banking partner.

1.2 The Proprietary-Funds Principle

Arrow Wood transacts in its own right and on its own account. The Company does not hold, pool, administer or move money on behalf of clients, members, agents or any third party, and it operates no customer ledger. All balances that the Company places through its banking partner are proprietary funds belonging to Arrow Wood.

As the funds the Company administer, by definition, the Company’s own, the risk that requires management is not the onward payment but the inbound receipt. Any external money that reaches Arrow Wood — a settlement, a counterparty payment, a return on a commercial arrangement, capital introduced by the shareholder, or any other credit — is the event that determines whether the proprietary pool remains clean. This Policy is accordingly directed at the provenance of incoming funds: each receipt is treated as the point at which source of funds must be established before that money is absorbed into the Company’s proprietary balances.

1.3 Who and What Is Covered

This Policy binds the shareholder, every officer, every employee and any contractor or service provider acting for Arrow Wood. It applies to all currencies, all payment rails used by the Company, and every account held with its banking partner. No person may authorise, process or release a transaction in a manner inconsistent with this Policy, and no commercial objective overrides it.

2. Accountability and Oversight

2.1 The Money Laundering Reporting Officer

Day-to-day responsibility for this Policy rests with the Money Laundering Reporting Officer, David Bufton, who can be reached at mlro@thearrowwood.com. The MLRO holds sufficient seniority and independence to act on his own authority, has unrestricted access to all of the Company’s books, records, accounts and systems, and is empowered to hold, reject or return any receipt or payment pending resolution of a source-of-funds concern. The MLRO is the Company’s point of contact for the banking partner on all matters covered by this Policy.

Where the MLRO is unavailable, the shareholder will ensure that an appropriately briefed alternate discharges the MLRO’s functions so that no source-of-funds decision is left unattended.

2.2 Ownership and Senior Responsibility

Arrow Wood is wholly owned by its sole shareholder, Ok Rye You, who holds 100% of the Company and carries ultimate responsibility for the Company’s commitment to this Policy. Senior management sets a clear expectation that compliance takes precedence over commercial convenience, provides the resources the MLRO requires, and is informed promptly of any matter escalated under this Policy. Where this Policy calls for senior approval, that approval is given by the shareholder or by an officer to whom the shareholder has delegated the task in writing.

2.3 A Risk-Based Method

The Company applies its resources in proportion to risk. Receipts that are routine, modest and consistent with an established and understood commercial relationship attract standard verification; receipts that are large, unexpected, structurally complex, or connected to higher-risk persons or places attract closer and documented scrutiny. The MLRO calibrates these distinctions and records the rationale, so that the depth of verification applied to any receipt can be explained after the fact.

3. Establishing the Source of Funds

This section is the core of the Policy. It describes how Arrow Wood satisfies itself, and can satisfy its banking partner, that money reaching the Company is lawfully sourced before it is treated as proprietary.

3.1 Source of Funds Versus Source of Wealth

The Company distinguishes between the two questions it may need to answer. Source of funds concerns the specific origin of a particular sum reaching the Company — which account it came from, what activity generated it, and why it was paid. Source of wealth concerns the broader origin of a counterparty's overall financial standing. For most receipts, establishing source of funds is sufficient; where the size or character of a relationship warrants it, the Company also seeks to understand source of wealth, as described in the enhanced-scrutiny provisions below.

3.2 What the Company Establishes for Every Receipt

Before any inbound payment is treated as cleared proprietary funds, the Company seeks to establish, and to record:

- the identity of the remitter and, where the remitter differs from the underlying counterparty, the relationship between them;
- the originating account and institution, and confirmation that the payment came from an account in the remitter's own name rather than an unrelated or third-party account;
- the economic reason for the payment, and its consistency with the commercial arrangement the Company understands to exist;
- the jurisdiction from which the funds originate; and
- whether any feature of the receipt is inconsistent with the expected pattern, value or purpose of the relationship.

Where any of these cannot be established to the MLRO's satisfaction, the receipt is treated under the unsatisfied-provenance provisions in section 3.5.

3.3 Evidence the Company Will Seek

The corroborating evidence sought depends on the nature of the counterparty and the funds. Acceptable forms include, without limitation:

- for funds generated by trading or commercial activity: contracts, invoices, settlement statements, or platform/exchange records evidencing the underlying transaction;
- for corporate counterparties: certificate of incorporation, constitutional documents, registers of directors and shareholders, and identification of the ultimate beneficial owner;
- for funds derived from the sale of an asset or business: the relevant sale agreement or completion statement;
- for capital introduced by the shareholder: evidence of the shareholder's own source of wealth and bank records evidencing the transfer; and
- bank or payment-provider statements confirming the originating account and the flow of the specific sum in question.

A standard source-of-funds confirmation template is maintained internally and is completed and retained for receipts requiring documented verification.

3.4 Proportionate Verification Tiers

To keep verification proportionate, the Company operates graduated tiers based on the value and character of a receipt and the risk presented by the counterparty:

1. Standard verification applies to routine receipts from established, lower-risk counterparties whose payment pattern is understood. The originating account is confirmed and the receipt is checked for consistency with the known relationship.
2. Documented verification applies to receipts that are materially larger than the counterparty's established pattern, that come from a new counterparty, or that individually exceed the threshold the MLRO sets for documentary corroboration. Supporting evidence of origin under section 3.3 is obtained and retained before the funds are treated as cleared.

3. Enhanced verification applies to receipts connected to higher-risk persons, structures or jurisdictions, to unusually large or complex receipts, and to any receipt the MLRO designates. It requires source-of-wealth enquiry, independent corroboration, and MLRO sign-off recorded against the receipt.

The monetary thresholds that separate these tiers are set by the MLRO, reviewed periodically, and applied to single receipts and to linked receipts assessed in aggregate so that a relationship cannot be fragmented to stay below a tier.

3.5 Funds That Cannot Be Substantiated

Where the origin of a receipt cannot be satisfactorily established, the Company does not absorb the funds into its proprietary balances. The MLRO will hold the funds pending enquiry and, depending on the outcome, may return them to the originating account from which they came, decline the relationship, and consider whether the circumstances give rise to a reportable suspicion. Funds of demonstrably unlawful or sanctioned origin are frozen rather than returned, and are dealt with in accordance with the sanctions provisions below and applicable law. A record of the decision and its basis is retained in every case.

4. Knowing the Counterparty

4.1 Identification and Verification

Establishing source of funds is only meaningful if the Company also knows who it is dealing with. For each counterparty from which it expects to receive funds, the Company identifies and verifies the party using reliable, independent material — for an individual, a current government-issued photographic identity document together with evidence of residential address dated within the preceding three months; for a corporate counterparty, constitutional and registry documents together with identification of its controllers and beneficial owners. Documents must be legible, current and internally consistent.

4.2 Beneficial Ownership

Where a counterparty is a legal person or arrangement, the Company looks through the structure to identify each individual who ultimately owns or controls it, applying the recognised ownership-or-control test, and verifies the identity of those individuals. The Company will not rely on a counterparty whose ownership or control it cannot satisfactorily establish.

4.3 Enhanced Scrutiny

The Company applies enhanced scrutiny where a counterparty or receipt presents heightened risk — for example, a politically exposed person or their close associate, a connection to a higher-risk jurisdiction, an opaque ownership structure, adverse media, or a receipt that is large, unusual or unexplained. Enhanced scrutiny adds source-of-wealth enquiry, additional independent corroboration, closer ongoing review, and senior approval to continue the relationship. A politically exposed connection does not by itself bar a relationship, but no such relationship proceeds without the MLRO's documented approval.

5. Sanctions and Watchlist Screening

5.1 Screening at Receipt and on an Ongoing Basis

Every counterparty and, where information allows, every remitting party is screened against applicable sanctions measures (including those of the United Nations, the European Union, the United Kingdom and the United States Office of Foreign Assets Control), against politically-exposed-person data, and against adverse-media sources. Screening is performed before a relationship is established or a first receipt is cleared, and is repeated on a recurring basis so that subsequent designations are detected for the life of the relationship. Potential matches are reviewed against identifying data — full name and known variants, date of birth, nationality and place of residence — before being confirmed or discounted, and the basis for discounting a match is recorded.

5.2 Restricted and Prohibited Origins

The Company will not accept funds that originate from, or that are connected to persons or entities in, any jurisdiction subject to comprehensive sanctions, nor from any individual, entity or vessel that is itself the subject of an applicable sanctions designation. Receipts connected to higher-risk or weak-AML jurisdictions are permitted only under enhanced verification and with the MLRO's recorded approval. The Company keeps its understanding of restricted and prohibited origins current as designations change.

5.3 Acting on a Positive Match

A confirmed sanctions match is escalated to the MLRO and senior management immediately. The Company freezes the

funds and the relationship, makes no further payment connected to them, refrains from tipping off the party, and reports to the relevant authority and to its banking partner as required. Because the Company holds only proprietary funds, a freeze is applied to the affected balances on the same asset-freezing basis that any regulated holder would apply.

6. Ongoing Monitoring

6.1 Reviewing Flows Against Expectation

The Company monitors its inbound and outbound flows against the profile it holds for each relationship. Activity that departs from expectation — in value, frequency, velocity, origin or destination — is examined and, where it cannot be explained, escalated. Monitoring is both contemporaneous, at the point a receipt arrives, and retrospective, through periodic review of accumulated activity.

6.2 Indicators That Prompt Review

The following are treated as indicators warranting examination, without being an exhaustive list:

- a receipt from an account other than the counterparty's own, or routed through an unexplained intermediary;
- funds materially larger than, or inconsistent with, the established relationship;
- inbound funds swiftly followed by a request to move them onward, with little intervening economic purpose;
- structuring of receipts to remain below a verification tier;
- reluctance or inability to evidence the origin of funds; and
- any connection to a sanctioned or higher-risk person, entity or jurisdiction.

6.3 Reconciliation With the Banking Channel

The Company reconciles its internal records against statements provided by its banking partner and payment providers, so that every credit and debit on the banking channel corresponds to an identified counterparty, an established source of funds and a recorded economic purpose. Unmatched or unexplained entries are investigated promptly. This reconciliation is the mechanism by which the Company can, at any time, account to its banking partner for the provenance of money on the account.

7. Suspicion and Reporting

7.1 Internal Escalation

Any officer, employee or service provider who suspects, on any reasonable basis, that funds may derive from criminal conduct or be connected to terrorist financing must report the matter to the MLRO in writing without delay and without discussing it with the party concerned. No threshold of certainty is required: a suspicion is enough. The MLRO maintains a register of internal reports, recording the date received, the substance, the MLRO's assessment, the decision reached (including a decision not to report externally) and the date of that decision.

7.2 External Reporting

Where the MLRO concludes that a suspicion should be reported, the MLRO makes a timely disclosure to the competent authority through the prescribed channel, and notifies the banking partner to the extent required. Each external report is supported by a documented file recording the nature of the concern, the parties and accounts involved, the relevant dates and amounts, how the matter arose, the enquiries undertaken, the conclusion and the supporting evidence.

7.3 Confidentiality and Tipping-Off

Investigations are conducted with strict confidentiality. No person may disclose to a counterparty, or to anyone outside the handling of the matter, that a report has been made or that an investigation is contemplated or under way, where to do so might prejudice an investigation. The prohibition on tipping off is considered before any account or relationship is restricted on suspicion grounds.

8. Records

The Company keeps records sufficient to reconstruct each receipt and each source-of-funds decision. Records are held securely, backed up, and made available to the MLRO, senior management and, where appropriate, the banking partner and competent authorities. They include counterparty identification and verification material, beneficial-ownership findings, source-of-funds and source-of-wealth evidence, screening results and the basis for discounting matches, transaction and reconciliation records, internal and external suspicion reports, and the rationale for material decisions.

Records relating to a counterparty relationship are retained for at least five years following the end of that relationship, and records relating to a particular transaction for at least five years following the transaction. Where records relate to a matter under investigation or reported to an authority, they are retained until the authority confirms they are no longer required, and in any event for no less than five years.

9. Training and Awareness

Everyone acting for Arrow Wood receives training proportionate to their role so that they can recognise the signs of unlawful funds, understand their obligation to establish and document source of funds, and know how and to whom to escalate a concern. New personnel are trained promptly on appointment, and refresher training is provided at least annually and whenever a material change in risk, typology or applicable requirement warrants it. The MLRO arranges and records this training, and undertakes additional study to remain current. Training records are retained for at least five years.

10. Governance and Review of This Policy

The MLRO reviews this Policy at least once a year, and sooner where there is a material change in the Company's activity, ownership, counterparties, jurisdictions, banking arrangements or the applicable legal and regulatory framework, or where a weakness is identified. The review tests whether the controls still address the risks the Company faces and whether they are being applied in practice. Material changes are approved by the shareholder before they take effect, and the banking partner is informed of any change to the Company's licensing or regulatory standing — including any suspension, revocation, lapse or material condition — promptly upon it occurring. The outcome of each review is recorded and retained.

Signature: _____



Name: OK Rye You

Designation : Director

Date : 25 June 2026

Signature : _____



Name : David Bafton

Designation : MLRO

Date : 25 June 2026



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