

THE ELITE TURF CLUB N.V.

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Willemstad, Curacao

RISK ASSESMENT, CUSTOMER DUE DILIGENCE, & TRANSACTION MONITORING POLICY

1. Semi-Annual Background Investigation

In addition to the risk assessment directives, policies, and procedures set forth in Elite's Anti-Money Laundering Manual, it is Elite's practice to commission an independent investigatory firm to perform a background check on each Elite account holder once every six months. The background check includes, but is not limited to, the following: verification of address, residency, and social security number (or applicable foreign ID number); inspection of public records (i.e. criminal records, sanction lists, etc.); and verification of good standing regarding OFAC matters, US terrorism watch lists, and banking sanctions.

Along with the external investigation described above, Elite's management will complete an Account Holder Risk Assessment Form (attached hereto as Attachment #1) (1) for each new account holder prior to onboarding said account holder, and (2) for each existing account holder within three months of Elite's receipt of a background check that indicates a material change in said account holder's circumstances. In addition, each occurrence that triggers the completion of an Account Holder Risk Assessment Form shall automatically necessitate the completion of a Politically Exposed Person Questionnaire.

2. Transaction Monitoring

In addition to day-to-day transaction monitoring performed by Elite's employees (as set forth in the AML Manual and reinforced through Elite's AML Training Program), every month Elite's MLRO will receive from Elite's management: (1) a summary of all transactions in which Elite received funds from an account holder, and (2) a summary of all transactions in which Elite sent funds to an account holder. The MLRO will review these summaries in accordance with then-existing industry best practices for the purpose of uncovering any suspicious activity. Among the tools at Elite's disposal when conducting this review are the Transaction Risk Assessment Form and Risk Mapping Matrix (attached hereto as Attachment #2, and Attachment #3, respectively). Elite's Source of Funds Questionnaire will also be employed for transactions (either a single transaction or a series of related transactions) exceeding two hundred and fifty thousand dollars (\$250,000). In addition to the monthly review, random audits of account holder transactions may be initiated by the MLRO.

3. Determination of Ultimate Beneficial Owner(s)

Most of Elite's account holders are individuals/natural persons who are easily determined to be the ultimate beneficial owners of their respective wagering accounts. However, Elite does allow

legal entities to be account holders and, in such cases, employs the following policy to determine ultimate beneficial ownership:

At the time of opening an account for a legal entity, Elite's management will identify any individual that is a beneficial owner of the legal entity by identifying any individuals who directly or indirectly own 25% or more of the equity interests of the legal entity, and any individual with significant responsibility to control, manage, or direct the legal entity. The following information will be collected for each beneficial owner:

- (1) name;
- (2) date of birth (for an individual);
- (3) address; and
- (4) an identification number, which will be a Social Security number (for U.S. persons), or one or more of the following (for non-U.S. persons): a passport number and country of issuance, or other similar identification number, such as an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other similar safeguard.

ATTACHMENT #1

ACCOUNT HOLDER RISK ASSESSMENT FORM

The factors posed below should be considered when assessing the risk of the Account Holder. Please use the notes column to summarize observations/assessment of risks involved where the issue is applicable to the Account Holder being considered. **Not all questions will be relevant or applicable to all situations. Conversely, the questions outlined are non-exhaustive – there may be other pertinent risk factors which should be taken into account dependent upon the nature of the Account Holder being considered.**

ACCOUNT HOLDER RISK	NOTES
STATUS OF ACCOUNT HOLDER - Is your Account Holder known to you personally/existing Account Holder, or new business relationship? - Has your Account Holder been introduced to you by a 3rd Party? - Is the instruction from your Account Holder channelled through a 3rd party? If so, why? - Is your Account Holder a politically exposed person? - If your Account Holder is not a natural person but rather a legal entity, do you have full visibility and ID&V of beneficial owners and directors / controllers?	
FACE TO FACE CONTACT - Have you met with your Account Holder face to face or is it a non-face to face transaction? - If non-face to face, are you comfortable there is a legitimate reason for this?	
LOCATION OF ACCOUNT HOLDER - Where is your Account Holder based? - Are you aware of your Account Holder having any links to criminality? - Is your Account Holder based in a high-risk jurisdiction or resident in/links to a sanctioned country?	
ID & ADDRESS VERIFICATION - Has your Account Holder provided acceptable standard ID and address verification? - Has your Account Holder been cooperative in the process or have they delayed providing ID and address verification / appeared reluctant to do so?	
FINANCIAL PROFILE OF ACCOUNT HOLDER - Does the stated source of wealth / source of funds and the amount of money involved stack up with what you know of your Account Holder, for example given their wagering history, age and occupation? - Is your Account Holder involved in / run a high risk or high cash turnover business?	

ATTACHMENT #2

TRANSACTION RISK ASSESSMENT FORM

The factors posed below should be considered when assessing the risk of the transaction. Please use the notes column to summarize observations/assessment of risks involved where the issue is applicable to the transaction being considered. **Not all questions will be relevant or applicable to all situations. Conversely, the questions outlined are non-exhaustive – there may be other pertinent risk factors which should be taken into account dependent upon the nature of the transaction being considered.**

TRANSACTION RISK	NOTES
TRANSACTION TYPE • Could the type of transaction be used for the purposes of money laundering or is it at a higher risk of money laundering? • Does the transaction make sense or is it overly complex given the underlying nature of the business being conducted? • Does it make sense that your Account Holder has asked your organization to carry out this type of transaction? (e.g. is it within your area of expertise/local geographical area?)	
VALUE OF TRANSACTION • Does the value of the transaction appear to fall within the financial means of your Account Holder given their wagering history, income, and savings?	
SOURCE OF FUNDS • Is the source of funds clear and identifiable? • Are funds coming from a recognised financial/credit institution or are they personal funds? • Is any funding coming from overseas? Where from? Who from? Connection to Account Holder? • Are any of the funds being paid by a third party otherwise unconnected to the transaction? • Does your Account Holder seek to change the source of funds at the last minute? • Has your Account Holder paid excess funds into your Account Holder account? Why/How?	
DESTINATION OF FUNDS • Has your Account Holder requested that proceeds be paid to someone other than themselves? • Are proceeds to be paid to an overseas account?	

ATTACHMENT #3

RISK MAPPING MATRIX

LIKELIHOOD	IMPACT					
		Trivial (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
	Almost Certain (5)	Low Med	Medium	High	Very High	Very High
	Likely (4)	Low	Low Med	Med High	High	Very High
	Possible (3)	Low	Low Med	Medium	Med High	High
	Unlikely (2)	Low	Low Med	Low Med	Medium	Med High
	Rare (1)	Low	Low	Low Med	Medium	Medium
Impact Score x Likelihood Score = Risk Rating						

Each transaction identified as a potential risk by Elite’s MLRO and/or Elite’s management will be scored in accordance with the Risk Mapping Matrix above. Transactions with accompanying risks scoring “15” or above must undergo further investigation. Transactions scoring between “9” and “14” will undergo further investigation at the discretion of Elite’s MLRO/management. Transactions scoring below “9” will generally not be subject to further investigation.