

## PREVENTION OF MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM AND SANCTION COMPLIANCE-GROUP POLICY

Pecunio Blockchain Technologies FZE ("Pecunio") is committed to achieving the highest level of compliance with the UAE's laws, regulations and guidelines on Anti Money Laundering (AML) and Counter Financing of Terrorism (CFT) and those of all the jurisdictions in which Pecunio operates.

The requirements described in the AML Policy and Procedures are primarily derived from:

a) The 40 Recommendations issued by the Financial Action Task Force (FATF) established by countries of the Group of Seven (G7) as detailed in the Central Bank of the United Arab Emirates' (UAE Central Bank) Circular No. 24/2000 dated 14/11/2000 and subsequent amendments issued from time to time.

b) Federal Law No. (4) of 2002 regarding Criminalization of Money Laundering. Where those AML laws, regulations and guidelines set by local authorities differ from those detailed in the Group Policy, Pecunio overseas branches implement the higher standard or UAEs as appropriate. We also follow the recommendations made in the Wolfsburg Principles on AML.

In addition, we strive to apply the best practice rules and regulations of the DFSA rulebook - AML module. In connection with Article 72 of the Regulatory Law 2004, this module relates to regulatory requirements imposed by the DFSA, as opposed to requirements imposed by applicable criminal laws. That is, relevant provisions of the 'Federal Law No. 4 of 2002 - Criminalisation of Money Laundering of the U.A.E.' (U.A.E. Law No. 4) - see above, the 'Federal Law No. 1 of 2004' regarding anti-terrorism, the U.A.E. Penal Code and any other Federal Law of the U.A.E. as applicable in the DIFC in relation to anti money laundering compliance. The Rules of this module should therefore not be relied upon to interpret or determine the application of the money laundering laws of the U.A.E.

Pecunio has a Sanctions Compliance Unit which monitors sanctions issues and the programmes imposed by the UAE, UN, UK HMT, EU and USA. We are committed to complying with all relevant sanctions on every transaction we perform or relationship we maintain.

### CUSTOMER DUE DILIGENCE

Pecunio is committed to taking all reasonable efforts to ascertain the true identity of all customers using the company's services and the source of their funds. Pecunio Compliance is responsible for ensuring that Pecunio's policies and procedures comply with relevant laws and regulations in respect of Know Your Customer (KYC) and other client identification requirements. The line managers are responsible for ensuring that all staff have adequate guidance in respect of Pecunio's policies and procedures and relevant laws and regulations.

All staff must take reasonable care to examine any identification and other documents submitted to them to ensure that they are both original and genuine. All staff must take reasonable care to ensure that any photograph presented bears a good resemblance to the person presenting it and where it does not, supplementary documentation should be obtained.

Before Pecunio enters into a relationship with a platform user, the purpose and intended nature of the relationship should be established. The Pecunio Compliance is responsible for identifying PEPs using commercial databases.

Power of attorney holder are not permitted to open accounts on behalf of beneficial owners..

Any Pecunio platform user must have his identification verified at least to the standard required for an account holder. Pecunio's policy is that accounts will not be opened for clients without face-to-face contact taking place except with specific measures to ensure the authenticity and accuracy of the documents submitted.

Where accounts are opened by professional intermediaries or introducers, the responsible officer must ensure that the intermediary's policies and procedures comply with (or exceed) Pecunio's.

Senior Managers in the Company are responsible for ensuring that their client's on-boarding procedures comply with Pecunio's policies. The manager responsible for establishing any relationships for high risk accounts should refer to the MLRO officer for approval prior to the opening of the account.

The senior manager maintaining the relationship is responsible for carrying out ongoing customer due diligence on the client relationship and obtain updated information. For

example, valid passport, latest address, residence status, source of funds, etc. Whenever the accuracy of information available is doubted, further customer due diligence shall be undertaken.

Customers and counterparties are regularly screened against lists of terrorists and sanctioned names issued by the UN, US, EU and UAE by the Sanction Compliance Team through appropriate name filtering systems.

#### MONITORING AND IDENTIFICATION ON SUSPICIOUS TRANSACTIONS

Pecunio is committed to comply with the requirements set by the Regulator in the jurisdiction in which we operate. Management and staff must use all reasonable efforts to ascertain the expected nature of the client's activities and to monitor this against actual activity.

The MLRO Officer is responsible for the establishment of policies and procedures to ensure that the nature of a client's intended activities are recorded and the actual activities are monitored on an on-going base. The Management ensures that the company's records are sufficient to enable staff to identify unusual and suspicious activities. Pecunio is building a dedicated transaction monitoring system to generate alerts of potential suspicious activities for investigation.

#### MONITORING AND IDENTIFICATION OF BLACKLIST COMPLIANCE AND BREACHES

Due to the rapidly evolving importance of blockchain technology, governments all over the world are about develop their regulatory frameworks with regard to the legal aspects of BC tech. Pecunio has always been very aware and sensitive about different approaches and requirements. The company has therefore established a comprehensive Blacklist, which shall ensure that no residents or nationals of these respective countries, will have to opportunity to enter into a legal relationship with the company, and/or perform certain activities on the platform, especially participation in a public token offering (eg Countries like United States, China, Singapore, Austria, are explicitly blacklisted for public offerings of any service or products the Company might offer, or intends to offer in the future.).

The MLRO Officer is responsible for the establishment of policies and procedures to ensure that residents or nationals of blacklisted countries are prohibited, or if unintentionally registered, expelled and banned from the companies services with no delay.

#### REPORTING OF SUSPICIOUS TRANSACTIONS

Pecunio is committed to assisting the regulatory authorities in each jurisdiction in which Pecunio operates with their efforts to control money laundering and terrorist financing activity.

All staff is required to report any concerns on account activity or client transactions immediately to their supervisor or the relevant Money Laundering Reporting Officer (MLRO). For the avoidance of doubt, no manager may forbid a member of staff from raising a concern to the relevant Money Laundering Reporting Officer.

The Money Laundering Reporting Officer (MLRO) is responsible for the review and where deemed appropriate onward reporting of transactions to the relevant authority.

#### MAINTAINING RECORDS

It is Pecunio's policy to ensure that all client identification documentations, transaction vouchers and other details are maintained for a period of at least 5 years after the closure of the accounts, or last transaction in the case of non-account holders. This may be different for affiliates based in overseas jurisdictions which are subject to local regulatory requirements, like GDPR etc.

#### PAYMENT SCREENING

In order to ensure compliance with applicable international financial sanctions, Pecunio will strive to ensure full transparency on every financial transaction, to screen outgoing and incoming transactions for sanctioned entities or countries, and to review the status of customers from time to time.

#### SPECIFIC BUSINESS AND CUSTOMERS

Pecunio has established a number of minimum standards in relation to AML controls for high risk customers and businesses which are applicable to all relevant members of the company.

#### TRAINING

All staff in client facing or transactions processing areas receive training upon joining Pecunio or after transfer to the area/proportion the the position and on a regular basis thereafter. The Senior Managers in the company are responsible for ensuring such training is provided in coordination with Pecunio's HR function.

The Money Laundering Reporting Officer is responsible for ensuring that training materials and courses meet the required regulatory requirements in the relevant jurisdiction.