

Prevention of Money Laundering and Terrorist Financing Policy

Guiding Principles

The purpose of this Policy is to define the essential elements to be observed in the detection and prevention of the activities of money laundering, terrorist financing and proliferation of weapons of mass destruction at the level of internal regulation. This document was prepared in accordance with the provisions of the applicable legislation, namely Law 83/2017 of 18th August.

Scope

Money laundering is the process by which the perpetrators of some criminal activities conceal the origin of goods and income (benefits) illegally obtained, by transforming the liquidity derived from those activities into legally reusable capital, by dissimulation of the origin or the true owner of the funds. Money laundering is also the acquisition, possession or use of property with awareness, at the time of its receipt, of a criminal activity or of participation in such activity, as well as participation in such acts, association to practise such act, the attempt and complicity in its practice, as well as facilitating its execution or advising someone to practice it.

Regarding the Power Parity ("GoParity") activity, the prevention of money laundering and terrorist financing broadly corresponds to the observance of what is best in terms of Know Your Customer ("KYC"), follow-up and monitoring of transactions and compliance with other legal and regulatory duties on this matter.

This policy applies without exception to all GoParity employees.

Compliance Officer

The compliance officer is assigned to the duties resulting from article 16 of Law 83/2017, such as:

- a) Participate in the definition and preliminary opinion on policies, procedures, and controls to prevent money laundering and terrorist financing;
- b) Permanently monitor the adequacy, sufficiency and timeliness of policies and procedures and controls on the prevention of money laundering and terrorist financing by proposing the necessary updates;
- c) Participate in the definition, monitoring and evaluation of the internal training policy;
- f) To play the role of interlocutor of judicial, police and supervisory and audit authorities, namely by complying with the information obligation set forth in article 43 of Law 83/2017 and ensuring the compliance with other communication and collaboration obligations.

Identification and Due Diligence ("KYC")

The duty to require identification is in accordance with KYC's Know Your Customer practices and applies to all clients before the start of operations.

GoParity's clients are the developers (companies) seeking funding and the investors (individuals or companies) who provide this funding. Among these entities financial flows occur through the GoParity platform, so there is a set of information that needs to be obtained and validated to ensure compliance with the regulations in force regarding fraud, money laundering and terrorist financing.

GoParity assures, as an agent of Mangopay (electronic currency institution), the collection of information and documentation necessary to comply with KYC, according to the following levels:

Soft Validation: Transactions of less than € 2.500 for electronic currency portfolio loading and/or € 1.000 for accumulated withdrawals per legal year and per user (transfers between portfolios also count in this equation);

Regular Validation: Transactions of more than € 2.500 for electronic currency portfolio loading and/or € 1.000 for accumulated withdrawals per legal year and per user;

Hard Validation: Clients suspected of money laundering and / or terrorism and / or politically exposed persons.

| Validation Type | Type of User | Required Information | Required Documents |
|-----------------|----------------------|--|---|
| Soft | Natural person | E-mail First Name Last Name Country of residence Date of Birth Nationality | - |
| | Company/Organization | Corporate name E-mail Legal Representative First name Legal Representative Last name Legal Representative Date of Birth Legal Representative Nationality Legal Representative Country of residence | - |
| Regular | Natural person | Address Activity (transactions over 15k) Income interval (transactions over 15k) | Identity Card or Passport (out of SEPA area) |
| | Company/Organization | Headquarters address Legal Representative e-mail Legal Representative address | Identification number card of the Legal Person (NIPC) Company Bylaws Commercial Certificate (<3 months) Shareholders declaration (company) |
| Hard | Natural person | - | Proof of address (<12 months) |
| | Company/Organization | - | Bank details confirmation |

As a MangoPay agent, GoParity also contributes to a first level of control, namely by monitoring client behavior through the business and operations area and, if there are unusual situations detected in transactions, notifying the electronic money institution through the e-mail fraud@mangopay.com.

Suspicious behaviors:

- Individual portfolio loading higher than the global average
- Short period between the portfolio loading and the withdrawal request

Good Practices:

- By default the withdrawal is only allowed 48h after the portfolio loading
- Flag portfolio loadings higher than the global average
- Flag loadings made several times a day or week by the same user
- During the period of 19h to 8h and on weekends, no withdrawal request higher than €5.000 will be processed for users with pending KYC process.

Beneficial owners

When the client is a legal person or legal arrangement with no legal personality, GoParity must obtain satisfactory cognizance of the beneficial owners of the client and keep a written record of all actions intended to do so.

The following shall be considered as effective beneficiaries:

- The natural person or persons who ultimately own or control, directly or indirectly, a sufficient percentage of shares, or the voting or holding rights in a legal person;
- The natural person or persons exercising control by other means over that legal person;
- The natural person or persons holding the top management if, after all means have been exhausted, and if there is no reason for suspicion;

For the purpose of measuring the status of effective beneficiary, the following should be considered: (i) direct ownership of a natural person of holdings representing more than 25% of the share capital of the client; ii) indirect ownership of holdings representing more than 25% of the share capital of the client by a corporate entity that is under the control of one or more natural persons or several corporate entities that are under the control of the same person or persons (iii) other circumstances which may indicate control by other means.

People Politically Exposed

In the context of business relations or occasional transactions with clients, their representatives or effective beneficiaries who are politically exposed persons ("PEP") in addition to normal identification and due diligence procedures, GoParity:

- Detects the quality of PEP, acquired prior or subsequent to the establishment of the business relationship or to the occasional transaction;
- Assures the intervention of a top management element for approval (i) of the establishment of business relationships or the execution of occasional transactions; ii) the continuity of business relations in which the acquisition of the quality of PEP is subsequent to the establishment of the business relationship;
- Takes the necessary measures to know and prove the origin of assets and funds involved in business relations or occasional transactions;
- Continuously monitors and reinforces business relations, especially in order to identify operations that must be communicated.

To this end, PEPs are considered to be natural persons who held, or have performed at least for a period of one previous year, high political places or public offices, as well as close relatives and persons who are known to be close to them because of the relations of a corporate or commercial nature, namely:

Duty of Diligence

In addition to identifying clients, counterparts, representatives and effective beneficiaries, GoParity employees must:

- Take appropriate measures to understand the ownership and control structure of the client, where the latter is a legal person or a legal arrangement with no legal personality;
- Obtain information, when the client's risk profile or the characteristics of the transaction justify it, on the origin and destination of the funds moved in the context of a business relationship or in the conduct of an occasional transaction;

- Maintain a continuous monitoring of the business relationship to ensure that such transactions are consistent with the entity's knowledge of the client's activities and risk profile; and
- Keep the information elements obtained in the course of the business relationship updated

Duty of Communication

GoParity, through the Compliance Officer, must promptly inform the DCIAP and the UIF whenever it knows, suspects, or has sufficient reasons to suspect that certain funds or other assets, regardless of the amount or value involved, are derived from criminal activities or are related to the financing of terrorism.

Duty of Abstention

It is prohibited to carry out transactions when there is a suspicion that they are related to the practice of money laundering. In the event of such suspicion the Compliance Officer, after analysis and internal discussion, informs the DCIAP and the FIU, which can determine the suspension of the respective execution.

GoParity may carry out the operations for which it has exercised the duty of abstention in the following cases:

- (a) When it is not notified, within six working days of the abovementioned communication, of the decision of temporary suspension;
- (b) When it is notified, within the period referred to in the preceding paragraph, of the decision of the DCIAP not to determine temporary suspension, so that operations may be executed immediately.

Duty of Refusal

The persons responsible for the GoParity area of business must refuse to carry out an operation when the Client does not provide: i) the respective identification or identification of the person on whose behalf he/she is acting, in accordance with the Law; or (ii) their respective information on the effective beneficiary, ownership and control structure; the nature and purpose of the business relationship and the origin of the funds.

Whenever the above events occur, the Compliance Area must analyze the circumstances that determined it and, if it suspects that the situation may be related to the practice of a money laundering offense, it must make the communications provided for in the internal and external reporting obligation and consider ending the business relationship.

Duty of Conservation

The documents proving the identification and the fulfillment of the duty of diligence must be kept for a period of seven years after the identification has taken place or, in the case of business relations, after their expiry (e.g. closure of the account by the holder, date of execution of the last occasional transaction).

Originals, copies, references or any durable backups with the same evidence value, supporting documents and records of operations shall always be preserved in such a way as to enable the operation to be reconstituted for a period of at least seven years from its execution, even if, in the case of entering into a business relationship, the latter has already ended.

Duty of Examination

Those responsible for GoParity's business and compliance areas are obliged to examine with special attention any conduct, activity or operation whose characteristics make it particularly likely to be related to money laundering, in particular:

- The apparent inexistence of an economic objective or a lawful purpose associated with the conduct, activity or operation;
- The amounts, origin and destination of the funds moved;
- The nature, activity, operational pattern, economic and financial situation and profile of the stakeholders;
- Any other risk elements identified in the operation;

The result of this analysis must be in writing and kept for a minimum period of five years, being made available to auditors and supervisory and supervisory entities.

Duties of Collaboration

Through the Compliance Officer GoParity has the duty to provide the assistance requested by the judicial or supervisory authorities, in particular by providing all information and submitting all the documents requested by those entities.

Duty of non-disclosure

GoParity, through the members of its governing bodies, its employees and any other person providing services to GoParity, cannot disclose to the client or third parties that a criminal investigation is under way or that any information to the authorities, or any other information, whether internal or external, where the prevention, investigation and detection of money laundering depend on this.

Duty of Formation

GoParity shall take the necessary steps to ensure that relevant corporate bodies, relevant employees and collaborators whose functions are directly related to the prevention of money laundering are adequately aware of the obligations imposed by the laws and regulations in force.

Special Duties

GoParity ensures, for each project, the registration of the following information elements:

- a) Complete identification of investors and beneficiaries (promoters);
- b) Amounts invested, individualized by investor and by operation;
- c) Dates of execution of the investments, including dates of total or partial amortization;
- d) Complete identification of the persons who have fully or partially amortized the amounts invested whenever such operation is not carried out by the beneficiary;
- e) Amount of remuneration earned or of shareholdings or shared dividends and profits, individualized by investor.
- f) GoParity preserves the information elements referred to in the previous paragraphs, as well as the demonstrative support of them, for a period of 10 years.

Protection and processing of data

GoParity is authorized to carry out the processing of personal data necessary for the fulfillment of the prevention of money laundering duties, and such data may not be used subsequently for any other purposes.