

## THE CONCEPT OF PROTECTION AGAINST MONEY LAUNDERING

EFFECTIVE FROM 29.10.2020

### **1. Concept of protection against money laundering and terrorist financing in Payout a.s. (hereinafter referred to as the "Concept")**

**1.1** Following the relevant provisions of Act No. 297/2008, Act No. 492/2009 Coll. No. 492/2009 on payment services and on amendment and supplementation of certain acts, as amended (hereinafter referred to as "**Act No. 492/2009**"), the Methodological Guideline of the Financial Market Supervision Unit of the National Bank of Slovakia No. 4/2019 of 13 May 2019 on the protection of a payment institution, an electronic money institution, a payment services agent, a branch of a foreign payment institution and a branch of a foreign electronic money institution against the legalization of proceeds of crime and against the financing of terrorism (hereinafter referred to as "**Guideline No. 492/2009**"), the Methodological Guideline No. 492/2009 of the National Bank of Slovakia **No. 4/2019**) and the Opinion of the Financial Market Supervision Unit of the National Bank of Slovakia of 10 December 2018 No. 1/2018 on the identification and verification of a client - a natural person, without his/her physical presence, by means of technical means and procedures pursuant to the Act on the Protection against the Legalization of Proceeds from Crime and the Financing of Terrorism (hereinafter referred to as the "**Opinion No. 1/2018**"), the statutory body of **Payout a.s.**, having its registered office at Juraja Závodského 97/106, 010 04 Žilina, ID No.: 50 487 787, a company registered in the Commercial Register of the District Court of Žilina, Section: Sa, Insert No. 11032/L (hereinafter referred to as the "**Company**"), approves the following concept. In the implementation of the concept, the Company respects the applicable laws, recognised international standards, including those applicable within the European Union in the area of protection against the laundering of proceeds of crime (hereinafter also referred to as "**laundering**") and the financing of terrorism.

**1.2** The Company's primary objective is to prevent the Company and its business activities from being misused in the provision of payment services to clients and in the performance of their duties by the Company's employees in terms of money laundering and terrorist financing. The Company shall systematically and continuously ensure the effective performance of activities aimed at the prevention and detection of money laundering and terrorist financing.

The Company shall prevent the misuse of its activities for the laundering of proceeds of crime and the promotion or financing of terrorism by determining the manner in which all tasks and activities are carried out and by complying with the relevant laws, in particular by fully identifying and verifying the identification and analysis of customers and payment transactions that are unusual and where there is a risk of laundering the proceeds of crime, by actively cooperating with other entities and organisations in carrying out the aforementioned activities, and so on. Full implementation of the "KYC" ("Know Your Customer") principle is part of the Company's processes and operating system.

**1.3** The implementation of the concept is ensured by its reflection in the Company's organizational structure, in the Program and in the procedures of the Company's employees towards clients. Prevention of money laundering and financing of terrorism in the Company's conditions is the duty of each employee of the Company, taking into account his/her job classification and performance of work tasks.

The Company's protection concept includes a set of internal regulations that are enforced and implemented on a permanent basis by members of the statutory body, the Company's Director, senior employees and employees who execute and review payment transactions in the Company. All employees are immediately upon joining the Company, and also annually thereafter, regularly trained on the application of the rules aimed at protecting against money

laundering of proceeds of crime and financing of terrorism, detecting, identifying and preventing the execution of unusual business transaction and preventing the violation of applicable and effective laws and regulations. This training shall be carried out by the AML Officer or his/her delegate.

The Company shall implement AML protection through the following activities:

- Monitoring;
- regular training;
- regular inspections;
- strict application of the legislation;
- its own internal strategy for the protection against money laundering and the protection against the financing of terrorism;
- individual approach to clients,
- preventive measures;
- control activities;
- evaluation of control processes and their results;
- updating internal guidelines and control processes for AML compliance.

**1.4** The Company's statutory body is responsible for the overall protection of the Company against money laundering and terrorist financing. In particular, the Company's Articles of Association, adopted in accordance with Law 492/2009, define the Company's organisational structure and the allocation of powers and responsibilities of persons and departments, including in the area of AML/CFT protection. An internal directive approved by the Company's statutory body designates the person responsible for the protection against money laundering and terrorist financing ("Designated Person") and his/her deputy. The Designated Person shall report directly to the Company's statutory body. The representative of the Designated Person shall ensure the full representativeness of the Designated Person in the Company. The Designated Person and the Deputy Designated Person shall be appointed and removed by the statutory body after prior consultation with the Supervisory Board.

**1.5** The Company shall ensure the conditions for separation of the activities of the Designated Person and his/her representative from the departments ensuring the performance of business activities (financial operations) for clients and from the employee responsible for internal control in the organisational structure, while maintaining the subsequent control of their activities by the employee responsible for internal control.

**1.6** The Company's programme is based on generally applicable laws and takes into account the provisions of the Company's Articles of Association and the Company's concept of protection against money laundering and terrorist financing. The programme is developed as an internal directive and is updated periodically, in the event of changes in the Company's objects of activity, prior to the commencement of the provision of new products and services by the Company, upon changes in the generally binding legislation, or in the event of an identified need, but at least once a year.

**1.7** As part of the risk assessment and management system, the Company assesses the risk in relation to clients, which it ensures by careful and responsible assessment of clients and payment transactions by the relevant employees. As part of the client assessment and monitoring of the business relationship, the Company carefully identifies the client and analyses the riskiness of the client with whom the Company enters into a contractual relationship. The analysis of upcoming or executed business operations includes the assessment of possible unusualness of business operations by the relevant employees or the definition of procedures when an unusual business operation is detected.

**1.8** The effectiveness of the training of the Company's authorised employees and their proper familiarisation with the obligations and powers in the field of combating money laundering and combating the financing of terrorism is crucial for the success of the implementation of the Company's continuous process of protection against money laundering and the financing of terrorism. The Company shall make the Program available to authorized employees on a continuous basis.