

**DECISION OF THE EXECUTIVE DIRECTOR
VENTURE CLUB INVEST S.R.O., A VENTURE CAPITAL ENTITY**

a company incorporated and existing under the laws of the Czech Republic, with its registered office at Konviktská 291/24, Staré Město, 110 00 Prague 1, Czech Republic, Identification Number 065 03 829, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. C 283286 (hereinafter referred to as the "**Company**").

MUDr. Petr Šedivý, born on October 7, 1965, residing at Kejhova 2804/1, Stodůlky, 155 00 Prague 5 (hereinafter referred to as the "Executive Director"), as the executive director of the Company,

ADOPTS THE FOLLOWING DECISION:

approves the wording of Internal Regulation No. AML 1 entitled System of Internal AML Principles and Procedures, the wording of which forms Annex No. 1 to this decision of the executive director.

In Prague, on 28 May 2025

MUDr. Petr Šedivý
Executive Director

Annex No. 1: System of Internal AML Principles and Procedures

ANNEX 1
SYSTEM OF INTERNAL AML PRINCIPLES AND PROCEDURES

**SYSTEM OF INTERNAL PRINCIPLES, PROCEDURES, AND CONTROL MEASURES FOR
FULFILLING THE OBLIGATIONS SET BY ACT NO. 253/2008 COLL.**

Obligated Entity Name:	Venture Club Invest s.r.o., a venture capital entity
IČO:	065 03 829
Registered Office:	Konviktská 291/24, Staré Město, 110 00 Praha 1
Type of Obligated Entity:	§ 2 para. 1 letter b) para. 4 – legal entity that manages assets in a manner comparable to asset management

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1. LIST OF ABBREVIATIONS

AMLO	designated employee of the Fund responsible for AML within the Fund. Contact: petr.sedivy@ventureclub.cz. AMLO is the contact person pursuant to § 22 of the AML Act. The deputy of AMLO is also considered AMLO.
AML zákon	Act No. 253/2008 Coll., on Certain Measures against Money Laundering and Terrorist Financing, as amended.
AML Decree	Decree No. 67/2018 Coll., on Certain Requirements for the System of Internal Principles, Procedures, and Control Measures against Money Laundering and Terrorist Financing.
AML/CFT Prevention	Measures in the area of preventing money laundering and terrorist financing (Anti-Money Laundering / Countering the Financing of Terrorism).
ML/FT	Money Laundering / Financing of Terrorism.
ČNB	Czech National Bank.
ESM	Register of Beneficial Owners, an information system of public administration maintained electronically by the competent courts, established by the Act on the Register of Beneficial Owners (ZESM).
EU	European Union.
FAÚ	Financial Analytical Office.
OJK	Person acting with the Client on behalf of the Fund as the Obligated Entity.
OPO	Suspicious Transaction Report.
PEP	Politically Exposed Person.
Sankční zákon	Act No. 69/2006 Coll., on the Implementation of International Sanctions, as amended.
SVZ	System of Internal Principles, Procedures, and Control Measures for Fulfilling the Obligations under the AML Act.
ZESM	Act No. 37/2021 Coll., on the Register of Beneficial Owners.

2. DEFINITIONS

Terrorist Financing	<p>The collection or provision of funds or other property with the knowledge that it will, even if only partially, be used to commit the criminal offence of terrorism, terrorist attack, participation in a terrorist group, support and promotion of terrorism, the criminal offence of threatening by a terrorist act, or any offence that enables or assists the commission of such an offence, or to support a person or group of persons preparing to commit such an offence.</p> <p>Conduct aimed at rewarding or compensating the perpetrator of the criminal offence of terrorism, terrorist attack, participation in a terrorist group, support and promotion of terrorism, the criminal offence of threatening by a terrorist act, or another related offence, or a close person within the meaning of the Criminal Code, or collecting funds for such reward or compensation.</p> <p>For the purposes of the AML Act, terrorist financing also includes the financing of the proliferation of weapons of mass destruction, which means collecting or providing funds or other property with the knowledge that it will, even if only partially, be used by a proliferator of weapons of mass destruction or used to support their proliferation in violation of international law.</p> <p>It is irrelevant whether the above conduct occurred or is to occur wholly or partly within the territory of the Czech Republic or abroad.</p>
Fond	<p>The company Venture Club Invest s.r.o., a venture capital entity, with its registered office at Konviktská 291/24, Staré Město, 110 00 Prague 1, IČO: 065 03 829, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. C 283286.</p>

Money Laundering	<p>Conduct intended to conceal the unlawful origin of any economic benefit derived from criminal activity in order to create the appearance that such property benefit has been lawfully acquired. Such conduct consists in particular of:</p> <ul style="list-style-type: none"> • conversion or transfer of property, knowing that it originates from criminal activity, for the purpose of concealing or disguising its origin, or to assist a person participating in such activity to evade the legal consequences of their conduct, • concealment or disguise of the true nature, source, location, movement, or disposition of property, or change of rights related to the property, knowing that the property originates from criminal activity, • acquisition, possession, use of, or dealing with property, knowing that it originates from criminal activity, • criminal conspiracy of persons or other forms of cooperation for the purpose of engaging in the above conduct. <p>It is irrelevant whether the above conduct occurred or is to occur wholly or partly within the territory of the Czech Republic or abroad.</p>
Methodical Guidance	Methodical Guidance No. 3 of the Financial Analytical Office dated 31 May 2021.
Opaque Ownership Structure	<p>A situation where the beneficial owner or ownership and management structure of a Client cannot be determined from:</p> <ul style="list-style-type: none"> (a) the public register, the register of trusts, or the register of beneficial ownership maintained by a Czech public authority, (b) a similar register or record of another state, or (c) another source or combination of sources reasonably considered reliable by the Obligated Entity, and reasonably believed to provide complete and up-to-date information on the beneficial owner and ownership and management structure of the Client, especially if issued by a public authority or officially verified.
Transaction	<p>Any act performed by the Obligated Entity in this capacity with another person, if such act concerns the handling of that person's assets or the provision of services to that person. The Obligated Entity provides asset management services in a manner comparable to portfolio management. If a transaction is divided into several related parts, the value of the transaction is the total of those parts.</p>

Business Relationship	A contractual relationship between the Obligated Entity in this capacity and another person, the purpose of which is the handling of that person's assets or the provision of services to that person, where at the time of establishing the contractual relationship, considering all circumstances, it is evident that it will be ongoing or involve repeated transactions.
Suspicious Transaction	A transaction carried out under circumstances raising suspicion of an attempt at money laundering, suspicion that the funds used in the transaction are intended for terrorist financing, or that the transaction is otherwise connected or associated with terrorist financing, or any other fact that may indicate such suspicion.
Politicky exponovaná osoba	<p>(a) A natural person who holds or has held a prominent public function of national or regional importance, such as head of state, prime minister, head of a central government authority or their deputy (deputy minister, state secretary), member of parliament, member of the governing body of a political party, senior representative of local government, judge of the supreme court, constitutional court or other highest judicial authority whose decisions are not generally subject to further appeal (except in exceptional cases), member of the board of a central bank, senior officer of the armed forces or corps, member or representative (if a legal entity) of the statutory body of a state-owned enterprise, ambassador or head of diplomatic mission, or a person holding a similar function in another state, in an EU body or an international organization.</p> <p>(b) A natural person who is</p> <ul style="list-style-type: none"> (i) a close relative of a person listed in point (a), (ii) a partner or beneficial owner of the same legal entity or trust as the person listed in (a), or known by the Obligated Entity to be in any other close business relationship with the person listed in (a), (iii) the beneficial owner of a legal entity or trust known by the Obligated Entity to have been established for the benefit of the person listed in (a).
Obligated Entity	The Fund acting as an obliged entity pursuant to § 2 of the AML Act, i.e., a private alternative fund registered in the list of entities conducting asset management comparable to portfolio management pursuant to § 596(e) in connection with § 15 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended.
Identity Document	A document issued by a public authority containing the name, surname, date of birth, and showing likeness, and possibly other information enabling identification of the person presenting the document as its rightful holder.

High-Risk Country	A country considered high-risk in terms of money laundering, terrorist financing, or proliferation of weapons of mass destruction. The list of such countries is set out in Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and Council with regard to the identification of high-risk third countries with strategic deficiencies, as amended. Reference is also made to the list of high-risk and other monitored jurisdictions by the Financial Action Task Force (FATF). Updated lists are available on the website of the Financial Analytical Office: https://www.financnianalytickyrad.cz/mezinarodni-sankce/archi-seznamu-sankce-a-rizikove-zeme.html .
Risk-Based Approach (RBA)	An approach to implementing AML/CFT measures that allows the Obligated Entity to allocate resources (human and financial) appropriately while effectively managing ML/TF risks. Effective RBA is based on carefully conducted risk assessment (identification, understanding, and evaluation). This enables the Obligated Entity to implement risk mitigation measures proportionate to the risks.
Sanctioned Person	A person subject to international sanctions applied by the Czech Republic under the International Sanctions Act.
Beneficial Owner	<p>A natural person (or several persons) who has the factual or legal ability to exercise decisive influence directly or indirectly in a legal entity or trust. A beneficial owner is deemed to be:</p> <p>(a) For a business corporation, the natural person:</p> <ul style="list-style-type: none"> (i) who alone or together with others acting in concert holds more than 25% of the voting rights in the corporation or owns more than 25% of its registered capital, (ii) who alone or together with others acting in concert controls the entity mentioned in point 1, (iii) who is to receive at least 25% of the profits of the corporation, or (iv) who is a member of the statutory body, a representative of a legal entity in that body, or in a similar position, if the beneficial owner cannot otherwise be determined under points 1–3. <p>(b) For an association, public benefit company, homeowners' association, church, religious society, or other legal entity under the law regulating churches and religious societies, the natural person:</p> <ul style="list-style-type: none"> (i) who holds more than 25% of its voting rights,

	<ul style="list-style-type: none"> (ii) who is to receive at least 25% of its distributed funds, or (iii) who is a member of the statutory body, a representative of a legal entity in that body, or in a similar position, if the beneficial owner cannot otherwise be determined under point 1 or 2. <p>(c) For a foundation, institute, endowment fund, or trust, the natural person or beneficial owner of a natural person who is in the position of:</p> <ul style="list-style-type: none"> (i) founder, (ii) trustee, (iii) beneficiary, (iv) person in whose interest the entity was established or operates, if no beneficiary is designated, and (v) person authorized to supervise the administration of the entity.
Trust	A trust or a structure similar in nature or function governed by the law of another state.
Third Country	A state that is not a member state of the European Union or a state that is part of the European Economic Area.
Country of Origin	<p>For a Client who is a natural person: each state of which the person is a national, and all other states where the person is registered for residence longer than 1 year or for permanent residence, if known to the Obligated Entity.</p> <p>For a Client who is a legal entity that is also an obliged entity under § 2 of the AML Act: the state where it has its registered office.</p> <p>For a Client who is a legal entity that is not an obliged entity under § 2 of the AML Act: the state where it has its registered office, and all other states where it has a branch.</p>

3. CLIENT IDENTIFICATION

3.1 “Know Your Customer” Principle

- (a) Application of the “Know Your Customer” principle (KYC), i.e., performing Client identification, is a fundamental rule for detecting Suspicious Transactions and thus for effectively preventing Money Laundering and Terrorist Financing. This knowledge is based on ongoing monitoring of Transactions with emphasis on the frequency and extent of certain deviations from the Client’s usual trading pattern. For this purpose, the Fund will set internal system controls.
- (b) The primary responsibility always lies with the persons who come into personal contact with the Client, i.e., with the Persons Acting with the Client (OJK). Those who complete with the Client

investment agreements or agreements of a similar nature that involve handling the Client's assets, and therefore effectively arrange a Transaction with the Client in person, are obliged under the AML Act to identify the Client and are therefore responsible for obtaining all identification data of the given Client.

- (c) Identification is carried out before or at the time of concluding the Transaction (i.e., before concluding an investment or other agreement of a similar nature involving handling the Client's assets). The Client is obliged to provide the OJK with the information necessary to perform identification, including presenting the relevant documents. The OJK may make copies or extracts of the documents presented and process the information thus obtained to fulfil the purpose of the AML Act. Making and storing copies of personal documents requires the Client's consent.

3.2 When Client Identification is Performed

- (a) The first identification of a Client who is
 - (i) a natural person is carried out by the OJK with the physical presence of the identified person,
 - (ii) a legal person or a trust, is carried out by the OJK with the physical presence of the natural person acting for the Client.
- (b) The OJK carries out Client identification no later than when it is clear that the value of the Transaction will exceed EUR 15,000 (fifteen thousand euros).
- (c) Regardless of the limit in Article 3.2(b), the OJK must always identify the Client if it is:
 - (i) a Suspicious Transaction,
 - (ii) the establishment of a Business Relationship.

If a Transaction is divided into several separate performances that are related, the value of the Transaction is the sum of those performances. Clearly related performances must therefore be aggregated and considered a single Transaction.

3.3 Method of Performing Client Identification

- (a) OJK will identify the Client by asking the Client to present an Identity Card.
- (b) If OJK finds out that the Client is a PEP or is on the list of sanctioned entities, it shall immediately inform AMLO.
- (c) OJK will maintain confidentiality about its findings (including the Client itself), with the exception of AMLO.

3.4 Identification data collection

- (a) OJK as part of the identification of the Client, who is:
 - (i) **Natural person who is not an entrepreneur:** finds out all names and surnames, birth

number, and if not assigned, date of birth, place of birth, gender, permanent or other residence and citizenship. The OJK records and verifies the data from the Identity Card, records the type and number of the Identity Card, the country or authority that issued it and its validity period. At the same time, the OJK verifies the conformity of the image with the depiction in the Identity Card,

- (ii) **Entrepreneur natural person:** finds out all names and surnames, personal identification number, and if it has not been assigned, date of birth, place of birth, gender, permanent or other residence and citizenship. The OJK records and verifies the data from the Identity Card, then records the type and number of the Identity Card, the country or authority that issued it, its validity period and the correspondence of its appearance with the image in the Identity Card. It is also necessary to record the name of the business name, a distinguishing appendix or other designation, the place of business and the identification number of the person,
- (iii) **Legal entity:** identifies the business name or name, including a distinctive supplement or other designation, registered office, identification number of a person or similar number assigned abroad. These identification data will be recorded and verified by OJK from a document on the existence of a legal entity, which is a valid extract from the Commercial Register or other business register that is not older than 3 months. If the Client is a legal entity registered in the Czech Commercial Register, OKJ may either verify the copy of the extract from the Commercial Register submitted by the Client on the [www.justice.cz portal](http://www.justice.cz) , or download the relevant data directly from this electronic register as part of the Client's identification or check the data provided by the Client orally or in a written communication. In the case of a foreign legal entity, a valid extract from the Business Register must be submitted to OJK in the original or a copy certified by an authorized authority, unless it is publicly available in a similarly certified form as the currently extracts from the Commercial Register in the Czech Republic. The OJK will also identify natural persons who have been identified on behalf of this legal entity

act in the given Trade (or Business Relationship) within the scope of this Article 3.3(c) para. 3.4point (a) (a) In the case of natural persons who are members of the statutory body of this legal entity, but do not act within the framework of the Trade (or Business Relationship) in question, data are collected and recorded to establish and verify their identity. These data are those that can be ascertained from available sources, typically from the Commercial Register, i.e. in particular name, surname, date of birth and address,

Trust fund or other legal arrangement without legal personality: ascertains its designation and identification data of its administrator, manager or person in a similar position to the extent specified above in this Article 3.3(c) depending on whether they are natural or legal persons. The OJK shall also identify natural persons acting on behalf of a trust fund or other legal arrangement without legal personality in the given Trade (or Business Relationship) within the scope of this Article 3.3(c) (1) of the Agreement. 3.4

(b) Finding individual data

- (i) **Birth number** – OJK will find out and record in the AML questionnaire the mandatory birth number of citizens of the Czech Republic, foreigners with a residence permit in the Czech Republic, asylum seekers and other persons to whom a birth number is assigned

pursuant to Section 16 of Act No. 133/2000 Coll., on the Population Register, as amended;

- (ii) **date of birth** – if a birth number is not assigned, the OJK will find out the date of birth;
 - (iii) **permanent or other residence** – an indication of the relevant residence so that it is sufficiently traceable and existent, while it should be verifiable in the relevant documents. This usually means the house number, street, municipality and state. If a person uses multiple addresses, it is advisable to record all of them.
- (c) The identity of the Client will be verified by OJK only on the basis of the Identity Cards listed below:
- (i) identity card, passport, residence permit card for a foreigner, driver's license, firearms license,
 - (ii) These types of Identity Cards may only be accepted if they meet the following requirements:
 - it is a valid and state-issued document,
 - it is not a certificate damaged beyond the usual level of wear and tear (e.g. missing sheets, glued, overwritten, illegible, etc.),
 - the image of the holder on the licence must correspond to the actual image of the holder and must be so clear or undamaged that the image can be used to identify the holder with a sufficient degree of probability,
 - it is a document from which it is possible to clearly determine which authority issued it to which state;
 - It is a document that, for whatever reason, does not raise doubts about its authenticity.
- (d) Some identifying data (e.g. gender, address of residence) may not be included in each Identity Card. If some of the required data is not clear in the Identity Card, OJK will contact AMLO and
- (i) AMLO will decide whether the Client's statement will suffice or whether it will require a different type of document;
 - (ii) AMLO will take into account the type of Trade, the volume of the Trade and the type of Client.
- (e) The OJK may make copies or extracts from the submitted documents and process the information obtained in this way for the purposes of the AML Act. Making copies of personal documents is only possible with the consent of their holder.

3.5 PEP Detection

- (a) As part of the identification, the OJK determines whether the person who wants to conclude a Deal (Business Relationship) is/is not a PEP. In this way, it is necessary to verify the Client, persons who are authorized to act on behalf of the Client, or even the Beneficial Owner, if the

Beneficial Owner is identified.

- (b) Whether a PEP Client can be determined:
 - (i) using one of the systems for checking and searching for "risky" Clients, which are based on public resources and which are provided as a paid service by some specialized business entities,
 - (ii) active search activities, e.g. searching open sources and other information (media, internet, personal knowledge, possibly also relevant information from other institutions);
 - (iii) by the Client's statement at the time of identification at the beginning of the Trade (or Business Relationship); at the same time, it is appropriate to oblige the Client to notify any change if it occurs during the duration of the Business Relationship.
- (c) The OJK will verify whether it is a PEP on websites in search engines into which the Client's name is entered – e.g. www.google.com, www.seznam.cz.
- (d) In the case of ambassadors of the Czech Republic and other employees at embassies, OJK will use www.mzv.cz.
- (e) In case of doubt, OJK turns to AMLO.
- (f) If it is found that it is a PEP, it is necessary, in addition to identification, to also check the Client.
- (g) In the event that a PEP person is identified, the OJK will report the fact to AMLO, which will ensure the submission of the proposal for mediation of the Transaction to the statutory body of the Fund and subsequently ensure approval of the conclusion.
- (h) OJK may never mediate a Transaction where the Client is a PEP person without the consent of the Fund's statutory body.
- (i) The above shall apply for 12 months from the date on which the PEP ceased to perform the relevant function, but always until the OJK or AMLO, on the basis of a risk assessment, excludes a risk specific to the PEP for this Client. For the same period, the same restriction shall also apply to a Client whose beneficial owner is PEP or who is known to act in favour of PEP.

3.6 Identifying persons and entities subject to international sanctions

- (a) As part of the identification, it is always necessary to verify whether the person with whom the Trade (or Business Relationship) is to be concluded is not on the list of sanctioned entities. In this way, it is necessary to verify the Client, persons who are authorized to act on behalf of the Client, in the case of the Client – legal entities and all persons who are members of the statutory body, all Beneficial Owners, if identified, and all persons identified on the basis of information obtained by ascertaining the Client's management and ownership structure.
- (b) The OJK verifies whether the Client is not on the list of sanctioned entities.
- (c) If there is a suspicion that this is a person who is on the list of sanctioned entities, the OJK will notify AMLO of this fact.

- (d) Overview of sanctioned entities according to individual applicable sanctioning regulations and lists of sanctioned entities:
- Government Regulation No. 210/2008 Coll., on the implementation of special measures to combat terrorism, as amended,
 - A continuously updated list of all entities sanctioned under directly effective EU legal acts is published at <https://www.sanctionsmap.eu/#/main>.
- (e) Verification in the list of sanctioned entities must be carried out before the conclusion of the Trade (or Business Relationship).
- (f) In the event that a person is found to be consistent with the list of sanctioned entities, the Trade (or Business Relationship) may not be concluded. OJK immediately informs AMLO, which immediately files the OPO.

3.7 Identification of the Client represented by a power of attorney

The identification of the proxy is carried out as well as the identification of a natural person, the submission of the original or a certified copy of the power of attorney with the officially certified signature of the principal is required. The representative shall provide the identification data of the principal.

3.8 Identification of the Client represented by the legal representative

The identification of the legal representative is carried out as well as the identification of a natural person. The legal representative shall provide the identification data of the principal.

3.9 Identification of the Client represented by the guardian

The identification of both the Client and the guardian is carried out as well as the identification of a natural person, see A. The Guardian shall provide a valid judgment on the basis of which he or she was appointed as the Client's guardian.

3.10 Establishing the identity of the beneficial owner

- (a) Obtaining information about the ownership structure and identifying the Beneficial Owner, if the Client is a legal entity, trust fund or other legal arrangement without legal personality, is necessary to assess the Client in terms of the possible risk of Money Laundering or Terrorist Financing
- (b) When checking the Client – legal entity, it is necessary to find out information about the Beneficial Owner as follows:
- (i) if the Beneficial Owner is a statutory body or a member of the Client's statutory body, or a member of the statutory body of a legal entity that is a member of the Client's statutory body or controlling person in relation to the Client, it is necessary to obtain identification data, and these persons do not need to be identified personally, unless they are also acting persons in the given Trade (or Business Relationship),
 - (ii) if the Beneficial Owner is not in office according to the above letter b. a) there is no

obligation to find out all the identification data, but the scope of the identification data is ascertained that allows a specific natural person to be identified with the appropriate degree of certainty. The minimum identification data is to find out the name, surname, date of birth, address, country of origin of the Beneficial Owner and a description of his relationship to the Client.

- (c) As part of the Client's inspection, OJK is obliged to establish the identity of the Beneficial Owner and to take measures to verify his/her identity from trusted sources. When determining the Beneficial Owner, the OJK is obliged to comply with the rules set out in the Methodological Instruction.
- (d) When determining the Beneficial Owner of the OJK, the ESM uses the <https://esm.justice.cz/ias/issm/rejstrik> available at the Internet address, in which it searches for the person or persons who have been registered in the ESM as the Beneficial Owner by ID number or by the name of the Client. In the event that the Client is a foreign person, OJK relies on an up-to-date electronic extract from the foreign register of Beneficial Owners submitted by the Client, provided that this extract is provided with an element (e.g. a qualified electronic seal of the authority maintaining this foreign register of Beneficial Owners) that proves the origin of the data from the public authority as well as their integrity. The ESM data is a basic reliable source for OJK, and it can also use outputs from other public registers (e.g. the Commercial Register - <https://or.justice.cz/ias/ui/rejstrik>) for the purpose of determining the Beneficial Owner.
- (e) Furthermore, with the exception of data from the ESM or a similar register, the OJK is obliged to verify the Beneficial Owner from at least one other reliable source, and in this respect it may use its authorisation within the meaning of Section 9 (1) of the Act. 7 of the AML Act, according to which the Client is obliged to provide the necessary information to identify the Beneficial Owner, including the submission of relevant documents, at the request of the OJK. An additional source to the outputs from the register or the submitted documentation may be, for example, the affidavit of the Client, the application of which as the only supplementary source is only possible for low- and medium-risk Clients in situations where there is no reason to doubt the correctness of the data entered in the ESM. In the case of high-risk Clients or in a situation where there is reason to doubt the accuracy of the data entered in the ESM, OJK will also request from the Client other documents proving the status of its Beneficial Owner, such as:
 - (i) an extract from a public register or from a foreign register similar to a public register or the ESM;
 - (ii) legal acts of incorporation (memorandum of association, articles of association),
 - (iii) accounting records, bank account statements,
 - (iv) list of partners/shareholders,
 - (v) a decision of a body of a legal entity on the payment of a share in the benefit,
 - (vi) Concerted action: Declaration of the shareholders on concerted action, agreement on the exercise of voting rights, report on relations or annual report,
 - (vii) a decision of several shareholders or a body of a legal entity to amend the memorandum of association,

- (viii) a decision of the sole shareholder within the competence of the general meeting,
 - (ix) a statement of the Client or the Beneficial Owner on its status (only if it cannot be proven otherwise).
- (f) OJK will carry out its own investigation in relation to the determination of the person of the Beneficial Owner, usually in cases where:
- (i) the legal conditions for the performance of enhanced identification and control are met, when the OJK has a legal authority in accordance with the provision of Section 9a (1) of the Act. 3 lit. a) AML Act the obligation to obtain additional information or documents about the Beneficial Owner,
 - (ii) The client is not subject to registration in the ESM or its foreign equivalent,
 - (iii) The Client is considered to be risky because it has a complicated relationship structure (the less transparent the structure, the riskier) or has foreign elements in the structure (the more foreign elements within the Client's structure, the riskier it should be assessed). The CSR investigation itself may be based on the documents referred to in Article 3.10(a). (e)(e) to (ix) OJK also has the opportunity to use the Client's obligation of cooperation and invite the Client to submit its own documentation proving who its Beneficial Owner is.
- (g) The OJK is obliged to record the identified identification data of the Beneficial Owner and the procedures for identifying the Beneficial Owner.
- (h) At the same time, the OJK is obliged to identify the Beneficial Owner of the Transaction, and it will do so in particular within the framework of the business relationship during the continuous monitoring of transactions within the meaning of Section 9 (1) of the Act. 2 lit. d) of the AML Act.
- (i) If there is no other option than to rely on the Client's communication in the form of an affidavit without the possibility of verifying its content from independent sources, OJK will assess its credibility based on the circumstances (e.g. the form and content of such a communication) and, according to the result, decide on any change in the Client's risk profile. OJK is obliged to consult such cases with AMLO.
- (j) OJK ascertains the relevant relationships only after determining a specific natural person or several natural persons who have a significant influence on the activities of the given Client, possibly also through other legal entities (i.e. if the shareholder or partner is again a legal entity, OJK identifies the Beneficial Owner of this company when a specific natural person is identified.
- (k) OJK is obliged to update the data obtained as part of the identification and control by the Clients, i.e. also the data on the Client's Beneficial Owner. OJK shall oblige the Client to notify any changes to the Beneficial Owner at the time of the establishment of the Business Relationship. OJK then performs the identification of the Beneficial Owner in the course of the Business Relationship, at least in the event of changes to the existing contracts of OJK. The data can be updated by consulting the register of beneficial owners, or by asking the Client. In the event of riskiness, the OJK is again obliged to carry out its own investigation.
- (l) If doubts arise about the identity of the Client or the Beneficial Owner during the Business

Relationship, it is necessary to repeat the identification of the Client or the identification of the Beneficial Owner. In case of any doubts, OJK will contact AMLO before concluding the Transaction with the Client.

- (m) After finding out the Beneficial Owner, it is necessary to check whether there is a PEP. If compliance is found, the CSR shall immediately inform AMLO and proceed in the manner described in Article 3.5.
- (n) After finding out the Beneficial Owner, it is necessary to check whether he is not on the list of sanctioned persons and entities. If a match is established, the Trade with such a person must not be carried out and the OPO is filed with the FAU.
- (o) The OJK is obliged to keep information and documents obtained as part of the Beneficial Owner Survey, records of all steps taken in the Beneficial Owner Survey, including information on any difficulties related to these steps, which also includes information on the Obligated Entity's internal processes as part of the Beneficial Owner Survey.
- (p) The identification of the beneficial owner is also carried out during the business relationship so that the periodicity of inspections affects all changes that occur.

3.11 Procedures when it is not possible to determine the beneficial owner of the Client from publicly available sources

- (a) In a situation where it is not possible to determine the beneficial owner of the Client from publicly available sources, the Obligated Entity shall proceed as follows:
 - (i) invites a person acting on behalf of the Client to submit documents proving the ownership structure (articles of incorporation, lists of shareholders or their declarations, minutes of general meetings, etc.);
 - (ii) if such documents are not submitted by the person acting on behalf of the Client (due to the fact that they do not exist or do not have them), the Obligated Entity shall proceed to the determination of the beneficial owner in the form of an affidavit, in which case the Obligated Entity must appropriately reflect this fact in the risk profile and take appropriate measures against the Client in accordance with the established rules of the Obligated Entity.
 - (iii) if the client fails to cooperate, or if there are doubts about the truthfulness or credibility of the information provided, this behaviour is a reason for the Obligated Entity to refuse to execute the transaction (or to establish a business relationship, or to terminate it). In the event that the Obligated Entity evaluates the Client's conduct or the transaction carried out by the Client as suspicious, we recommend proceeding in accordance with Section 18 of the AML Act and filing an OPO.

3.12 Continuous monitoring of the business relationship, including a review of the transactions executed during the relationship

The obliged entity must obtain the information necessary to carry out continuous monitoring of the business relationship (according to the other points listed herein) and review the transactions executed in the course of the given relationship in order to determine whether the transactions carried out are in accordance with what the Obligated Entity knows about the client and its business

and risk profile. The obliged person must be able to assess whether the individual transactions are really related, for example, to the Client's business activities or their usual income, whether they correspond to their normal activities, etc. The obliged person also uses the local and personal knowledge of clients for these purposes.

3.13 Reviewing the sources of funds or other assets to which the transaction or business relationship relates

- (a) It is necessary to review (find out) from what source the funds used in the Transaction or Business Relationship come. In the case of a Business Relationship, this part of the Client's control is carried out mainly at its inception (obtaining the so-called input information).
- (b) If the funds originate, for example, from business activities, it is necessary to specify what business activity it is.
- (c) Other sources of money can be, for example, a gift, an inheritance, a salary.
- (d) The data is recorded by the Obligated Entity in the AML questionnaire.

3.14 Further information on the identification and control of the Client

- (a) The inspection assumes active cooperation of the Client, which may consist of, for example, the submission of relevant documents and statements.
- (b) The client may be informed that the information obtained is required on the basis of the AML Act (confidentiality applies only to the possible submission of the OPO and the FAU investigation).
- (c) In case of doubt, OJK may request additional supporting or clarifying information from the Client, and in the event of its lack or ambiguity, OJK will not execute the Trade, or notify AMLO of a potential Suspicious Transaction. If the Client refuses to cooperate, OJK will not execute the Transaction or terminate the Business Relationship. If doubts about possible misuse persist even after the inspection, this is a reason to file an OPO.
- (d) With the Client's consent, OJK may make copies or extracts from the submitted documents and process the information obtained to fulfil the purpose of the AML Act.
- (e) The data will be recorded by the OJK in the AML questionnaire.

3.15 Other Shops with an already identified person

In the case of subsequent Transactions with an already identified person or during the duration of the Business Relationship, OJK will check the validity and completeness of the identification data, information obtained as part of the Client's inspection or the justification for the exemption from the Client's inspection and record their changes (e.g. the person is a PEP, is on the list of sanctioned entities).

4. ENHANCED IDENTIFICATION AND CONTROL OF THE CLIENT

- (a) The obliged entity performs enhanced identification and control of the Client in the event that, on the basis of the risk assessment pursuant to Section 21a of the AML Act, the Client, the

Transaction or the Business Relationship poses an increased risk of money laundering or terrorist financing.

- (b) The obliged person shall always apply measures of enhanced identification and control of the Client
 - (i) at the establishment and in the course of a business relationship with a person established in a high-risk third country;
 - (ii) prior to the execution of a Trade related to a high-risk third country,
 - (iii) prior to the execution of the Transaction or when entering into a Business Relationship with a politically exposed person.
 - (iv) In the case of intensified identification and control of the Client, the obliged person to the extent necessary for the effective management of the identified risk beyond the scope of measures applied in the identification and control of the Client
 - (v) obtains additional documents or information about the beneficial owner; the intended nature of the Business Relationship; the source of funds and other property of the Client and the beneficial owner,
 - (vi) verifies obtained documents or information from multiple trusted sources,
 - (vii) regularly and intensify monitoring the Business Relationship and transactions within the Business Relationship,
 - (viii) obtains the consent of a member of its statutory body or a person authorised by him or her to proceed in the field of measures against money laundering and terrorist financing to conclude a Business Relationship or to continue it,
 - (ix) requires the first payment to be made within the Commercial Relationship or Transaction outside the Business Relationship from an account maintained in the Client's name with a credit institution or with a foreign credit institution that is subject to the Client's identification and control obligations that are at least equivalent to the requirements of European Union law, or
 - (x) implements other measures with regard to the nature of the Obligated Entity, its activities and its own risk assessment.
- (c) When establishing and in the course of a Business Relationship with a person established in a high-risk third country or prior to the execution of a transaction related to a high-risk third country, the Obligated Entity does not have to make the first payments within the Business Relationship or a Trade outside the Business Relationship from an account maintained in the Client's name with a credit institution or with a foreign credit institution that is subject to the Client's identification and control obligations, which are at least equivalent to the requirements of European Union law.
- (d) Prior to entering into a transaction or when concluding a Business Relationship with a politically exposed person, the Obligated Entity shall take at least the following measures:

- (i) obtains additional documents or information about its beneficial owner; the intended nature of the business relationship; the source of funds and other property of the Client and the beneficial owner;
 - (ii) verifies documents obtained or information from multiple trusted sources;
 - (iii) regularly and intensify monitoring the Business Relationship and transactions within the Business Relationship;
 - (iv) obtains the consent of a member of its statutory body or a person authorised by him or her to proceed in the field of measures against money laundering and terrorist financing to conclude a business relationship or to continue it;
 - (v) requires the first payment to be made within the framework of a Business Relationship or a transaction outside the Business Relationship from an account maintained in the Client's name with a credit institution or a foreign credit institution that is subject to the Client's identification and control obligations that are at least equivalent to the requirements of European Union law;
 - (vi) implements other measures with regard to the nature of the Obligated Entity, its activities and its own risk assessment.
- (e) In the event that the Obligated Entity applies measures of enhanced identification and control of the Client when establishing a Business Relationship with a person established in a high-risk third country or before the execution of a transaction related to a high-risk third country, the Obligated Entity shall at least take measures pursuant to letter a. (i) to (iv) and (vi) (v) (e) above.
- (f) In the event that the Obligated Entity applies measures of enhanced identification and control of the Client prior to the execution of a transaction or when concluding a Business Relationship with a politically exposed person, it shall at least take measures pursuant to letter a. c) and d) and obtains, in addition to the measures applied in the identification and control of the Client, other documents and information on the source of funds and other assets of the Client and the beneficial owner.

5. SIMPLIFIED IDENTIFICATION AND CONTROL OF THE CLIENT

- (a) In cases where a regular Client, i.e. a Client who is not assessed as risky, is identified and checked, OJK may perform a simplified identification and control of the Client, if OJK has no doubts and risks of the Client.
- (b) The necessary information can be obtained from the Client by sending it by e-mail or other means of electronic communication, by post, telephone communication, etc.
- (c) In the case where simplified identification and control of the Client is used, it is always necessary to at least verify and record the fulfilment of the conditions specified in Section 13 (1) of the Act. 1 lit. b) and c) of the AML Act, to ascertain and record the identification data of the Client and the person acting on behalf of the Client in an appropriate manner, including the procedure pursuant to Section 8 (1) of the Act. 8 of the AML Act, data to verify the identity of the beneficial owner of the Client, including the procedure for identifying it and the procedure under Section 9 (1) of the Act. 2 lit. b) of the AML Act and the performance of other actions within the identification and control of the Client to the extent necessary for effective risk management.

- (d) Simplified identification and control of the Client cannot be used in the event that there are any doubts about the fulfilment of the conditions for their implementation.

6. ADEQUATE AND APPROPRIATE METHODS AND PROCEDURES FOR RISK ASSESSMENT, RISK MANAGEMENT, INTERNAL CONTROL AND ENSURING CONTROL OVER COMPLIANCE WITH THE OBLIGATIONS SET OUT IN THE AML ACT

6.1 Client Acceptance Rules, Risk Profile Determination and Other Procedures

- (a) The rules and procedures according to which the OJK and the Fund, with regard to the risk profile of the Client, perform the following activities:
- (i) categorisation of Clients into
 - common, and
 - risk
 - (ii) deciding on the execution of a Transaction (or the establishment of a Business Relationship) with the Client or the termination of an already ongoing Trade (or an existing Business Relationship) with the Client,
 - (iii) identifying risk factors for new Clients (and continuously for all Clients during the duration of the Business Relationship) and at the same time updating the Client's classification in the relevant risk category according to the information found,
 - (iv) taking appropriate measures towards Clients in whom a risk factor has been identified.
- (b) The Client's risk profile is always compiled and evaluated with regard to the following risk factors:
- (i) the fact that one of the countries of origin is a risk territory;
 - Client,
 - a person who acts with the OJK on behalf of the Client, or
 - The beneficial owner,
 - (ii) the fact that, according to the information available to the OJK, the subject of the Trade has been or is to be transferred or provided in connection with the Trade from a country that is a risky territory, or that the subject of the Trade has been or is to be transferred or provided to such a state in connection with the Trade,
 - (iii) entry of the Client, a person dealing with the OJK on behalf of the Client, the Beneficial Owner of the Client, a person or, if the OJK is known, the ultimate owner of the person with whom the Client conducts business, on the list of persons and movements against which sanction measures are applied in accordance with the Sanctions Act,
 - (iv) Opaque ownership structure of the Client,
 - (v) unclear origin of the Client's funds,

- (vi) facts giving rise to suspicion that the Client is not acting on its own account or that it is concealing that it is following an order from a third party,
 - (vii) unusual manner of execution of the Transaction, in particular with regard to the type of Client, the subject, amount and method of settlement of the Transaction, the purpose of the Business Relationship and the subject of the Client's activity,
 - (viii) facts indicating that the Client is conducting a Suspicious Transaction,
 - (ix) the fact that, according to the information available to the OJK, the subject of the Client's activity is associated with an increased risk of Money Laundering or Terrorist Financing,
 - (x) The client is a PEP,
 - (xi) The Client requests the conclusion of a Deal for a product whose choice is illogical in relation to the stated purpose,
 - (xii) The client was not physically present at the identification process.
- (c) A Client is considered to be a risky Client if one of the above risk factors occurs.
- (d) During the execution of individual Transactions, when the Business Relationship with the Client is established, as well as during the course of the Transaction Agreement.
- (i) completes the AML questionnaire which is submitted to the Fund together with the documents relating to the Trade;
 - (ii) checks the validity and completeness of the Client's data and updates them,
 - (iii) using professional care and his expertise and experience, he examines the Stores in detail:
 - who have any of the above risk factors,
 - PEP,
 - for which OJK is known that PEP is the Beneficial Owner of the Client or that PEP will participate in them in some other way,
 - of a large volume or a high level of complexity, in particular with regard to the type of Client, the subject, amount and method of settlement of the Transaction, the purpose of the Business Relationship and the subject of the Client's activity.
- (e) In case of any ambiguity or doubt, OJK contacts AMLO.
- (f) When executing individual Transactions, when establishing a Business Relationship with the Client, as well as during its course, the Fund:
- (i) secures and stores such information about the Client (AML questionnaire) that will enable the Client to evaluate whether the Client is a risky Client,
 - (ii) pays increased attention to Shops:
 - who have any of the above risk factors,

- for which the Fund is aware that the Beneficial Owner of the Client is PEP or that PEP will participate in them in some other way,
 - of a large volume or a high level of complexity, in particular with regard to the type of Client, the subject matter, amount and method of settlement of the Transaction, the purpose of the Business Relationship and the subject of the Client's activity,
- (iii) employees of the Trades Registration Department check the AML questionnaire when registering each Trade. If any question in the AML questionnaire is answered in the affirmative, they pass the entire business case on to AMLO, which decides on the next steps.

6.2 **Internal control and ensuring control over compliance with the obligations set out in the AML Act**

- (i) AMLO or its representative is responsible for the fulfilment of the Fund's obligations arising from the AML Act and this SVZ, for ensuring compliance with the procedures set out in this SVZ and for ensuring ongoing contact with FAU and the CNB. Persons performing the function of AMLO are listed in Annex No. 1 to this SVZ.
- (ii) AMLO is also a person responsible for fulfilling the reporting obligation (Section 18 of the AML Act) and ensuring ongoing contact with the FAO within the meaning of Section 22 of the AML Act. The FAO shall immediately notify the FAU of a change in the person performing the function of AMLO; this obligation will be fulfilled by AMLO or the statutory body of the Fund.
- (iii) AMLO is entitled to request all information and copies of documents relating to Transactions, in particular Transactions investigated on suspicion of Money Laundering and Terrorist Financing, and to require full cooperation from individual OJK and employees of the Fund, and has the possibility of direct communication with the statutory body of the Fund.
- (iv) AMLO will ensure that internal regulations are in accordance with the law and will also ensure the fulfilment of obligations arising from the AML Act or the AML Regulation.
- (v) In the event that Money Laundering and/or Terrorist Financing occurs/has occurred, or if an employee of the Fund or its OJK is concerned that his or her involvement in a certain matter could constitute conduct prohibited by law, this fact must be reported to AMLO or its representative as soon as possible.
- (vi) AMLO will ensure that this registration is up to date at least once a year or as needed. As part of this review, AMLO will verify the effectiveness of procedures, measures and methods.

6.3 **Optional Suspicious Trades Signs**

- (a) A trade is considered suspicious, especially if:
 - The client acts as if acting on behalf of someone or for someone else, is accompanied or monitored by another person or persons who apparently wish to remain anonymous;

- The client performs activities that may help to conceal his identity or conceal the identity of the beneficial owner;
- The client or beneficial owner is a person from a high-risk country;
- The obliged person has doubts about the veracity or completeness of the data obtained about the Client. The context implies, for example, that the Client tends to provide inaccurate or incomplete information about himself;
- identification documents have a dubious appearance;
- The client behaves nervously, refuses to be identified or undergoes it only reluctantly, or provides false information for his/her identification or control (e.g. on the origin of money or the field of business);
- the Client's criminal history or contacts or ties to persons connected to criminal groups or directly committing criminal activity is known;
- The Client has contacts or ties to high-risk countries (e.g. permanent or temporary residence or registered office of the Client, its business partners, etc.);
- The client requests transactions that are unusual or carried out in an unusual way, he is in a hurry to carry out the transaction more than is usual for similar transactions;
- The Client carries out transfers of assets that clearly have no economic reason, or carries out complex or unusually large transactions;
- during one day or in the days immediately following, the Client carries out noticeably more monetary operations than is usual for its activity or the activity of a comparable type of Client;
- the funds disposed of by the Client clearly do not correspond to the nature or extent of its business activities or its financial circumstances;
- The Client does business in a field associated with the risk of connection to criminal groups (e.g. erotic services, discos and other night clubs, trade in military equipment and especially weapons, etc.);
- The Client knowingly executes loss-making trades or trades with a disproportionate amount of contractual penalty;
- transactions are carried out with a large number of means of payment of lower value, or by unusual carrying of a larger volume of cash (e.g. plastic bags, pockets of clothing, etc.);
- transactions are directed to or from areas where the Client does not normally have or cannot be expected to have business interests;
- transactions are carried out in an amount just below the threshold of mandatory identification or control of the Client.
- The client refuses to submit to the inspection or refuses to provide the identification data of the person on whose behalf he acts.

6.4 **Obligatory signs of suspicious trades**

- (a) In the following situations, the business is always a suspect and it is therefore reasonable to file an OPO:
- The sanctioned person is the Client, a person in the ownership or management structure

of the Client, the beneficial owner of the Client, a person acting on behalf of the Client, a person who is not otherwise involved in the transaction and is known to the Obligated Person,

- the subject of the trade is or is intended to be goods or services against which the Czech Republic applies sanctions under the Sanctions Act.

7. NON-EXECUTION OF THE TRADE

7.1 Conditions for non-execution of the trade

- (a) The obliged person refuses to execute the Transaction (or to establish a Business Relationship or, if it is not excluded by a special regulation, terminates the Business Relationship) in the event that there is an obligation to identify and control the Client, and
- (i) The client refuses to submit to identification;
 - (ii) The client refuses to provide proof of authorisation pursuant to Section 8 (1) of the Act. 4 – 6 or § 11 par. 7 of the AML Act;
 - (iii) The client does not provide the necessary cooperation during the inspection;
 - (iv) for any other reason, it is not possible to identify or check the Client;
 - (v) if the person performing the identification or check has doubts about the veracity of the information provided by the Client or about the authenticity of the documents submitted (in this case, it is necessary to file the OPO at the same time);
 - (vi) The Client, the beneficial owner of the Client or a person acting on behalf of the Client or a member of the Client's statutory body is a person who is listed on the list of sanctioned entities (in this case, it is necessary to file a TPO at the same time);
 - (vii) it is a Transaction (including within the Business Relationship) with PEP and the Obligated Entity is not aware of the origin of the funds or other assets used in the Trade (or Business Relationship);
 - (viii) OJK does not have the consent of the statutory body of the Fund for the implementation of the PEP Transaction;
- (b) AMLO keeps records of rejected Deals.

8. PROCEDURE FOR DISCLOSURE OF RETAINED DATA TO COMPETENT AUTHORITIES

8.1 Data retention

- (a) The obliged person shall store the following information for a period of 10 years from the execution of the Transaction outside the Business Relationship or from the termination of the Business Relationship with the Client:
- (i) identification and other data (e.g. data relating to the Client's identity card) obtained as part of the Client's identification or on the basis of a directly applicable European Union

regulation governing information accompanying non-cash transfers of funds;

- (ii) records as to whether the Client is not a PEP or a sanctioned person;
 - (iii) copies of documents submitted for identification, if any;
 - (iv) information on who and when made the first identification of the Client;
 - (v) information and copies of documents obtained as part of the Client's inspection;
 - (vi) records of all steps taken to identify and control the Client, including information on any difficulties associated with these steps;
 - (vii) records of the procedure for assessing and determining the risk profile of the Client, including the choice of those corresponding to the submission of the notification of the Suspicious Transaction;
 - (viii) documents justifying the exemption from the identification and control of the Client;
 - (ix) in the case of representation, the original or a certified copy of the power of attorney or the number of the court's decision appointing a guardian.
- (b) The data retention period begins on the first day of the calendar year following the year in which the last transaction known to the Fund was performed.
- (c) All approval and decision-making processes and control activities within the SGE, including the associated responsibilities, powers, documents and assessment of the evaluation report, must be retrospective. Information on findings made during the Client's inspection, during the review of Transactions and correspondence relating to Transactions and Business Relationships must also be reconstructable. A process that results in the conclusion that there are no reasons for changing the Client's risk profile or for filing/not filing an OPO must also be retrospectively reconstructable.
- (d) All of the above data will be stored by the Fund in the Fund's information system in such a way that the stored information cannot be devalued, to ensure its "legibility" and so that this information is available to the competent authorities upon request within a reasonable period of time.

9. THE PROCEDURE FROM THE DETECTION OF A SUSPICIOUS TRANSACTION TO THE MOMENT OF DELIVERY OF THE FAU NOTIFICATION, THE RULES FOR PROCESSING THE SUSPICIOUS TRANSACTION AND THE DESIGNATION OF PERSONS WHO EVALUATE THE SUSPICIOUS TRANSACTION

9.1 Situations when OPO is submitted to the FAO

- (a) The obliged person shall report the Suspicious Transaction on the basis of the above, but in particular if:
- (i) doubts about possible misuse of ML/FT persist even after the Client's inspection;
 - (ii) the client refuses to identify himself before the transaction (business relationship) is executed and the Obligated Entity has partial information about the client (in these cases,

all information from the Obligated Person's representatives concerning the description, behaviour, course of negotiations with the unidentified trade participant, his/her arrival and departure is included in the OPO; the basic identification data of the Obligated Person's employees who have dealt with the unidentified trade participant and could possibly further supplement or carry out his/her description are also provided; its subsequent identification);

- (iii) The Client does not cooperate in obtaining data and information as part of the identification and control of the Client (in this case, the Obligated Person will consider, depending on the current situation, whether it is a prerequisite to obtain an appropriate explanation from the Client, who is, for example, only temporarily unavailable. In such cases, the client may be given a reasonable period of time to comply with the cooperation and the submission of the OPO may be postponed until its expiry);
 - (iv) The obliged person is not aware of the origin of the property used in the PEP Trade from public sources and this person refuses to explain the origin of the property;
 - (v) the reasons under Section 6 (1) of the Act are given. 2 of the AML Act (obligatory Suspicious Trade);
 - (vi) it is not a specific Suspicious Deal, but it is "other facts" that could indicate legalization of the proceeds of crime or deals related to terrorism.
- (b) If the Obligated Person discovers a Suspicious Transaction in connection with its activities, it shall notify the FAU without undue delay.
- (c) If the circumstances of the transaction so require, in particular if there is a risk of delay, the Obligated Entity shall report the Suspicious Transaction immediately after its detection. This procedure is necessary in a situation where there is a risk that the property that is the subject of the Trade, or the means used in the Trade, could escape the reach of law enforcement authorities. In this case, the Obligated Person must report the Suspicious Transaction immediately after its discovery, even at the cost of the notification not containing all relevant information (the notification will be supplemented subsequently).
- (d) In cases where there is a danger that the immediate execution of the Client's order could frustrate or significantly hinder the securing of proceeds of crime or funds intended for the financing of terrorism, the Obligated Person may fulfil the Client's order regarding the Suspicious Transaction no earlier than 24 hours after the submission of the GTC.
- (e) The OPO is submitted to the FAU, preferably electronically via the electronic form for filing a Suspicious Transaction Report (<https://fau.gov.cz/oznameni-o-podezrelem-obchodu#elektronicky-formular-opo>), or in writing by registered letter or orally in the protocol at a place determined by prior arrangement. A written notification is also considered to be a notification submitted electronically by technical means ensuring special protection of the transmitted data, i.e. the system of encrypted electronic connection with the Financial Analytical Office "MoneyWeb Lite", or via a data box.

9.2 Contacts to the Financial Analytical Office

- (a) Telephone connection

weekdays (7:45 a.m. – 4:15 p.m.): +420 257 044 501

working days (16:15 – 07:45), non-working days: +420 603 587 663

(b) Fax: +420 257 044 502

(c) Mail delivery address: P. O. BOX 675, Jindřišská 14, 111 21 Prague 1

Address for personal delivery: Financial Analytical Office, Washingtonova 1621/11, 110 00 Prague 1

(d) E-mail: fau@mfcz.cz (cannot be used for OPO submissions)

(e) Data box: egi8zyh@mfcz.cz (cannot be used for OPO administration)

9.3 Requirements of OPO

(a) Identification data of the whistleblower of the Suspicious Transaction:

Business Name: Venture Club Invest s.r.o., venture capital entity

residence: Konviktská 291/24, Staré Město, 110 00 Praha 1

IČO: 065 03 82

Object of business: Production, trade and services not listed in Annexes 1-3 of the Trade Licensing Act

(b) Identification data of the person to whom the report relates, as follows, with regard to:

(i) a natural person not doing business

- name and surname, including any other names and surnames used,
- address of the place of residence in the Czech Republic, or outside the Czech Republic and other addresses used by the Czech Republic,
- Birth number or date of birth
- birthplace
- the type and number of the identity card, when and by whom it was issued, and details of its validity;
- nationality
- gender (if not clear from other data),
- where applicable, other identification data provided in the identity card.

(ii) a natural person doing business:

- except for data in the case of a natural person not doing business, supplements used in business,
- or a business name registered in the Commercial Register,
- Identification number,
- the subject of business according to the trade license card or according to the

- entry in the Commercial Register,
 - place of business.
- (iii) legal entity:
 - trade name or name, including a distinctive supplement or other designation,
 - residence,
 - an identification number or similar number assigned abroad,
 - name, surname, birth number or date of birth and residence of persons who are its statutory body or its member,
 - if the statutory body or its member is a legal entity, then its business name or name, including a distinctive supplement or other designation, place of business, identification number and identification data of persons who are its statutory body or its member, shall also be stated,
 - identification data of the majority owner or controlling person,
- (iv) trust or other legal arrangement without legal personality
 - its designation,
 - identification of its administrator, manager or person in a similar position to the extent specified in this Article 9.3,
- (v) In the case of representation of a natural person, and always in the case of a legal person, the identification data of the person acting on behalf of the person to whom the report relates shall be provided.
- (c) Identification data of all other participants in the Transaction available to the Fund at the time of notification.
- (d) A detailed description of the subject matter and essential circumstances of the Suspicious Transaction, in particular:
 - (i) the reason for the transaction provided by the Trade participant,
 - (ii) a description of the cash or other means of payment used and other circumstances of the cash payment,
 - (iii) Time data
 - (iv) the numbers of the accounts in which the funds in respect of which the report is made are concentrated and the numbers of all accounts to or from which the money has been or is to be transferred, including the identification of their owners and holders, if the whistleblower has access to this information,
 - (v) Currency,
 - (vi) what makes Trade a Suspicious Trade,
 - (vii) information about related Stores;

- (viii) a description of the behaviour of the Transaction participant and its potential partners,
 - (ix) if applicable, also the telephone and fax numbers, description and registration numbers of the means of transport,
 - (x) other information that could be of informative importance about the persons involved or the transaction in question, or other data that may be related to the Suspicious Transaction and are important for its assessment in terms of measures against Money Laundering or Terrorist Financing,
 - (xi) the notification includes copies of all documents listed in this notification and related to the subject of the notification that the Fund has at its disposal.
- (e) A warning in the event that the notification also concerns property subject to international sanctions declared for the maintenance or restoration of international peace and security, the protection of human rights or the fight against terrorism. Along with the notification, a brief description of the property, information on its location and its owner, if known to the whistleblower, shall be provided. It shall also provide information on whether there is an imminent risk of damage, depreciation or use of this property in violation of the law.
- (f) Information on whether and when a Trade was executed or postponed, or the reason why the Trade was or was not executed. If the execution of the order has been postponed, OJK, the Fund or other persons may not inform the Client thereof (with the exception of the seizure of assets subject to international sanctions and with the exception of the provisions of Section 40 (3) of the AML Act).
- (g) Contact Information:
- (i) The OPO must contain the name, surname AMLO and the possibilities of connection to receive instructions from the FAU, including the possibility of connection outside the usual working hours (telephone, fax, e-mail),
 - (ii) furthermore, the OPO contains the date, time and place of submission of the notification and the signature of the person fulfilling the reporting obligation,
 - (iii) the OPO does not contain data on the OJK as an employee of the Fund or a person in a similar employment relationship who discovered the Suspicious Transaction,
 - (iv) OPO Fund, OJK or any other person cooperating on the basis of an employment or other relationship with the Fund may not inform the Client (with the exception of Section 40 (3) of the AML Act).
- (h) Throughout this time, OJK cooperates with AMLO to obtain additional information regarding the Suspicious Transaction, OJK maintains confidentiality about the facts concerning the OPO and the investigation of the Suspicious Transaction under this SVZ.

10. **RULES AND PROCEDURES FOLLOWED BY THIRD PARTIES ACTING ON BEHALF OF AND ON BEHALF OF THE OBLIGED ENTITY WHEN OFFERING SERVICES OR PRODUCTS**

- (a) Third parties acting on the basis of a power of attorney or authorization on behalf of the Fund

follow the instructions according to the SVZ, the current version of which is available on the Fund's website.

- (b) These third parties were duly instructed and trained by the Fund about the obligations arising from the AML Act, which they confirmed by their signatures on the attendance list.

11. MEASURES THAT WILL EXCLUDE THE FRUSTRATION OR SUBSTANTIAL DIFFICULTY OF SECURING THE PROCEEDS OF CRIME BY THE IMMEDIATE EXECUTION OF THE CLIENT'S ORDER

11.1 Postponement of execution of the Client's order by the Fund

- (a) Fulfilment of the Client's order here also means the completion of any Trade in which there is a suspicion of Money Laundering and Terrorist Financing.
- (b) If there is a danger that the immediate execution of the Client's order could frustrate or significantly hinder the securing of the proceeds of crime or funds intended for the financing of terrorism, the OJK and/or the Fund may execute the Client's order regarding the Suspicious Transaction at the earliest after the lapse of 24 hours from the receipt of the OPO FAU. The above danger arises in particular when, after executing the Client's order, the Suspicious Trades fall outside the possibilities of monitoring and possible seizure by the state authorities of the Czech Republic. In such a case, AMLO will immediately contact the FAU and agree on the next steps.

11.2 Postponement from FAU decisions

- (a) If the investigation of a Suspicious Transaction requires a longer period of time due to its complexity, the FAO may decide:
 - (i) o extension of the period for which the execution of the Client's order is postponed, but no longer than 2 working days from the receipt of the OPO FAU,
 - (ii) to postpone the execution of the Client's order or to seize the assets to be the subject of the Suspicious Transaction with the Obligated Person with whom the property is located, for a period of up to 3 working days.
- (b) The execution of the Client's order shall not be delayed if it cannot be postponed or if such postponement could frustrate or otherwise jeopardize the investigation of the Suspicious Transaction. If the Transaction took place by the time of filing the OPO, AMLO will provide information about the execution of the Transaction directly in this notification, if the Transaction took place later, AMLO will provide information with a reference to the submitted notification and will inform AMLO of the exact date of the transaction.
- (c) The postponement of the execution of the Client's order does not apply to the seizure of assets to which the TPP relates, if such assets are to be seized pursuant to the relevant legal regulation issued for the implementation of international sanctions.

12. TECHNICAL AND PERSONNEL MEASURES TO ENSURE THE POSTPONEMENT OF THE EXECUTION OF THE CLIENT'S ORDER PURSUANT TO SECTION 20 OF THE AML ACT AND THE FULFILMENT OF THE INFORMATION OBLIGATION PURSUANT TO SECTION 24 OF THE AML ACT WITHIN THE SPECIFIED TIME

LIMIT.

12.1 Fulfilment of the information obligation

- (a) At the request of the FAU, the Fund shall, within the deadline set by the FAU:
 - (i) discloses data on Transactions related to the obligation of identification or in respect of which the FAO conducts investigations and in the exercise of administrative supervision,
 - (ii) submit documents on these Shops or allow access to them to authorised FAU employees when verifying reports of Suspicious Shops,
 - (iii) provide information about persons who participate in such Trades in any way.
- (b) OJK shall provide the Client with the information required pursuant to Article 13 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (GDPR) prior to the establishment of a Business Relationship or execution of a Trade Outside the Business Relationship.

12.2 Measures for the postponement of the execution of the Client's order

- (a) In the event that the Fund executes the Client's order because the postponement of the Client's order could frustrate or otherwise jeopardize the investigation of the Suspicious Transaction, the Fund shall always inform the FAU of the fulfilment of the Client's order.
- (b) The announcement of the postponement of the execution of the Client's order may be made orally, by telephone, fax or electronically, but a copy of the written copy is always delivered afterwards.
- (c) If the Fund has notified FAU of a Suspicious Transaction, the period of postponement of the Client's order, including its extension, shall be calculated from the moment when the FAU received the notification.
- (d) If the Fund has not notified the FAO of the Suspicious Transaction and the FAO decides to postpone the execution of the Client's order or to seize the property, the beginning of the period is determined by the announcement of the FAO's decision on the investigation of the Suspicious Transaction.
- (e) The Fund shall immediately notify FAO of the execution of the postponement of the execution of the Client's order, the extension of this period or the execution of the seizure of the given property and shall confirm the time from which the period is calculated.
- (f) If the FAO does not notify the Fund by the end of the period specified by the FAO that it has filed a criminal complaint, the Fund will execute the Client's order.
- (g) Once the deadline has expired, the Fund may execute the transaction regardless of whether the deadline expired on a business day or another day.
- (h) If the FAO submits a notification to the law enforcement authority within the specified time limit,

it informs the Fund thereof, which ends the deadline set in hours. The Fund will then execute the Client's order no earlier than after the expiry of the new deadline - 3 working days from the date of filing the criminal complaint, but only if the law enforcement authority does not decide to confiscate or seize the subject of the Suspicious Transaction by the end of this period. The 3 working day period ends either on its expiry or earlier, if the law enforcement authorities take the relevant precautionary measures before the expiry of this period. The 3 working days period is counted from the beginning of the day following the day on which the FAO filed the criminal complaint. If the end of the time limit falls on a Saturday, Sunday or holiday, the last day of the time limit is the next working day.

13. PROVISIONS ON THE PROVISION OF TRAINING FOR EMPLOYEES AND CO-WORKERS

13.1 Training of employees and co-workers

- (a) The Fund shall ensure at least once during 12 calendar months the training of employees who may encounter Suspicious Transactions in the course of their work activities and the training of all employees prior to their assignment to such positions.
- (b) Training in the periodicity and dates according to this Article 13.1, par. (a) The Fund will also provide for persons who participate in the subject of the Fund's activities on the basis of a contract other than employment, if these persons may encounter Suspicious Transactions in the course of their activities.
- (c) The content of the training is in particular the typology and characteristics of Suspicious Transactions, the requirements set by the Fund for the identification and control of the Client, the procedures for identifying the Client's risk factors and the procedures for detecting the Suspicious Transaction. The pool continuously supplements and updates the training content.
- (d) The training is completed by an examination of each trained person. If the trainee fails the examination, he or she may repeat the training and examination. If the trained person fails the examination, he or she is not entitled to perform activities in which he or she may encounter Suspicious Transactions, in particular he or she is not entitled to perform activities under the cooperation agreement concluded with the Fund.
- (e) The Fund keeps records of participation and content of training for at least 5 years from the date of their participation.

14. CONFIDENTIALITY PROVISIONS

14.1 Confidentiality, duration, exceptions

- (a) Confidentiality, the purpose of which is in particular to prevent any possible investigation, applies:
 - (i) to file an OPO pursuant to Section 18 of the AML Act and its investigation,
 - (ii) to seize property pursuant to Section 20 of the AML Act,
 - (iii) to fulfil the information obligation under Section 24 of the AML Act.

- (b) The obligation of confidentiality does not cease to exist by the transfer of the Fund's employees to another job, by the termination of their employment or other contractual relationship with the Fund, or by the termination of the activities specified in Section 2 of the AML Act.
- (c) Confidentiality does not apply to the seizure of property covered by the OPO, if such property is to be seized under the Sanction Act. The person concerned by the seizure of property may be informed of the regulation under which the property is seized.

15. **CHANGES AND UPDATES OF THE SVZ, EFFECTIVENESS**

- (a) The Fund constantly monitors developments and changes in the fight against Money Laundering or Terrorist Financing (i.e. laws, decrees, government regulations, etc.). The relevant regulations are published by the FAU on the [websites of the http://www.financnianalytickyrad.cz](http://www.financnianalytickyrad.cz) and the CNB on <https://www.cnb.cz/cs/dohled-financni-trh/legislativni-zakladna/legalizace-vynosu-z-trestne-cinnosti/>. The website is for information purposes only and the Fund is expected to be active.
- (b) In the event of changes in the aforementioned regulations, or new regulations are brought into force, the Fund will bring the content of this document into line with these regulations and will also ensure the training of all persons affected by such changes. Changes to this SVZ are approved by the statutory body of the Fund.
- (c) SZV compliance is ensured by AMLO.
- (d) This SVZ is binding for the statutory bodies, employees, cooperating persons of the Fund and persons mediating the Trade or Business Relationship for the Fund.
- (e) This SVZ is effective on the day of approval of its wording by the statutory body of the Fund.

16. **ATTACHMENTS**

- (a) The annexes to this SVZ consist of:
 - (i) Appendix No. 1 Persons ensuring continuous contact with the FAU.

APPENDIX 1
PERSONS PROVIDING CONTINUOUS CONTACT WITH THE FAU

Name and surname: Petr Šedivý
Address of the department: Konviktská 291/24, Prague 1
Job title: Managing Director
Telephone: +420 603 865 545
Other connection: petr.sedivy@ventureclub.cz

Representative:

Name and surname: Tomáš Barczy
Workplace address: Konviktská 291/24, Praha 1
Job Title: Managing Director
Telephone: +420 777 769 034
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