



Acceptable Use and AML Policy - **NXT**

By applying for, accessing or using services provided by **NXTPAY, NXTBNK, NXT GROUP, NXTGRP, nxtbnk.com (together, "NXT")**, including of, but not limited to, **NXT** account, websites, webapps, Application Programming, mobile apps, smartwatch apps, Interface, products, card processing and card issuing (together and separately, the "Services"), *you* agree to be bound by this Acceptable Use Policy ("AUP") and any additional terms, conditions, rules or policies that are provided to *you* in connection with the Services by the User Agreement, Master Services Agreement, or otherwise ("User Agreement"). *You* also agree to fully comply with all the measures in the AUP to prevent money laundering and terrorism financing for any purposes.

This AUP is subject to change at any time without notice, and the changes will be effective when posted. *Your* continued use of the Services indicates *your* acceptance and agreement to the AUP changes.

1. Purpose

The purpose of this AUP is to **(i)** comply with relevant laws, banking partner requirements, and card or payment association (e.g., VISA, MasterCard, NACHA) rules and policies, **(ii)** specify to *you* what customers, merchants, activities/business types and transactions are considered prohibited use of the Services, **(iii)** to prevent Money Laundering and Financing of Terrorism, prevent frauds and Drug Dealing activities as well as the smuggling of guns (iv) to protect the integrity of **NXT** network, (v) to prevent frauds and cybercrimes related to FIAT and Card transactions, and (vi) to specify the consequences that may flow from violating these AUP requirements.

2. Prohibited Users

In addition to any eligibility requirements in the User Agreement, if any of the following apply to *you*, *you* are ineligible (or may become ineligible) to use **NXT** Services:

- *Your* use of Services may cause us not to be compliant with relevant laws, sponsor bank requirements, and card or payment association (e.g. VISA, MasterCard, NACHA) rules and policies;
- If *you* are a Politically Exposed Person PEP;
- *You* are a resident of: Cuba, Iran, North Korea, Syria, Russia, Ukraine Regions of Crimea, Donetsk and Luhansk or any other country included in United States of America (USA) or United Kingdom (UK) sanctioned list;
- If *you* are on the Specially Designated Nationals (SDNs) and Blocked Persons lists;
- If your company or partners or associates are in the Specially Designated Nationals (SDNs) and Blocked Persons lists;
- If *you* permit or have plans to transact or allow transactions with listed Specially Designated Nationals (SDNs) and Blocked Persons lists;
- If *you* pretend to use or use **NXT** services to commit fraud or cybercrimes.

3. Prohibited Activities and Business Types

If *you* fall into one of the following categories and/or accept payment for the following prohibited activities, *you* are ineligible (or may become ineligible) to use **NXT** Services. For clarity, the following lists are not exhaustive and we may, at **NXT** sole discretion, modify them without notice:

- Adult Services
 - *Adult digital content, lingerie or passion parties, adult DVD rentals/sales, adult novelties, massage parlors (without licensed massage therapists), escort services, mail order bride services, dating/match-making services.*
- Auction Services
 - *Online auction services and pawn shops.*

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- Bankruptcy Services
 - *Bankruptcy attorneys, collection attorneys, factoring companies, or liquidation services.*
- Controlled substances and drug paraphernalia
 - *Narcotics, prescription drugs, steroids, or related paraphernalia or accessories, unless licensed and authorized by the jurisdiction in which the customer is based as well as by the jurisdiction in which the transaction takes place. Equipment or material that is for the making, using, or concealing illegal drugs.*
- Credit repair services
 - *Credit repair services, loan repayment facilitators, credit counseling, credit protection, identity theft protection or other services that may present consumer protection risks.*
- Cyberlocking services
 - *Sale of devices that are designed to block, jam, or otherwise interfere with cellular and personal communication services, police radar, global positioning systems, and wireless networking services.*
- Debt collection
 - *Collection agencies and any business engaged in the collection of debt, including those associated with medical billing, or factoring companies.*
- Illegal activities
 - *Businesses or transactions that appear to relate to any form of illegal activity, including but not limited to, money laundering, terrorist financing, drug dealing, terrorism, slaving, smuggling, human trafficking or political corruption.*
- Intellectual property
 - *Goods or services that infringe or violate any copyright, trademark, or proprietary rights under the laws of any jurisdiction. This includes the sale of counterfeit items and unauthorized replicas or copies of items, and applies to items both actual and virtual in nature. Examples include (but are not limited to) counterfeit watches, handbags or accessories, and unauthorized copies of software programs, video games, music, movies, television programs, photographs and IDs. Upon **NXT's** request, you must provide records about the authenticity of your products.*
- Marijuana/CBD
 - *Marijuana as well as CBD in any form for sale for any purpose, including medicinal or homeopathic, regardless of legal status.*
- Metal trading
 - *Sales or dealership of precious metals (coins, bullion, etc.), precious stones, pearls and fine jewelry.*
- Multi-level marketing
 - *Pyramid and Ponzi schemes, multi-level marketing programs, wealth creation programs, paid-to-click schemes and other similar programs that are not traditional and legitimate advertising businesses.*
- Pay-day lenders
 - *Pay-day lending, short term cash loans, title loans, and cash advance services.*
- Ransomware
 - *Ransomware services, including cyber incident response and data-breach response.*
- Shell banks and financial institutions
 - *Banks or other financial institutions registered in a jurisdiction in which they have no physical presence.*
- Unlicensed money service businesses
 - *Any unlicensed money service business, including money transmitter and currency exchange.*
- Weapons
 - *Manufacturing, building or assembling weapons of any kind, including but not limited to, firearms, ammunition, knives, explosives, or related accessories.*
- Layaway systems and annuities.
- Miracle cures, unsubstantiated remedies, or other items marketed as quick health fixes, designer supplements, nutraceuticals, muscle mass proteins, weight gain or loss supplements.

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- Sale of email or direct marketing lists enabling unsolicited contacts, such as from telemarketing merchants (inbound or outbound), phishing and spamming.
- Sale of manuals, how-to guides, or equipment to disable, “hack”, or modify access controls on software, servers, phones, or websites, including but not limited to mod-chips, drive chips, or access cards.
- Items or sites that encourage or promote hate, violence, misogyny, xenophobia, religious intolerance, or racial intolerance, money laundering, terrorist financing, terrorism, slaving, smuggling, drug dealing, human trafficking or political corruption.
- Psychic services.

4. Prohibited Transactions

Using the Services for transfers related to the following is prohibited, and **NXT** reserves the right to monitor for transactions that relate to:

- Wash trading, front-running, insider trading, market manipulation or other forms of market-based fraud or deceit Purchasing goods of any type from Darknet markets, or any other service or website that acts as a marketplace for illegal goods (even though such marketplace might also sell legal goods);
- Transactions when connected to **NXT** system from Cuba, Iran, North Korea, Syria, Russia, Ukraine Regions of Crimea, Donetsk and Luhansk or any other country included in United States of America (USA) or United Kingdom (UK) sanctioned list;
- Transactions when connected to **NXT** system from any risk country not allowed by **NXT** partners and stakeholders;
- Transactions with any company or citizen from Cuba, Iran, North Korea, Syria, Russia, Ukraine Regions of Crimea, Donetsk and Luhansk or any other country included in United States of America (USA) or United Kingdom (UK) sanctioned list;
- Transactions with any company which provides a prohibited business services or product;
- Transactions to commit fraud to a supplier, government, card processing institutions, card issuing institutions, bank, MSB or any other business entity.

5. Know Your Client - KYC

NXT has a strong policy of KYC for all users that transact within its services, and shall request: **Company Registration, Full Name, Date of Birth, NIF or Social Security number and Passport Number of administrators and UBOs, Proof of Address**. All these bases will be checked: if the Company Registration is active, if the Full Name and Date of Birth of the Beneficial Owners are the same, if the Company Address really exists, if the NIF or Social Security number and Passport Number of administrators and UBOs are not mentioned in the OFAC, UN Sanctions, Interpol, Swiss SECO, UK Most Wanted, US Marshalls Service, UK Bank of England, CIA World Leaders and US Bureau of Industry and Security or if they have any prosecutions.

NXT also asks its Users what is its type of business and if it does not violate **NXT** acceptable use policy, as well the Users must submit references of businesses that have done business with them for us to check if they are not Shell Companies.

NXT has a score rating system for each User based on what countries they do business with, volume they usually do and the documents they provide for each transaction or any additional documents that's needed.

All eventual customers from **NXT** Users will follow the same KYC process.

6. Anti Money Laundering and Financing of Terrorism - AMLFT

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived amounts of money so that these amounts appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages: (1) cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is

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converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions; (II) at the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin; (III) at the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

Under this policy, money earned by the following means is considered money laundering, and it is prohibited:

- Money or assets received in exchange for criminal or unlawful acts;
- Money whose origin is not explicit or earned by assisting any activity in evading lawful means;
- Property gained after any criminal activity and its origin, location, and disposition are not transparent;
- Property which is promoting any unlawful activity;
- Terrorism financing;
- Money whose origin is connected with Specially Designated Nationals (SDN), Blocked Persons List or any other sanction list.
- Money provided by fraud or scams.

All transactions inside the **NXT** platform can only be conducted after the receiver party is checked and screened by **NXT** Compliance Team. If the receiver party appears in any kind of blacklist we reserve the right to deny the transaction and to inform the eventual Partners of **NXT** and the competent authorities.

All transactions inside **NXT** platform must submit an invoice, contract, signed deal or other documents which support the transaction lawfulness. We will check if the Users could make this transaction and if the prices paid for the products in the invoice are compatible with the market prices in a way to inhibit money laundering and other illegal activities on **NXT** platform.

7. Restricted Activities

In connection with *your* use of the Services, *you* hereby agree that *you* will not:

- Violate (or assist any other party in violating) any applicable law, statute, ordinance, or regulation Intentionally try to defraud (or assist in the defrauding of) **NXT** or other Users;
- Use **NXT** account to commit a fraud or to transmute funds obtained by a fraud;
- Provide false or misleading information;
- Take any action that interferes with, intercepts, or expropriates any system, data, or information Partake in any transaction involving the proceeds of illegal activity;
- Transmit or upload any virus, worm, or other malicious software or program;
- Attempt to gain unauthorized access to other **NXT** Accounts, the **NXT** website, or any related networks or systems;
- Use the Services on behalf of any third party or otherwise act as an intermediary between **NXT** and any third parties;
- Collect any user information from other **NXT** Users, including, without limitation, email addresses and personal information, by any illegal or unauthorized methods;
- Defame, harass, or violate the privacy or intellectual property rights of **NXT** or any other **NXT** users;
- Upload, display or transmit any messages, photos, videos or other media that contain illegal goods, violent, obscene or copyrighted



images or materials.

8. Commercial Entity Agreement

NXT may offer various payment processing services as part of the Services. These services may include credit and debit card processing services. **NXT** can provide accounts services with FedWire, ACH, FedNow, Swift and IBAN or other means of transmitting money. **NXT** may offer systems which may require to accept other Additional terms and conditions set forth in the User Agreement apply to such services. If *your* credit or debit processing activity utilizing the Services reaches certain thresholds or involves certain business segments, geographies or activities, *you* are required by the card networks and/or **NXT's** processing partners to agree to a Commercial Entity Agreement to allow *you* to accept or continue accepting card payments. In this case, the Commercial Entity Agreement will apply to any card payment processed by **NXT** on *your* behalf and will form part of this AUP and *your* User Agreement and be incorporated herein and therein by reference.

9. Responsibility

NXT will not take responsibility:

- For any unavailability or failure of the platform;
- For defrauding the utility *you* may have attributed to the Platform;
- For any errors and/or inconsistencies in the transmission of network data, as well as related to the quality or availability of the internet connection capable of preventing the proper receipt of information by **NXT** sent by *you*;
- For any devaluation or loss that may occur in any transaction, application, asset held by *you*;
- Due to a failure exclusively related to *you*;
- Due to a mistakes exclusively related to *you*;
- For damages and losses of any nature arising from the knowledge that unauthorized third parties has gained access to *your* account by *your* mistake or misconduct;
- For shutting down any account or user which a fraud was committed or denounced by any of **NXT** partners;
- For complying with a court order, legal obligation or any measure requested by the justice department or court.

10. Duration, Suspension or Termination of the access to the services

NXT can, by its own will, without any advice or explanation, suspend or terminate *your* access to the **NXT** Services. This can be or be not a result of some actions or facts listed bellow:

- *You* do not comply with this AUP;
- Legal or judicial demands;
- Partner request;
- Any suspicion that *you* have committed or will to commit frauds or crimes, specially but not limited to money laundering, terrorism or its financing, slavery or forced work, children employment, or other crimes;
- If we can not verify *your* ID or if the data submitted by *you* is incorrect or fake;
- If *you* try to move more assets that *your* financial declaration is able to comply with;
- If *your* company or any of its managers, directors or beneficial owners become included in a Blacklist monitored by **NXT**.

11. Contact

In case of any trouble, doubt, to obtain *your* personal data or to close *your* account please contact the **NXT** support. It's available on **NXT** website: nxtbnk.com or by e-mail to: operations@nxtbnk.com

12. Compliance Monitoring

NXT shall monitor *your* transactions and activities for potential violations of this AUP. The Compliance team and all the teams in **NXT** are

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trained periodically to monitor the transactions in a way to inhibit any fraudulent or illegal transaction.

NXT shall always monitor *your* geolocation to ensure, no activities are held under sanctioned countries or other countries which are not allowed by **NXT** partners. *your* access may be restricted, blocked or limited whenever *you* try to use **NXT** account under sanctioned countries or other countries which are not allowed by **NXT** partners.

Monitoring includes, but is not limited to, reviewing *your* accounts for retrievals, returns, or chargebacks, reviewing documents and transactions, as well as using third-party information or sources. We could also identify the financiers of the company and verify their identity, identify employees and partners of the company and verify their identity as well from *your* clients and maintain proper records of the stakeholders.

NXT encourages *you* to contact us if *you* believe *you* may be in violation of this AUP. We reserve the right, per the terms of the User Agreement to take any corrective action (with or without notice to *you*) as we deem necessary to mitigate **NXT** risk or ensure compliance with this AUP, including but not limited to: (i) blocking or withholding a transaction; (ii) holding funds associated with a prohibited transaction; (iii) suspending, restricting, or terminating *your* use of the Services, or (iv) subjecting *you* to applicable fines, assessment, expenses and fees; (v) if any suspect or illicit or fraudulent transaction occurs in **NXT** platform we will, without any advice, communicate to the legal institutions.

13. Policy Update

This Policy can be updated any time by any need of **NXT**, some examples are regulatory demands, software update, new process, new products or continuous improvement. Any time we update this Policy, it shall be displayed in **NXT** Services once *you* login, by keep using **NXT** Services, *you* agree to all changes made.