

AML / KYC NOTICE

Anti-Money Laundering & Know Your Customer Policy

Serendib B.V. | www.myserendib.com

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1. Introduction

Serendib B.V. ("Company") is committed to operating with full integrity and in compliance with applicable anti-money laundering (AML), counter-terrorist financing (CTF), and Know Your Customer (KYC) regulations. This Notice applies to all prospective purchasers condominium unit title rights offered by or through the Company.

Real estate transactions are recognised globally as a sector with elevated AML risk. The Company takes its obligations seriously and reserves the right to decline any transaction where it cannot satisfy itself as to the identity or source of funds of the prospective purchaser.

2. Legal Framework

The Company's AML/KYC procedures are designed to comply with:

- The Netherlands Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft)
- EU Directive 2015/849 (4th AML Directive) and EU Directive 2018/843 (5th AML Directive)
- Financial Action Task Force (FATF) Recommendations
- Sri Lanka Financial Transactions Reporting Act No. 6 of 2006 (as amended)
- Sri Lanka Prevention of Money Laundering Act No. 5 of 2006
- Sri Lanka Foreign Exchange Act — applicable to inward remittance requirements for foreign purchasers
- Central Bank of Sri Lanka (CBSL) regulations on inward foreign remittances and Business Foreign Currency Accounts (BFCA)

3. Customer Due Diligence (CDD)

Before any purchase agreement is concluded, all prospective purchasers must complete our Customer Due Diligence process:

3.1 Identity Verification

- Valid government-issued photo ID (passport or national ID card)
- Proof of residential address dated within the last 3 months (utility bill, bank statement, or official correspondence)
- For corporate buyers: certificate of incorporation, shareholder register, and identification of all beneficial owners holding 25% or more

3.2 Source of Funds Declaration

- A written declaration explaining the origin of funds to be used for the purchase
- Supporting documentation as appropriate (bank statements, salary slips, sale proceeds documentation, gift letters, loan agreements)

3.3 Bank Account Verification — No Third-Party Payments

A fundamental AML requirement of the Company is that ALL payments under the Sale and Purchase Agreement must be made exclusively from a bank account held in the Buyer's own name. This applies to every milestone instalment without exception.

- Third-party payments are strictly not accepted — this means no payments from family members, friends, companies, or any other person or entity other than the Buyer themselves
- The Buyer must be the registered account holder of the originating bank account for every payment
- If a payment arrives from a third-party account, the Company will return it and treat the corresponding instalment as unpaid — which may trigger late payment provisions in the Sale and Purchase Agreement
- The Company will request the name of the Buyer's bank and account details before issuing payment instructions

3.4 Inward Remittance Compliance (Sri Lanka)

Under Sri Lankan law (Land (Restrictions on Alienation) Act, consolidated 2024), the entire purchase price for a condominium unit acquired by a foreign national must be paid as confirmed inward foreign remittances prior to the execution of the Deed of Transfer.

- Each payment must arrive via SWIFT as an inward foreign remittance to the Company's BFCA account in Sri Lanka
- The SWIFT payment reference must include: Agreement number, Unit reference, Milestone number, Buyer's full name and passport number
- The receiving bank will issue credit advices/inward remittance confirmations per payment, which are required for the Deed of Transfer
- The Company maintains an individual payment sub-ledger for each Buyer recording all SWIFT references, credit advice numbers, and amounts, which forms part of the title transfer documentation

4. Enhanced Due Diligence (EDD)

Enhanced Due Diligence will be applied in higher-risk situations, including:

- Purchasers who are Politically Exposed Persons (PEPs) or close associates of PEPs
- Transactions involving jurisdictions identified by FATF as high-risk or subject to enhanced monitoring
- Purchases involving complex ownership structures or corporate buyers
- Any other circumstances where additional verification is warranted

5. Ongoing Monitoring

The Company reserves the right to request updated or additional documentation at any point during the transaction. If KYC/AML obligations cannot be met, the Company may terminate the Agreement and retain all payments made, as provided in the Sale and Purchase Agreement.

6. Data Handling

All KYC/AML documents and information are handled in accordance with our Privacy Policy and retained for a minimum of 5 years following the conclusion of the transaction (or end of the business relationship), as required by applicable Dutch (Wwft) and Sri Lankan AML law.

7. Suspicious Transaction Reporting

The Company will report any suspicious transactions to the relevant financial intelligence authorities as required by law — in the Netherlands to the Financial Intelligence Unit (FIU-Nederland) and in Sri Lanka to the Financial Intelligence Unit of Sri Lanka. The Company reserves the right to freeze or refuse any transaction that raises AML/CTF concerns.

8. Sanctions Screening

All prospective purchasers are screened against applicable international sanctions lists, including those of the EU, UN, OFAC (US), UK OFSI, and applicable Sri Lankan sanctions lists. Persons on these lists will not be permitted to complete a transaction with the Company.

9. Contact

For questions regarding our AML/KYC procedures,
please contact: mgnexuscapital@gmail.com

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