

## INTRODUCTION

The Anti-Money Laundering and Know Your Customer Policy (**AML/KYC Policy**) of the Digitaltrade Ltd, business company number: 26561 BC 2021 (**We, Us, Company**) is established to prevent and mitigate possible risks of Company being involved in illegal or illicit activities and to enable the Company to meet its legal and regulatory obligations in this area (if any, where applicable).

This AML/KYC Policy forms part of the Polyx Exchange Terms of Use. Please read this Policy carefully and contact Us in case You have any unclarified points or misunderstanding.

Any reference to "**You**", "**Your**", etc. is interpreted as a reference to the User or visitor of the Polyx, the subject of this AML/KYC Policy, the Polyx Exchange Privacy Policy, Polyx Exchange Terms of Use.

## TERMS AND DEFINITIONS

In case any of the words used in the text of the Policy starts from the capital letter it shall be understood and interpreted in the way foreseen by the present section of the Policy.

### Money laundering

means (1) conversion or transfer of funds obtained as a result of criminal activity, or funds obtained in place of such funds, knowing that such funds are the result of criminal activity or an act of participation in such activity, in order to conceal the illegal origin of the funds or to assist any person involved to commit such activities, to avoid the legal consequences of the actions of this person; (2) the acquisition, possession or use of funds obtained as a result of criminal activity, or funds obtained instead of such funds, knowing, at the time of receipt, that such funds were obtained as a result of criminal activity or an act of participation in it; (3) concealment or disguise of the true nature, source, location, movement, rights in relation to or ownership of funds derived from criminal activity, or funds obtained in lieu of such funds, knowing that such funds are derived from criminal activity or from an act of participation in such an activity.

### Financing of terrorism

means allocation or collection of funds for planning or committing acts that are considered acts of terrorism or for financing the operations of terrorist organizations, or on condition that the funds allocated or collected will be used for the aforementioned purposes.

### Beneficial Owner

means any natural person or persons who ultimately own or control the User (as defined below) and, or the natural person or persons on whose behalf a transaction or activity is being conducted, and

(a) in the case of a body corporate or a body of persons, the beneficial owner shall consist of any natural person or persons who ultimately own or control that body corporate or body of persons through direct or indirect ownership of twenty-five per centum (25%) plus one (1) or more of the shares or more than twenty-five per centum (25%) of the voting rights or an ownership interest of more than twenty-five per centum

(25%) in that body corporate or body of persons, including through bearer share holdings, or through control via other means:

Provided that a shareholding of twenty-five per centum (25%) plus one (1) share or more, or the holding of an ownership interest or voting rights of more than twenty-five per centum (25%) in the User shall be an indication of direct ownership when held directly by a natural person, and of indirect ownership when held by one or more bodies corporate or body of persons or through a trust or a similar legal arrangement, or a combination thereof:

Provided further that if, after having exhausted all possible means and provided there are no grounds of suspicion, no beneficial owner in terms of this paragraph has been identified, subject persons shall consider the natural person or persons who hold the position of senior managing official or officials to be the beneficial owners, and shall keep a record of the actions taken to identify the beneficial owner in terms of this paragraph.

(b) in the case of trusts the beneficial owner shall consist of:

- i. the settlor;
- ii. the trustee or trustees;
- iii. the protector, where applicable;
- iv. the beneficiaries or the class of beneficiaries as may be applicable; and
- v. any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

(c) in the case of legal entities such as foundations and legal arrangements similar to trusts, the beneficial owner shall consist of the natural person or persons holding equivalent or similar positions to those referred to in paragraph (b).

#### High Risk Jurisdiction

means the jurisdictions designated by the Company as a high-risk jurisdiction in respect of any User from time to time.

#### Politically Exposed Person

means a natural person who is or has been entrusted with prominent public functions, other than middle ranking or more junior officials. For the purposes of this definition, the term "*natural person who is or has been entrusted with prominent public functions*" includes the following:

- a. Heads of State, Heads of Government, Ministers, Deputy or Assistant Ministers, and Parliamentary Secretaries;
- b. Members of Parliament or similar legislative bodies;
- c. Members of the governing bodies of political parties;
- d. Members of superior, supreme, and constitutional courts or of other high level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
- e. Members of courts of auditors or of the boards of central banks;
- f. Ambassadors, charges d'affaires, consuls and high-ranking officers in the armed forces;
- g. Members of the administrative, management or supervisory boards of State-owned enterprises;
- h. Anyone exercising a function equivalent to those set out in paragraphs (a) to (f) within an institution of the European Union or any other international body.

Furthermore, Politically Exposed Person also includes family members or persons known to be close associates of any individual identified in (a) – (h) above.

The term "*family members*" includes:

- the spouse, or a person considered to be equivalent to a spouse;
- the children and their spouses, or persons considered to be equivalent to a spouse; and
- the parents.

*“Persons known to be close associates”* means:

- a natural person known to have joint beneficial ownership of a body corporate or any other form of legal arrangement, or any other close business relations, with that politically exposed person; or
- a natural person who has sole beneficial ownership of a body corporate or any other form of legal arrangement that is known to have been established for the benefit of that politically exposed person.

**Prohibited Jurisdiction**

means the jurisdictions designated by the Company as a prohibited jurisdiction in respect of the use of Services and PLX tokens from time to time.

**Sanctioned Jurisdiction**

means any country or territory to the extent that such country or territory is the subject of any sanction issued by the United Nations, United States and/or the European Union.

**Sanctioned Person**

means any individual or entity (a) identified on a sanctions list issued by the United Nations, United States and/or the European Union; (b) organized, domiciled or resident in a Sanctioned Jurisdiction; or (c) otherwise the subject or target of any sanctions, including by reason of ownership or control by one or more individuals or entities described in clauses (a) or (b).

**Services**

means any other services provided by the Company to the Users via the Polyx from time to time, including, without limitation, Exchange Services, Custodial Services and any other services or functionalities, past, present, or future.

**Transaction**

means any transaction with Digital Assets that is conducted by a User through Polyx, and the word “transact” shall be interpreted accordingly.

**High Value Transactions**

means Transaction of value equal to or in excess of **USD 10,000.00** (or its equivalent in any other currency).

**You, User**

refers to individuals and legal entities that conform to the eligibility requirements foreseen by Polyx Exchange Terms of Use, have a registered Account and use Polyx and Services.

All terms and definitions used in this AML/KYC Policy that were not defined here specifically must be interpreted in the meaning specified in the Polyx Exchange Terms of Use and its Annexures. If the Polyx Exchange Terms of Use and its Annexures also do not define this term, the interpretation of this term is made in accordance with the applicable laws and regulations and only as a last resort in accordance with the generally accepted meaning.

## ACCEPTANCE OF THIS POLICY

Where You agree to all and any of the Policy provisions You can accept it by placing  next to the box “*I have read and accept the terms of the Polyx Exchange AML/KYC Policy*”.

In case You at any point do not agree with any provision of this Policy, You shall immediately stop using the Polyx Exchange.

# BASIC AND ENHANCED AML/KYC VERIFICATION

The Company reserves a right to do a basic AML/KYC Verification of a User prior to his/her Account registering and enabling access to Services and will have a right to do an ongoing monitoring and enhanced AML/KYC Verification at its own discretion, to ensure that such User is not a Sanctioned Person, from a Sanctioned Jurisdiction and/or a person from a Prohibited Jurisdiction.

Where a User is a Sanctioned Person, from a Sanctioned Jurisdiction and/or a person from a Prohibited Jurisdiction, the Company will refuse to provide Services to such User or discontinue the provision of Services and(or) refuse User in obtaining PLX token.

In carrying out this monitoring the Company shall ensure to adopt software to enable comprehensive screening to be carried out and which captures all sanctions that the Company is bound to follow.

## Basic KYC/AML Verification

The Company adopts a risk-based approach to combating money laundering and terrorist financing. By adopting a risk-based approach, the Company is able to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate with the identified risks.

Prior to enabling access to any Services or entering a Transaction with or for or on behalf of a User, the Company will, if so required by applicable law or if it is otherwise deemed necessary or expedient:

- a. identify the User and verify the User's identity based on documents, data or other information based on a reliable and independent source;
- b. if there is a Beneficial Owner in relation to the User, identify the Beneficial Owner and take reasonable measures to verify the Beneficial Owner's identity;
- c. obtain information on the purpose and intended nature of the business relationship with the User, unless the purpose and intended nature are clearly stipulated in the relevant documentation between the Company and the User. As part of this process, the Company shall obtain, amongst other matters, information on the source of funds and source of wealth of the User; and
- d. if a person purports to act on behalf of the User, (i) identify the person and take reasonable measures to verify the person's identity based on documents, data or information based on a reliable and independent source; and (ii) verify the person's authority to act on behalf of the User.

To identify a User who is an individual, the Company will collect information from the User, including but not limited to the following:

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| <ol style="list-style-type: none"><li>i. Full name and surname;</li><li>ii. Email address;</li><li>iii. Date of birth;</li><li>iv. Country of residence.</li></ol> |
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To identify a User who is a legal entity, the Company will collect information from the User, including but not limited to the following:

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| <ol style="list-style-type: none"><li>i. Full legal name;</li><li>ii. Registration number;</li><li>iii. Date of incorporation/registration;</li><li>iv. Country of incorporation/registration;</li><li>v. Lists of directors (as applicable to the entity).</li></ol> |
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The Company can also request from the User such documents as Memorandum and Articles of Association (or equivalent), and will verify additional beneficial ownership information and documents, and a detailed corporate chart (as applicable to the entity).

Where for any reason the Company will decide to have an on-site identity verification, at which the User is not able to be physically present, the Company may adopt more stringent standards to verify the identity of the User.

## Ongoing Monitoring and Enhanced KYC/AML Verification

The Company reserves the right to continuously monitor, on a risk sensitive basis, the User activity within the Polyx Exchange by:

- a. reviewing from time-to-time documents, data and information that have been obtained by the Company to ensure that such documents, data, and information are up to date; and
- b. conducting appropriate scrutiny of Transactions and activities carried out by Users to ensure that they are consistent with Company's knowledge of the User's business and risk profile, and to ensure that such Transactions and activities are in line with Company's knowledge of the User's or User's source of funds and source of wealth.

Under any of grounds of ongoing monitoring the Company can request User to provide additional data and documents that may include, but not limited to the following:

- i.** Government issued identity documents such as Passport;
- ii.** National Identity Card;
- iii.** Driver's License;
- iv.** Tax ID number;
- v.** Visa information;
- vi.** any other information necessary to comply with legal obligations under financial or anti-money laundering laws.

To continuously monitor the business relationship with a User (as applicable), the Company may carry out a file review to ensure that information held about the User is up-to-date and that identification documents held are still valid. In addition, the Company reserves the right to implement enhanced KYC/AML Verification in any High-Risk Situation as well as any time the User activity within the Polyx Exchange raises any red-flags or gets 'out of the norm' activity.

## SANCTIONED, PROHIBITED AND HIGH-RISK JURISDICTIONS

The Company will establish and maintain the following lists of jurisdictions (i) Sanctioned Jurisdictions (ii) Prohibited Jurisdictions and (iii) High Risk Jurisdictions. In determining the list of Sanctioned Jurisdictions, Prohibited Jurisdictions and High-Risk Jurisdictions, the Company shall consider the lists issued by the Financial Action Task Force and by other organizations issuing guidelines and lists relating to the adequacy of legislative measures adopted by jurisdictions in relation to money laundering, funding of terrorism.

Users who are (i) resident or domiciled in, or (ii) have their source of wealth or source of funds linked to a Sanctioned Jurisdiction and/or a Prohibited Jurisdiction shall not be accepted as Polyx Exchange Users.

Users who are (i) resident or domiciled in, or (ii) have their source of wealth or source of funds linked to High-Risk Jurisdictions shall be subject to enhanced checks and measures by the Company.

## HIGH-RISK SITUATIONS

In certain circumstances, the risk may be higher, and the Company will need to take additional due diligence measures. To prevent the risk, the Company conducts an additional enhanced KYC/AML Verification.

These include, for example, situations where (i) the User is from a High-Risk Jurisdiction, (ii) the User is a Politically Exposed Person, (iii) User effectuates High Value Transaction or the User's or User's behavior and activities raise other red flags.

In a high-risk situation, the Company will:

- a. Obtain approval from senior management to establish the business relationship and take reasonable measures to verify the User's or beneficial owner's source of wealth and source of funds that will be involved in the business relationship (*in cases where a business relationship has not yet been established*); and
- b. Obtain approval from senior management to continue the business relationship, take reasonable measures to verify the beneficial owner's identity, and take reasonable measures to verify the User's or beneficial owner's source of wealth and source of funds that will be involved in the business relationship (*in cases where a business relationship has been established*).

## RECORD-KEEPING

The Company will keep (a) transaction records, for a period of **five (5) years** beginning on the date on which a transaction is completed, or for such other minimal period as may be required by applicable law; and (b) other information collected by the Company for AML/KYC purposes, **throughout the entire period of the business relationship with the User and for a period of five (5) years** beginning on the date on which the business relationship with the User ends, or for such other minimal period as may be required by applicable law.

## REPORTING

Where the Company suspects that a User is involved in any money laundering, terrorist financing or other illegal activities, it will report any relevant knowledge or suspicion to governmental and regulatory authorities.

The Company shall not notify any Users of any such actions. In the event that the Company and its employees notify such Users, they may be held liable for tipping off. This is a criminal offence punishable by a fine and/or imprisonment.

## AML/KYC POLICY AMENDMENT

This AML/KYC Policy may be revised, updated and(or) amended at any time without prior notice at the Company's discretion to ensure compliance with any applicable legislation and global AML/KYC practices.

If such amendments are made, the date when this AML/KYC Policy was updated will be displayed on the first page of the AML/KYC Policy. We strongly recommend that Users check the page regularly for changes.

The User undertakes at own risk to keep himself/herself updated with the Policy amendments. We strongly recommend that Users do the following: (i) memorize/make a note of the date of last update provided in the document (e.g., to save its copy) upon the initial registration of Account and any time upon amendment of the Policy, (ii) visit on a regular basis the relevant page of the Exchange website and study the entire Policy in case of change in the update date.

By using the Polyx Exchange, the Users confirm their consent to this AML/KYC Policy in the applicable part.

Where You do not agree with any of the provisions of this AML/KYC Policy, We strongly recommend that You stop using the Polyx Exchange.

After posting the updated version of the AML/KYC Policy within the Polyx, further use of any of the products of the Polyx Exchange (including but not limited to the Exchange website, applications, etc.) is considered as acceptance of the terms of the amended AML/KYC Policy.

## CONTACT US

If anything is left unclear in the text of this AML/KYC Policy, we will be happy to clarify its provisions.

For questions related to this Policy, please contact us via email [info@polyx.net](mailto:info@polyx.net) or [support@polyx.net](mailto:support@polyx.net).