

ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING POLICY

Effective from October 31, 2018

This anti-money laundering (AML) and counter-terrorist financing (CTF) policy (the "**Policy**"), outlines the procedures used by TokenStars Group Limited, a company registered in the British Virgin Islands with company number 1953160, whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, the British Virgin Islands (the "**TokenStars**", "**we**"), to prevent and mitigate possible risks of being involved in any kind of illegal activity.

Money laundering is the process to conceal the origins of criminal proceeds so that they appear to originate from a legitimate source.

The Policy covers the following matters:

- a) Know Your Customer / Customer due diligence procedure;
- b) AML Officer;
- c) Transactions monitoring;
- d) Risk assessment.

KNOW YOUR CUSTOMER / CUSTOMER DUE DILIGENCE

TokenStars established know your customer / customer due diligence procedure which includes a collection of information on individuals and legal persons (together the "**Customers**") for assessing money laundering and terrorist financing risks prior to transferring the TokenStars' tokens.

§1. Individual Account Assessment

In order to be able to receive the TokenStars' tokens, during the Know Your Customer procedure an individual provides the following identification information to TokenStars:

- its full name;
- date of birth;
- citizenship;
- e-mail address;
- phone number;
- registration or residential address;
- information about the cryptocurrency wallet addresses to be used for the operations with TokenStars.

Appropriate documents for verifying the individual's identification information include, but are not limited to:

- scanned copy of the individual's official photo ID (passport);
- proof of its address.

All information is collected and used strictly in accordance with the Privacy Policy available on TokenStars's website (<https://tokenstars.com/> — the "**Website**").

§2. Corporate Account Assessment

When a legal entity intends to receive the TokenStars' tokens or an individual act on behalf of a legal entity, during the Know Your Customer procedure the following identification information of such legal entity is provided to TokenStars:

- memorandum and articles of association;
- certificate of incorporation;
- proof of registered address;
- register of shareholders;
- with respect to each director and individual who owns at least ten percent of the legal person, identification information and supporting documentation required under Individual Account Assessment;
- with respect to a shareholder which is a legal person, all the above applies.

§3. Additional Information

TokenStars reserves the right to request, at any point in time, any further documentation and/or verification as required from a Customer where we deem, at our own discretion, or under the instruction of third parties, further investigation is necessary to comply with regulatory obligations.

AML OFFICER

The AML Officer is a person, duly authorized by TokenStars, who is responsible for ensuring compliance with the Policy, such as:

- organizing of collection of the Customer's identification information;
- establishing and updating internal policies and procedures for creating, reviewing, submitting and storing all reports required in accordance with applicable laws;
- organizing of monitoring transactions and investigating any significant deviations from Customers' usual activities;
- introduction of a records management system for storing and retrieving documents, files, forms, and logs;
- updating of regularly risk assessments;
- reporting of suspicious transactions as required under the applicable laws.

The AML Officer may interact with competent regulatory authorities that deal with the prevention of money laundering and terrorist financing.

TRANSACTIONS MONITORING

The monitoring of the Customers' transactions and the analysis of the obtained data is a tool for risk assessment and the detection of suspicious transactions. If money laundering or terrorist financing are suspected, TokenStars reserves the right to:

- report of suspicious transactions to the competent regulatory authority;
- request the Customer to provide any additional information and documents;
- suspend or terminate the Customer's user account on the Website.

The above list is not exhaustive, and the AML Officer will monitor Customers' transactions to define whether such transactions are to be reported and treated as suspicious or are to be treated as bona fide.

RISK ASSESSMENT

In accordance with international requirements, TokenStars has adopted a risk-based approach to anti-money laundering and counter-terrorist financing. Thus, measures aimed to prevent money laundering and terrorist financing correspond the identified risk. This allows resources to be effectively dedicated. Resources are used on a priority basis: the greatest attention is given to the greatest risks.

CONTACT US

We welcome your questions and suggestions with respect to this Policy. Please use this e-mail for communicating with us: ask@tokenstars.com.