

## **AML/CFT/KYC Policy**

### **for Cryptanite Wallet of ChargaCard, Inc.**

#### **Anti-Money Laundering, Counter-Terrorist Financing and Know Your Client (AML/CFT/KYC) Policy**

*Last Revised as of June 19, 2018 (v1.0)*

Money laundering is defined as any process involving the concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses. Criminals specifically target financial transactions through which they attempt to launder criminal proceeds without the firm's knowledge or suspicions.

The ChargaCard, Inc. (the “Company”) AML/CFT/KYC Policy is designed to ensure that the Company complies with the requirements and obligations set out in international laws, regulations, rules and industry guidances for the financial transactions sector, including the need to have adequate systems and controls in place to mitigate the risk of the Company being used to facilitate financial crime.

The Cryptanite Wallet is a commercial product of ChargaCard, Inc., a mobile application, which allows customers to buy, possess, store and dispose the blockchain-based digital tokens. As such, and in response to the threat of money laundering activity, frauds, the Company has adopted this AML/CFT/KYC policy which is followed by all of its directors, officers, employees, contractors, agents, and includes:

- Establishing and maintaining a Risk Based Approach (RBA) towards assessing and managing the money laundering and terrorist financing;
- Establishing and maintaining risk-based customer due diligence, identification, verification and know your customer (KYC) procedures, including enhanced due diligence for those customers presenting higher risk, such as Politically Exposed Persons (PEPs) and Correspondent Banking relationships;
- Informing clients that the information they provide may be used to verify their identity;
- Determining that clients are not known or suspected terrorists by checking their names against lists of known or suspected terrorists;
- Maintaining records of identification information;
- Ensuring clients have valid proof of identification;

- Application of anti-money laundering solution, which delivers transaction risk scoring and reporting necessary to comply with AML regulation;
- Establishing and maintaining risk based systems and procedures to monitor ongoing customer activity;
- Responding to law enforcement authorities' requests;
- Determining and obtaining necessary Licensing in countries of operation;
- Compliance with local regulatory requirements;
- Employees, contractors and Compliance Officer trainings;
- Identification of cryptocurrency transactions in relevant blockchain databases;
- Procedures for reporting suspicious activity internally and to relevant law enforcement authorities as appropriate;
- Procedures for reporting suspicious and/or fraudulent use of identification documents to relevant law enforcement authorities and dedicated regulators as appropriate;
- The maintenance of appropriate records for the minimum prescribed periods;
- Training and awareness for all dedicated employees and contractors;
- Provision of appropriate management information and reporting to senior management of the Company in compliance with the requirements;
- Maintenance of operational risks incidents database, implementation of risk mitigation measures and follow up on its results;
- Not accepting cash, money orders, third party transactions, exchange houses transfers or Western Union transfers and high-risk means of payment
- Blocking suspicious transactions, where the Company may require its customers/clients and partners to provide additional information or documentation to fulfill its legal and compliance obligations and where it deems appropriate refuse to process any customer/client's transaction that is suspected of being related to the criminal activity;
- Direction of funds withdrawals back to the original source of remittance, as a preventative measure.

The Company has engaged the Compliance Officer of sufficient seniority, creating relevant compliance division, who is in charge of oversight of the Company compliance with relevant legislation, regulations and rules.

The Company also prohibits transactions with individuals, companies and countries that are on prescribed Sanctions lists and therefore screen against UN, EU, UK Treasury and US Office of Foreign Assets Control (OFAC) sanctions lists in all jurisdictions in which we operate and prior to customer verification.

It is the policy of the Company to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the financing of terrorist or any other criminal activities. We are committed to comply with applicable requirements and regulations. The Company's AML/CFT/KYC Policy, relevant procedures and internal controls will be reviewed and updated on a regular basis to ensure appropriate policies, procedures and internal controls are in place to account for both changes in regulations and changes in our business.