Anti-Money Laundering Policy

YOUHODLER SA

Date of issuance: July 26th, 2020

Preamble

YouHodler SA is a company incorporated in Switzerland with company registration number CHE-336.197.657 and a registered address at Rue de Valentin 1, 1004 Lausanne, Switzerland (hereinafter referred to as “YouHodler”). YouHodler is aware of its corporate duty to assist the fight against anti-money laundering, corruption and against the funding of terrorism.

For this reason, YouHodler is aware of the fact that the use of its services for money laundering and terrorism funding could, if not handled properly, result in the infringement of laws and regulations.

In its contribution to manage these risks related to money laundering and financing, YouHodler is committed to respect all relevant laws, regulations, best practice and ethical standards applicable in Switzerland in order to fight money laundering and terrorist financing.

The present document details the procedures YouHodler will follow in order to identify any accrued risk contractual relationship and take the necessary measures as a response to these risks.

This Policy should be read carefully in order to understand our best practices regarding anti-money laundering and combatting the funding of terrorism and how YouHodler will approach instances and matters whenever such activity occurs.
1. Definitions and Abbreviations

AML shall mean anti-money laundering.

Beneficial Owner(s) shall mean the natural person(s), who ultimately control(s) a Client who is a legal person directly or indirectly, alone or together with others and who owns at least twenty five percent (25%) of all capital or voting power or any other form of control. If these natural persons cannot be identified, the identity of the member of the highest managing body shall be established as the controlling owner.

Board of Directors shall mean the Board of Directors of YouHodler.

Business Relationship(s) shall mean the contractual relationship which is formed between a Client and YouHodler which can be formed through a collateral lending agreement between the Client and YouHodler or a conversion operation through an execution-only mandate agreement.

CFT shall mean combatting the funding of terrorism.

Client(s) shall mean a person seeking to make use of the Services which are provided by YouHodler.

Conversion operations shall mean conversion services which allow for Transactions to be carried out on behalf of the User.

Cryptocurrency shall mean a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank, except any token representing a security or an asset.

Domiciliary Company shall mean legal persons who have a registered office in Switzerland but do not have any natural person physically present or Employee(s) in Switzerland and therefore are totally controlled from abroad.

Employee(s) shall mean any person who is bound to YouHodler on a full-time or part-time basis by a contract of employment and whose scope of employment is related to the provision of investment advice or to any activity which falls under the scope of business which is defined in Section 4 of this Policy.

Financial Intermediary shall have the same definition as Article 2 of the AMLA (as defined in Section 2 of this Policy)

FATF shall refer to the Financial Action Task Force.

HNWI(s) shall refer to high net worth individuals. A Client shall be classified as a HNWI depending on the thresholds outlined in Section 5.2 of this Policy.
Collateral Loan Agreement shall mean the agreement binding the Client to YouHodler the Client requests for liquidity from YouHodler who holds Cryptocurrencies as collateral.

Naumard Ltd shall refer Naumard Ltd, a company registered under the laws of Cyprus, with a registered address at Aglantzias 21 Street, Complex 21 B, Floor 2, Flat 1 Aglantiza, 2108, Nicosia, Cyprus.

PEP(s) shall refer to politically exposed person. A Client shall be classified as a PEP depending on the thresholds outlined in Section 11.5 of this Policy.

Platform shall refer to the online platform which is available at the following URLs www.youhodler.com or https://app.youhodler.com/sign-in and the Platform which is available upon downloading the mobile application on Android or iOS.

Prosecuting Authority shall mean the court, tribunal or authority which is duly competent for the prosecution of any of the reports which are passed on to the Money Laundering Reporting Office in Switzerland or to any other office or authority charged with processing the reports made in line with this Policy.

Institutional Clients shall mean financial intermediaries, insurance companies, foreign clients who are under the supervision of financial intermediaries and insurance companies, central banks, the treasury of a public department, companies who either have a revenue of CHF 40,000,000, have an income at CHF 20,000,000 or who have own capital at CHF 2,000,000, companies with professional liquidity, pension funds.

Policy shall mean this AML Policy and any other subsequent amendments which are carried out and recorded in Annex 1 of this Policy.

Retail Client(s) shall refer to those individuals who are not deemed to be professional clients under the FinSA (as defined in Section 2 of this Policy).

Service(s) shall mean the services carried out by YouHodler which is the provision of Collateral loans to the Client and the Conversion operations on behalf of the User who has a User Account.

Third-Party Service Provider(s) shall mean any natural or legal person who has a contractual relationship which serves the purpose of outsourcing the services provided by YouHodler or facilitates the services which are offered by YouHodler. This term shall, for all intents and purposes include Naumard Ltd.

Transactions shall mean any monetary transfer or Cryptocurrency which is transferred from the Client to YouHodler which transfer is
carried out as a result of the Business Relationship binding them.

**User Account**
shall mean an account which is created on the Platform.

**SRO**
shall refer to the self-regulatory organization to which YouHodler is affiliated and which is referred to in Section 21 of this Policy.

**Working Days**
shall mean a day that is not Saturday or Sunday as well as any day which falls on a public holiday.

2. **Legal Sources**
The legal requirements and obligations forming the basis of this Policy are aligned with the following sources:

2.1. Federal Act on Combatting Money Laundering and Terrorist Financing (Anti-Money Laundering Act) (955.0) (hereinafter referred to as the “AMLA”);

2.2. Federal Ordinance on Combatting Money Laundering and Terrorist Financing (RS 955.01) (hereinafter referred to as the “AML Ordinance”);

2.3. Federal Act on Financial Services (RS 950.01) (hereinafter referred to as the “FinSA”);

2.4. Federal Ordinance on Financial Services (RS 950.11) (hereinafter referred to as the “FinSO”);

2.5. The Federal Act on Financial Institution (RS 954.01) (hereinafter referred to as the “FinIA”);

2.6. Federal Ordinance on Financial Institutions (RS 954.11) (hereinafter referred to as the “FinIO”);

2.7. The Swiss Criminal Code (RS 311.0) (hereinafter referred to as the “Criminal Code”);

2.8. FINMA Guidance 02/2019 issued on the 26th August 2019 regarding the Payments on the Blockchain.

YouHodler is aware that amendments are carried out to laws and regulations on a regular basis. For this purpose, whenever an article or regulation is referred to within this Policy, the content of the article or regulation as at 26.07.2020 (date of issuance of this Policy) should be taken into consideration.

3. **Objective of the Policy**
This Policy is meant to serve as a guideline and procedure for YouHodler’s Board of Directors, Employees or Third-Party Service Provider and/or staff as well as affiliates or subsidiary companies of YouHodler.

4. **Scope of services**
As services offered to Clients, YouHodler shall:
- finalize Collateral Credit Facility Agreements with Clients;
- carry out Conversion operations on behalf of the Users from Fiat currencies to Cryptocurrencies and from Cryptocurrencies to Fiat currencies and from Cryptocurrencies to Cryptocurrencies.

In the provision of the services, YouHodler may outsource some services to Third-Party Service Providers, in particular to Naumard Ltd, in Cyprus. Furthermore, Third-Party Service Providers may also be resorted to for the referral of Clients. For this reason, this Policy shall also extend to Third-Party Service Providers, in particular to Naumard Ltd.

5. Categorization of Clients

5.1. YouHodler’s Services shall be offered to Retail Clients and to Institutional Clients.

5.2. HNWI shall be Clients that prove that they:

a) have the knowledge required to comprehend the risks of the investments based on their individual education and professional experience or based on comparable experience in the financial sector; and

b) hold assets of at least five hundred thousand Swiss francs (CHF 500,000); or

c) shall confirm in writing that they hold assets of at least two million Swiss francs (CHF 2,000,000).

5.3. HNWI individuals may opt to be considered and treated as Institutional Clients.

6. Obligation to maintain standards

6.1. YouHodler, its Employees, its Third-Party Service Providers and Clients must at all times be aware that pursuant to the Criminal Code, there are the following duties which must be adhered to:

a) YouHodler must at all times ensure that the source and origin of funds used by the Client is clarified in order to ensure that it is not liable under Article 305bis of the Criminal Code;

b) YouHodler must at all times ensure that to ascertain the identity of the beneficial owner of the assets in order to ensure that it is not liable under Article 305ter of the Criminal Code;

c) YouHodler must ensure that it does not participate in the organisation of a corporate structure and which would result in the commission of crimes in order to ensure that it is not liable under Article 260ter of the Criminal Code;

d) YouHodler must ensure that any of the funds which are collected are not used for the commission of any crime of violence or public intimidation under Article 260 quinquies of the Criminal Code;

e) YouHodler must at all times ensure compliance with the AMLA and application ordinances.
6.2. For this reason, any procedures, rules and regulations which are outlined in this Policy shall serve the purpose of mitigating YouHodler’s risk of legal liabilities which are outlined in this Section.

7. Verification of Identity

7.1. Requirement of Identification

7.1.1. By identifying the Clients and verifying their identification, YouHodler would be fulfilling the regulatory obligations set out in Article 3 AMLA. The identification and verification will ensure that no illicit funds are being laundered on behalf of Clients and that the funds are not being used in order to indirectly support the funding of terrorism.

7.1.2. Failure to establish the identity of the Client may result in a violation of Article 305ter of the Criminal Code.

7.2. Customer Due Diligence

7.2.1. For the purposes of this Policy and particularly throughout YouHodler’s operations, Customer Due Diligence shall refer to:

a. Identifying the Clients and verifying that Client's identity using reliable, independent documentation as outlined in Section 7.3 of this Policy;

b. Identifying the Beneficial Owner, and taking reasonable measures to verify the identity of the Beneficial Owner, in such a manner that to every extent possible, YouHodler is satisfied that the actual identity of the Beneficial Owner has been ascertained as outlined in Section 7.4, 7.5 and 8 of this Policy. In order to ascertain the actual identity of the Beneficial Owner, the ownership and control structure of the legal person should also be ascertained;

c. Understanding and, as appropriate, obtaining information on the purpose and intended nature of the Business Relationship;

d. Obtaining information from the Client on a regular basis on the Business Relationship and scrutiny of Transactions undertaken throughout the course of that relationship to ensure that the Transactions being conducted are consistent with the Youhodler's knowledge of the Client's profile.

7.3. Identification and Verification of a Client who is a natural person

The information which shall be obtained by YouHodler in order to identify the Client is the following:

- Surname;
- First name;
- Business name (where applicable);
- Date of birth;
- Address; and
- Nationality.

The identification of a natural person will require the Client to present a document which will establish the Client’s identification. The Client may be identified through an
extract in original or a copy of:

- a valid unexpired passport;
- a valid unexpired national or other government-issued identity card;
- a valid unexpired residence card; or
- a valid unexpired driving license.

For purposes of verification, YouHodler may request attestations from public authorities to be delivered.

7.4. Identification and Verification of a Client who is a legal person

The information which shall be obtained by YouHodler is the following:

- Business name;
- Domicile address;
- Utility bill.

In order to verify the information;

1) Companies registered in Switzerland

An extract of the commercial register issued by the Swiss Commercial Registrar. There is the possibility to obtain a print out of the database from one of the following online platforms:

a. ZEFIX;
b. Teledata;
c. Dun & Bradstreet;
d. Creditreform;
e. Any other trustworthy platform.

Upon obtaining the ZEFIX print-out or the extract from the directories and databases, the Employee who obtains this print-out shall attribute the mark 'printed on [DATE]' dated and proceed to sign the print-out.

2) Companies registered outside Switzerland

An extract from the commercial register issued by the commercial registrar where the company is domiciled or a notarised certificate of incorporation of the company or the certificate of incorporation on the basis of a written extract from an official or trustworthy privately managed database or directory, provided that this document supplies the information which is required for the purposes of identification or verification.

With regards to the representative or signatory of this legal person, the procedure outlined in Section 7.3 of this Policy must be followed in order identify and verify the identification of the signatory or the legal person.

7.5. Identification and Verification of legal persons not listed in a commercial register

In this scenario, YouHodler is envisaging a scenario when the legal person is either an association or a partnership which is not listed in the commercial register.

The information which shall be obtained by YouHodler is the following:
● Business name;
● Domicile address;

In order to fulfil the verification of this information:
● identification documents of the owner/individuals forming the partnership; and
● the certificate of incorporation; or
● the contract of the formation; or
● an auditors certificate; or
● written extract from a trustworthy privately managed directory or database.

With regards to the representative or signatory of this legal person not listed in the commercial register, the procedure outlined in Section 7.3 of this Policy must be followed in order identify and verify the identification of the signatory or the legal person which is not registered in the commercial register.

8. Beneficial Owner of Clients who are legal persons

As a general rule, YouHodler shall not enter into a Business Relationship or carry out any Transactions until an identification has occurred and the identification of the nature and purpose of the Business Relationship or Transactions and the identity of the Beneficial Owner of the legal person has been identified by YouHodler.

8.1. Domiciliary Company

Subject to the rules set out in Section 8.3 of this Policy, YouHodler shall not enter into a Business Relationship or carry out any Transactions for a Client who has a Domiciliary Company as a Beneficial Owner.

8.2. Identification and verification of identity of beneficial owner

YouHodler shall apply the procedures set out in Section 7 of this Policy in order to identify and verify the identification of the Beneficial Owner.

8.3. Provision of a written declaration

8.3.1. Individuals providing the declaration

A written declaration from the Client shall be obtained with respect to the identity of the Beneficial Owner if:

i. the Client is a natural person and not identical to the beneficial owner or if there is any doubt about the matter;
ii. the Client is a Domiciliary Company;
iii. a cash transaction of which has or exceeds the amount of CHF 25’000, is being carried out;
iv. money or assets exceeding CHF 1000 are being transferred by an individual who is acting based on a mandate agreement;
v. the Client is an operational legal entity or partnership and is not listed on stock exchange.
8.3.2. **Information available inside the written declaration**

A written declaration provided by the Beneficial Owner shall contain the following information:

For the purposes of 8.3.1(i) till 8.3.1(iv):

- Surname;
- First name;
- Date of birth;
- Address; and
- Nationality.

For the purposes of 8.3.1(v) for both the shareholders and beneficial owners:

- Surname;
- First name;
- Business name (where applicable);
- Extract of the commercial or company register (where applicable);
- Date of birth;
- Address; and
- Nationality.

8.4. **Formalities of the Declaration**

The Client or the authorised signatory of the Client must sign the declaration.

8.5. **Beneficial ownership of collective investment scheme**

8.5.1. YouHodler shall only request the declaration from the Beneficial Owner of a collective investment scheme or an investment company when there are a maximum of twenty (20) investors.

8.5.2. In the event that the collective investment scheme or the company contains more than twenty (20) investors, the declaration from the Beneficial Owner would not be required if it falls within the scope of AML and CTF regulations.

8.5.3. YouHodler shall not request a declaration if the collective investment scheme, investment company or Domiciliary Company is listed on a stock exchange.

8.5.4. YouHodler shall waive the declaration of the Beneficial Owner if the Client is a Financial Intermediary or an Institutional Client.

9. **One-time Transactions**

9.1. YouHodler’s business activities are primarily based on a Business Relationship which is long-term.
9.2. YouHodler may also have instances when Clients shall be involved in one-time Transactions. In such cases, YouHodler shall get written declarations as stated in Section 8.3 above.

10. Frequency of verification of identity

YouHodler shall repeat the process of identification and verification if and when, in its sole discretion, it has doubts that the information provided by the Client is not accurate. The process of identification and verification shall also be repeated if the declaration provided by the Beneficial Owner is not correct or if it is not clear to YouHodler whether there is a distinction between the Client who is a legal person and the Beneficial Owner of the Client who is a legal person.

11. Special duties of due diligence

11.1. Scope of identifying the Business Relationship

Throughout the course of the Business Relationship, YouHodler is required to ascertain the nature and purpose of the Business Relationship wanted by or with the Client. YouHodler shall draw and record its own conclusions. The contractual agreement binding YouHodler with the Client is sufficient to understand the purposes of the Business Relationship. This requirement shall be fulfilled by YouHodler in order to understand whether there is the obligation to carry out special duties of due diligence.

11.2. Client’s economic background

YouHodler may take steps to understand the source of wealth, and if necessary, the source of funds of the Client if:

a. the Business Relationship or the funds used in order for the business relationship to subsist are deemed to be unusual in YouHodler’s view; or

b. it is clear that the funds derive from any illegal activity which is outlined in Section 6 of this Policy; or

c. there is a factor of high risk in the Business Relationship as envisaged in Section 8 hereunder; or

d. the information supplied by the Client is synonymous with warnings which are published by the self-regulatory organisation with which YouHodler is affiliated.

11.3. High-Risk Business Relationship

11.3.1. YouHodler may use the following factors to indicate whether the Business Relationship with the Client can be categorized as high-risk:

a. domicile, nationality or address of the Client or the Beneficial Owner;

b. nature and location of the business activities of the Client or the Beneficial Owner;

c. the amount of personal contact with the Client or the Beneficial Owner;
d. the nature of the requested Services or products;

e. the amount of the assets deposited;

f. the amount of the asset flows;

g. origin or target country of frequent payments;

h. complex corporate structures, especially the use of Domiciliary Companies;

i. any other criteria requested/recommended by SRO, FATF or YouHodler’s bank(s)' policies.

11.3.2. YouHodler may also resort to the methods of evaluation set out in Section 13 of this Policy in order to evaluate whether or not a Client is categorized as high-risk (hereinafter referred to as a “High-Risk Client”).

11.3.3. With regards to the Transactions which occur between the Client and YouHodler, the Transaction (hereinafter referred to as the “High-Risk Transaction”) is categorized as high-risk if:

a. the amount of the assets or the volume of the Transactions appears unusual, considering the Client's profile or the circumstances of the Client;

b. in the specific Business Relationship or in similar Business Relationships, considerable deviations are noted from customary transaction nature, volumes and frequencies;

c. in money or asset transfers one or more Transactions which appear to be interrelated amount to or exceed a sum of five thousand Swiss Francs (CHF 5’000);

d. in the event of a one-time occasional Transaction which exceeds sixteen thousand and five hundred Swiss Francs (CHF 16'500);

e. in the event of a Transaction carried out by an individual who is not domiciled in Switzerland when the Transaction exceeds one thousand Swiss Francs (CHF 1000);

f. in the event of an occasional Transaction which is carried out whilst rendering the Services on the Platform and such occasional Transaction is carried out using Cryptocurrencies which are valued at the equivalent of more than one thousand one hundred Swiss Francs (CHF 1100);

g. the Client uses the Platform in a way to get several credits in a row during a short period of time;

h. any other criteria requested/recommended by SRO, FATF or YouHodler’s bank(s)' policies.

11.3.4. YouHodler shall also categorize the following as High-Risk Transactions of money laundering:

a. the manner in which the Transactions are indicated are for an illegal purpose;

b. from an economic point of view, the Transactions feature quantities which are excessive or not discernible; or

c. the amount of funds within the Transaction do not seem reasonable to YouHodler when the Client profile is examined.

In the event that the Client or the Beneficial Owner originates from a country which is categorized as a High-risk jurisdiction by FATF, the Client shall be categorized as a high-risk Client by YouHodler.
11.4. Suspicious Activity

11.4.1. YouHodler shall immediately classify a Client as “suspicious” if there is an explicit refusal to provide any documentation which is requested by YouHodler or some of the information provided by the Client happen to be wrong or misleading.

11.4.2. When a Client makes a Transaction from an account which is present in a country or a request is made to YouHodler to transfer any profits to is made to such a country deemed to be high risk according to FATF, SRO or YouHodler’s bank or appearing on any sanction list, YouHodler shall also categorize such activity to be suspicious.

11.4.3. YouHodler has its own internal measures in order to evaluate whether the volume of the transactions appear to be unusual.

11.5. PEP

11.5.1. For the purposes of this Policy, PEPs shall be defined in the same manner as the AMLA:

   a. Foreign PEPs: individuals who are or have been entrusted with prominent public functions by a foreign country, such as heads of state or of government, senior politicians at national level, senior government, judicial, military or political party officials at national level, and senior executives of state-owned corporations of national significance;

   b. Domestic PEPs: individuals who are or have been entrusted with prominent public functions at national level in Switzerland in politics, government, the armed forces or the judiciary, or who are or have been senior executives of state-owned corporations of national significance. This domestic status as a PEP expires 18 months after the termination of the public function;

   c. PEP in international organisations: individuals who are or have been entrusted with a prominent function by an intergovernmental organisation or international sports federations, such as secretaries general, directors, deputy directors and members of the board or individuals who have been entrusted with equivalent functions;

   d. Any family member and close associate of the PEPs (hereinafter altogether referred to as “Related Individual(s)”).

11.5.2. In the event that the Client is a Foreign PEP or Related Individual shall be categorized as a High-Risk Client by YouHodler.

11.5.3. YouHodler shall categorize a Domestic PEP or Related Individual or a PEP in international organisations or Related Individual as a High-Risk Client depending on the nature of the requested services or products and the amount of the assets deposited.

11.5.4. Any employee handling the on-boarding of a PEP as defined under this Section 11.5 shall, to the best of his/her abilities, obtain an approval from the senior management within YouHodler for the acceptance of Clients who are PEPs.
11.5.5. The High-Risk status relating to a PEP shall cease to be applicable eighteen (18) months after the termination of the public function.

11.6. Monitoring on the Business Relationship and Transactions

11.6.1. Throughout the Business Relationship, YouHodler shall request, acquire and record information from the Client in order to update the information needed for an on-going monitoring purpose.

11.6.2. With regards to PEPs (ref. Section 11.5), YouHodler shall carefully scrutinize whether to enter into a Business Relationship with a Client who falls under the definition of a PEP.

11.6.3. The Business Relationship with a Client who falls under the definition of a PEP shall be reviewed periodically every six (6) months.

11.6.4. With regards to High-Risk Clients, a review of this Business Relationship shall be carried out by YouHodler at least every month. With regards to PEPs as defined in Section 11.5 of this Policy, reasonable measures shall be taken to establish information regarding source of funds and source of wealth of the PEP.

11.6.5. YouHodler may delegate this obligation to carry out a review to Employees who are specifically employed to carry out the duties of reviewal envisaged in this Section 11.6 of this Policy.

11.6.6. YouHodler shall monitor the Business Relationships and Transactions and retain sufficient records in line with Section 16 of this Policy.

11.7. Source of Wealth and Source of Funds

11.7.1. The following information must be further clarified in order to have a prudent understanding of:
   a. the source of the funds used in the Transaction;
   b. the reason and purpose why the Client instructs YouHodler to ensure that the funds are withdrawn;
   c. the source of wealth of the Client;
   d. the beneficiaries when the Client is specifically a legal person;
   e. the financial situation of the Client.

11.7.2. YouHodler may resort to the following instruments in order to obtain a prudent understanding for the special duties of due diligence:
   a. written or verbal declarations;
   b. possible visits to the place of business of the Client;
   c. private inquiries from third-parties who do not form part of the Business Relationship.

11.7.3. YouHodler may terminate the Business Relationship with immediate effect if:
   a. doubts about the information of the Client persist also after performing special duties of due diligence;
b. there is a suspicion that false information was given intentionally to YouHodler.

11.8. **Fictitious and Anonymous Accounts/ Wallets**

11.8.1. YouHodler shall in no event, and under no circumstances, create any accounts for Clients who want to remain anonymous.

11.8.2. YouHodler shall in no event, and under no circumstances, create any accounts with fictitious Client details or information which is not real or factually correct.

11.8.3. YouHodler reserves the right to terminate any Business Relationship with immediate effect in the event that;
   a. any Client requests to keep certain information anonymous; or
   b. it results from further investigation that any information furnished to YouHodler by the Client is fictitious.

12. **Risk Identification**

12.1. In order to carry out a risk evaluation of how the Client can be evaluated, YouHodler may use the following processes and scales in order to mitigate and eliminate the risks of being held criminally liable under the possible illicit activities referred to in Section 6 of this Policy and in order to attribute and categorize a Client as High-Risk.

12.2. With regards to High-Risk Clients, YouHodler will apply the procedures and approaches which were outlined in the in Section 11 of this Policy.

12.3. **Risk Analysis**

12.3.1. Risks which are identified by YouHodler may be assessed according to the likelihood that they occur and the impact of these risks on the business if they occur. The following system is used to determine the likelihood of a risk:

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>the risk is very unlikely to occur</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>the risk has a small chance to occur</td>
</tr>
<tr>
<td>HIGH</td>
<td>the risk has reasonable chance to occur</td>
</tr>
<tr>
<td>CRITICAL</td>
<td>the risk has very high chance to occur</td>
</tr>
</tbody>
</table>

12.3.2. The impact of the risk identified by YouHodler shall be measured as follows:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>negligible loss or damage</td>
</tr>
</tbody>
</table>
12.4.  Risk Assessment

The degree of risk will be assessed according to their likelihood to occur and their impact if they do:

<table>
<thead>
<tr>
<th>Impact or Likelihood</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Low Risk</td>
<td>Low Risk</td>
<td>Moderate Risk</td>
<td>High Risk</td>
</tr>
<tr>
<td>2</td>
<td>Low Risk</td>
<td>Low Risk</td>
<td>Moderate Risk</td>
<td>High Risk</td>
</tr>
<tr>
<td>3</td>
<td>Moderate Risk</td>
<td>Moderate Risk</td>
<td>High Risk</td>
<td>Critical Risk</td>
</tr>
<tr>
<td>4</td>
<td>High Risk</td>
<td>High Risk</td>
<td>Critical Risk</td>
<td>Critical Risk</td>
</tr>
</tbody>
</table>

13.  Duty to report

13.1.  What should be reported?

When a suspicious activity, transaction or Client is identified by YouHodler:

13.1.1. A report may be filed to the Money Laundering Reporting Office which is managed by the Federal Office of Police in Switzerland.

13.1.2. YouHodler will proceed to file a report if in the course of a Business Relationship:

a. it has sufficient knowledge or duly suspects that any funds are related to any of the illicit activity which is outlined in Section 6 of this Policy;

b. it terminates a Business Relationship due to any reasonable suspicion that there was any illicit activity which is related to Section 6 of this Policy;

13.1.3. It is evident that the Client’s profile corresponds or is synonymous to any warnings which are issued by the self-regulatory organization to which YouHodler is affiliated.

13.1.4. YouHodler may resort to the possibility of carrying out a report if it has made observations from the procedures outlined in Section 11 of this Policy that there is a
possibility that the profits made by the Client may be used for the finance of terrorism, for tax evasion or money laundering activity.

13.1.5. YouHodler shall in no circumstance inform the Client that it has filed a report.

13.1.6. The prohibition on providing information does not apply to protecting YouHodler’s interests in the context of a civil action or criminal or administrative proceedings.

13.1.7. YouHodler may also choose to inform the custodian of the assets that the report regarding a Client when the services are carried out jointly between YouHodler and the custodian of the assets.

13.2. Form of the Report

13.2.1. The Employee responsible for drafting and sending the report mentioned in Section 13.1 of this Policy shall report to YouHodler’s board immediately and, if instructed by such to do so, send the report without delay by post to the Money Laundering Reporting Office and to the self-regulatory organization to which YouHodler is affiliated.

13.2.2. The instructions regarding the format of the report are available on: https://www.fedpol.admin.ch/fedpol/en/home/kriminalitaet/geldwaescherei/meldung.html

13.2.3. The Employee responsible for contact which is registered with the self-regulatory organization to which YouHodler is affiliated shall be identified in the report.

13.2.4. YouHodler shall, at its sole discretion, elect to leave the Employee who identified the activity which is subject to the report as anonymous.

14. Termination of the Business Relationship

14.1. YouHodler is not obliged to terminate (but is entitled to terminate for cause if the Board deems appropriate) the Business Relationship when:

a. after sending the report outlined in Section 13.1, of this Policy, the Money Laundering Reporting Office does not send a reply to YouHodler within twenty (20) days;

b. after sending the report outlined in Section 13.1, of this Policy, the Money Laundering Reporting Office informs YouHodler that it will not be taking action on the report filed and there was no notification from the Prosecuting Authority five (5) Working Days;

c. after sending a report related to the information outlined in Section 13.1.3 to the self-regulatory authority to which YouHodler is affiliated, it does not receive a response within five (5) Working Days.
14.2. YouHodler must terminate the Business Relationship in the following instances:

a. it still has doubts regarding the information provided by the Client, even after carrying out repetition of the verification of the identity of the Client or the establishment of the identity of the Beneficial Owner;

b. the Client does not co-operate to carry out the verification of the identity or to help with the confirmation of the identity of the Beneficial Owner.

14.3. YouHodler shall reserve the right to terminate a Business Relationship with immediate effect in the event that the procedures implemented in this Section of the Policy are resorted to by YouHodler.

14.4. In the event that YouHodler holds any assets belonging to the Client, the assets shall be withdrawn on condition that a compliance audit trail is retained which enables the prosecution to trace the assets at any time.

14.5. YouHodler shall terminate the Business Relationship after the reporting procedures outlined in Section 13 of this Policy have been completed.

14.6. In the event that procedure in Section 15 has been resorted to by YouHodler, the Business Relationship shall not be terminated.

15. **Freezing of assets and prohibition of information**

15.1. YouHodler shall proceed to freeze any assets, including Cryptocurrencies, belonging to the Client as soon as the Money Laundering Reporting Office sends a confirmation that the Prosecuting Authority has been informed of the report.

15.2. YouHodler shall retain the frozen assets, including Cryptocurrencies, until it receives a ruling from the Prosecuting Authority or from the Money Laundering Reporting Office.

15.3. In any case, YouHodler shall not retain the frozen assets, including Cryptocurrencies, for more than five (5) Working Days from the date on which the Money Laundering Reporting Office gives notice of the report to be sent to the Prosecuting Authority.

15.4. In the event that the assets or Cryptocurrencies are not under YouHodler’s control, the custodian of the assets shall be duly informed of the freezing order and instructed to freeze the assets / Cryptocurrencies.

16. **Duty to keep records**

16.1. YouHodler shall prepare any documents and receipts related to the Business Relationship (hereinafter referred to as the “Documentation”) with the Client in a manner that an audit compliance trail is created and maintained in line with the relevant laws and regulations applicable to the Business Relationship. YouHodler shall deploy its best efforts to keep the paper trail of any Transaction done by
Business Relationship.

16.2. For the purposes of this Section, the Documentation to be retained by YouHodler shall include the following:

a. Copies of the documentation which is referred to in Section 7, 8, 9 of this Policy;
b. Any files related to accounts, business correspondence and the actual reports on the analysis undertaken by YouHodler in relation to the Transactions which occurred throughout the Business Relationship, including throughout the use of the Services.

This list is not exhaustive and there is the possibility for other elements to be included within the available list in this Section.

16.3. YouHodler shall keep a register that includes that includes all Business Relationships and document the identification, findings, clarifications and reports which are made for every Client.

16.4. Business Relationships with High-Risk Clients or PEPs have to be labelled as such. Reports must be kept separately.

16.5. The documentation must enable reconstruction of each individual transaction.

16.6. YouHodler shall retain the documents in a manner that they can be presented to a Prosecuting Authority or SRO within a reasonable time.

16.7. YouHodler's storage medium or server is in Switzerland.

16.8. YouHodler is responsible to store the documentation for a minimum period of ten (10) years.

17. Outsourcing due-diligence

17.1. In the event that throughout its business operations YouHodler wants to outsource the due diligence which should be carried out under this Policy, it shall send a written request to the SRO.

17.2. In any event, YouHodler shall remain responsible for the fulfilment of the delegated tasks.

17.3. The Third-Party Service Provider shall not be allowed to further delegate the tasks assigned by YouHodler.

18. Organisational measures

18.1. YouHodler has Employees who form part of an AML department.

18.2. In the event that an Employee is a designated contact person of the SRO, this Employee shall form part of the AML Department.

18.3. The AML department has the power to issue directives and formulate training programs for its Employees and Third-Party Service Providers.
18.4. The Board of Directors of YouHodler shall consult the AML Department regarding matters which fall under the AML Department’s competence.

18.5. The AML Department and the employees in charge of Business Relationships must be separated in the event that YouHodler exceeds twenty (20) Employees.

18.6. The tasks of the AML Department include, but are not limited to, the following:
   a. The reviewal and application of this Policy and any other internal policy related to AML and CFT;
   b. The development of internal transaction monitoring systems and the reports which are generated by the internal monitoring system;
   c. The management and overview of the special due diligence procedure and the process of on-going monitoring;
   d. The preparation of a risk analysis for AML and CFT, specifically taking into consideration the client’s domicile or residence, the client segment as well as the products and services offered;
   e. The risk analysis shall be approved by the Board of Directors and updated periodically.

19. Training

19.1. Employees must be provided with appropriate measures and instructions adopted by YouHodler and/or the SRO to prevent money-laundering.

19.2. YouHodler and its Employees shall also attend the training courses provided by the SRO.

19.3. In the event that YouHodler wants to organize in-house trainings, the SRO shall initially approve these in-house trainings.

19.4. Any new Employees shall be given a welcome pack containing this AML Policy and a basic training on AML within an appropriate period.

19.5. The Employee who is responsible for the supervision of the training and the contact person, must attend the annual recurrent training provided by the SRO and ensure the appropriate internal training of other employees.

19.6. The training program shall mostly cover the content of this Policy.

20. Audit

20.1. YouHodler’s activity may be subject to the reviewal of an audit firm appointed by the SRO.

20.2. The SRO shall verify compliance with the duties of the association, duties of due diligence and duty to report of the member audited in his premises.
20.3. The audit firm may verify the compliance procedures of YouHodler on or by a specific date.

20.4. YouHodler shall present the audit firm with documents and records evidencing compliance with his duties, bookkeeping and the vouchers for the accounts.

21. Affiliation with an SRO
YouHodler is affiliated with SRO PolyReg.

22. Jurisdiction and applicable law
This Policy and all matters arising out of or relating to it shall be governed by the substantive laws of Switzerland.
Annex 1
Policy Amendment Table

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>July 26th, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Owner</td>
<td>YouHodler SA</td>
</tr>
<tr>
<td>Document Manager</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revision number</th>
<th>Revision Date</th>
<th>Description</th>
<th>Prepared by</th>
<th>Approved by</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>