

Anti-Money Laundering and Know Your Contractor Policy

INTERNAL PROCEDURE FOR COUNTERACTING MONEY LAUNDERING AND TERRORIST FINANCING REFERRED TO IN ARTICLE 50 POLISH ACT OF 1 MARCH 2018 ON COUNTERACTING MONEY LAUNDERING AND TERRORIST FINANCING

WALLUTA EUROPE

Sp. z o.o. with its registered seat in Łódź

116/52 Piotrkowska

90-006 Łódź

Republic of Poland

NIP (TIN): 7252327520

REGON (Statistical Number): 524238470

KRS (Commercial Number): 0001014691

1. WALLUTA EUROPE Spółka z ograniczoną odpowiedzialnością with its registered seat in Łódź, Republic of Poland (hereinafter: "WALLUTA EUROPE"), is legal entity incorporated by law of Republic of Poland and entered into Commercial Register, held by District Court for the city of Łódź-Śródmieście in Łódź, 20th Commercial Division of National Court Register.
2. The issue of anti-money laundering and counteracting terrorism has been regulated in:
 - a) the Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism (Polish Journal of Laws 2022, item. 593, 655, 835, 2180, 2185 - consolidated text);
 - b) Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73)
 - c) Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU (OJ L 156, 19.6.2018, p. 43–74)
3. Money laundering shall be understood as the act referred to in Article 299 of the Act of 6 June 1997 – Polish Penal Code, that is:

Art. 299

§ 1. Anyone who receives, transfers or transports abroad, or assists in the transfer of title or possession of legal tender, securities or other foreign currency values, property rights or real or movable property obtained from the profits of offences

committed by other people, or takes any other action that may prevent or significantly hinder the determination of their criminal origin or place of location, their detection or forfeiture, is liable to imprisonment for between six months and eight years.

§ 2. Anyone who, as an employee of a bank, financial or credit institution, or any other entity legally obliged to register transactions and the people performing them, unlawfully receives a cash amount of money or foreign currency, or who transfers or converts it, or receives it under other circumstances raising a justified suspicion as to its origin from the offences specified in § 1, or who provides services aimed at concealing its criminal origin or in securing it against forfeiture, is liable to the penalty specified in § 1.

4. Terrorist financing shall be understood as the act referred to in Article 165a of the Act of 6 June 1997 – Polish Penal Code; that is:

Art. 165a

Anyone who collects, transfers or offers means of payment, financial instruments, securities, foreign exchange, property rights or other movable or immovable property in order to finance a terrorist offence is liable to imprisonment for between two and 12 years.

5. Virtual currencies are developing quickly and are an example of digital innovation. However, at the same time, there is a risk that virtual currencies could be used by terrorist organizations to circumvent the traditional financial system and conceal financial transactions as these can be carried out in an anonymous manner.
6. WALLUTA EUROPE performs business activity consisting in the provision of services in the scope of exchange between virtual currencies and means of payment. According to Article 2 point 1 section 12 letter a Polish Act on counteracting money laundering and financing terrorism WALLUTA EUROPE has to be recognized as “obligated entity”.
7. The authority of Polish government administration exercising control over the compliance with the provisions on counteracting money laundering and terrorist financing is the General Inspector of Financial Information, hereinafter referred to as the “General Inspector”, Świętokrzyska 12 Street, 00-916, Warsaw, Republic of Poland.
8. This Policy outlines the minimum general unified standards of internal KYC / AML control which would be adhered to by the WALLUTA EUROPE in order to mitigate the legal, regulatory, reputational, operational, and as a consequence financial risks.
9. The main objectives of this policy are:
 - a) prevent WALLUTA EUROPE from being used, intentionally or unintentionally, by criminal elements for money laundering or financing terrorist activities;
 - b) enable WALLUTA EUROPE to know and understand its contractors with which WALLUTA EUROPE has any financial dealings with and their financial background and source of funds better, which in turn would help it to manage its risks prudently;

- c) compliance with all applicable regulations, rules and laws and 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 WALLUTA EUROPE business;
 - a) put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws, procedures and regulatory guidelines; and
 - b) equip WALLUTA EUROPEs personnel with the necessary training and measures to deal with matters concerning KYC/AML procedures and reporting obligations.
10. This Policy and defined KYC and AML procedures are revisited periodically and amended from time to time (especially in relation to changes in the risk factors concerning contractors, countries or geographical areas, products, services, transactions or their delivery channels – according to art. 27 point 3 Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism) based on prevailing industry standards and international regulations designed to facilitate the prevention of illicit activity including money laundering and terrorist financing.
11. This Policy is subject to approval by the senior management of WALLUTA EUROPE.

Contractor identification – KYC Procedure

12. In order to establish business relation with WALLUTA EUROPE contractors have to proceed through specific identity verification procedure.

Natural person contractor identification

13. To enter into business relation with WALLUTA EUROPE contractor who is natural person has to provide following data:
- a. Full Name (with first name and last name separation);
 - b. Residential Address;
 - c. Citizenship;
 - d. Number entered in the Polish Universal Electronic System for Civil Registration (PESEL)-if applicable;
 - e. Date and place of birth;
 - f. The name (business name), the tax identification number (TIN - pl: "NIP") and the address of the main place of business activity - in the case of a natural person conducting business activity.
14. Verification of identity is required by obtaining a high-resolution, non-expired copy of the contractor's government-issued ID (passport or national identity card)

15. Verification of residence is required by obtaining a copy of an acceptable address proof document issued in the 3 months prior to establishing an business relationship with WALLUTA EUROPE. The document must carry the contractor's name and address. A valid proof of residence document can be:
 - a. bank statement;
 - b. debit or credit card statement;
 - c. utility bill (water, electricity, gas, internet, phone);
 - d. payroll statement or official salary document from employer;
 - e. insurance statement;
 - f. tax document; or
 - g. residence certificate.
16. Further verification is requested from natural person by submitting a unique photo of themselves holding their government-issued ID. The ID document have to be the same government-issued ID the natural person submitted previously and must be fully clear and readable.

Business entity contractor identification

17. To enter into business relation with WALLUTA EUROPE contractor who is a legal person or an organizational unit having no legal personality to whom legal capacity is granted under an act has to provide following data:
 - a. the name (business name);
 - b. the organizational form;
 - c. the address of the registered office or the address of conducting business;
 - d. the Tax Identification Number (pl: "NIP");
 - e. commercial registration number;
 - f. date of registration;
 - g. the identification data and measures stipulated in point 12, 13, 14, 15 of the natural person representing entity.
18. WALLUTA EUROPE verifies the legal status of the legal entity through proper and relevant documents, in particular:
 - a. Excerpt from Commercial Register;
 - b. Founding act of legal entity;
19. WALLUTA EUROPE verifies that any person purporting to act on behalf of the legal person / entity is properly authorized.
20. WALLUTA EUROPE takes measures to identify the beneficial owner(s) of the contractor and verify his identity by obtaining data stipulated in point 12, 13, 14, 15 of this Policy.

21. Where business relationships are established or occasional transactions are conducted with a contractor which is the entity obligated to register of information on beneficial owners, the WALLUTA EUROPE shall obtain the confirmation of the registration or a copy from the Polish Central Register of Beneficial Owners or the relevant register maintained in a Member State.
22. Beneficial owner shall be understood as a natural person or natural persons who control, whether directly or indirectly, a contractor through their powers which result from legal or factual circumstances and enable exerting a decisive impact on a contractor's acts or actions, or a natural person or natural persons on whose behalf business relationships are being established or an occasional transaction is being conducted, including:
 - a. in the case of a contractor being a legal person other than a company whose securities are admitted to trading on a regulated market that is subject to disclosure requirements market that is subject to disclosure requirements in accordance with the EU law or subject to equivalent third country law:
 - i. a natural person being the contractor's shareholder or stockholder and holding the ownership right to more than 25 per cent of the total number of stocks or shares of such legal person, - a natural person holding more than 25 per cent of the total number of votes in the contractor's decision-making body, also as a pledgee or usufructuary, or under arrangements with other holders of voting rights,
 - ii. a natural person exercising control over a legal person or legal persons holding in aggregate the ownership right to more than 25 per cent of the total number of stocks or shares of the contractor or holding in aggregate more than 25 per cent of the total number of votes in the contractor's body, also as a pledgee or usufructuary, or under arrangements with other holders of voting rights,
 - iii. a natural person holding a senior management function in the case of the documented inability to determine beneficial owner in other way.
 - b. in the case of a contractor being a trust: - the settlor, - the trustee, - the supervisor, if any, - the beneficiary, - other person exercising control over the trust;
 - c. in the case of a contractor being a natural person carrying out economic activity with respect of whom/which no premises or circumstances were found which could indicate that any other natural person or natural persons exercise control over him/her, such contractor shall be assumed to be the beneficial owner at the same time.

Business relations with Politically Exposed Persons (PEP)

23. Politically exposed persons (PEP) shall be understood as natural persons with prominent posts or prominent public functions, including:

- a. heads of State, heads of government, ministers, deputy ministers, secretaries of state, and undersecretaries of state, including the President of the Republic of Poland, the Chairman of the Council of Ministers, and the Vice-Chairman of the Council of Ministers;
 - b. members of parliament or similar legislative bodies, including deputies and senators;
 - c. members of the governing bodies of political parties;
 - d. members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except under exceptional procedures, including the judges of the Supreme Court, of the Constitutional Tribunal, of the Supreme Administrative Court, of voivodeship administrative courts and judges of appellate courts;
 - e. members of courts of auditors or of the management boards of central banks, including the President and members of the Management Board of NBP;
 - f. ambassadors, chargés d'affaires and high-ranking officers in the armed forces;
 - g. members of the administrative, management or supervisory bodies of state-owned enterprises, including directors of state-owned enterprises and members of the management or supervisory boards of companies with the State Treasury shareholdings in which more than a half of stocks or shares are held by the State Treasury or other state-owned legal persons;
 - h. directors, deputy directors and members of the bodies of international organizations or persons performing equivalent functions in these organizations;
 - i. general directors of supreme and central offices of state authorities, general directors of voivodeship offices, and managers of field offices of the special government administration authorities.
24. Family members of a politically exposed person - this shall be understood as:
- a. a spouse or a cohabitant of a politically exposed person;
 - b. a child of a politically exposed person and his/her spouse or a cohabitant;
 - c. parents of a politically exposed person.
25. Persons known to be close associates of a politically exposed person - this shall be understood as:
- a. natural persons who have beneficial ownership of legal persons, organizational units having no legal personality or trusts with a politically exposed person, or any other close relationships with such a person related to the business activity conducted;
 - b. natural persons who have sole beneficial ownership of legal persons, organizational units having no legal personality or a trust which is known to have been set up for the de facto benefit of a politically exposed person.
26. In order to establish whether a natural person contractor or a beneficial owner is a PEP WALLUTA EUROPE executes determinations as follows:

- a. receives a statement from the contractor or beneficial owner in written or document form, to the effect that the contractor/beneficial owner is or is not a politically exposed person, which statement shall be submitted under pain of penalty of perjury. The person submitting the statement shall include therein the clause reading as follows: "I am aware of the penalty of perjury.". This clause according to Polish law replaces a notice of penalty of perjury;
- b. check contractor and beneficial owner status in:
 - i. <https://www.worldpresidentsdb.com/>
 - ii. <https://www.europarl.europa.eu/portal/en>
 - iii. <https://everypolitician.org/>
 - iv. https://pl.wikipedia.org/wiki/Wikipedia:Strona_g%C5%82%C3%B3wna
 - v. <https://dilisense.com/>
 - vi. LexisNexis® WorldCompliance™ Data

Enhanced security measures

- 27. WALLUTA EUROPE undertakes enhanced financial security measures in the cases of
 - a. higher risk of money laundering or terrorist financing;
 - b. business relations with Politically Exposed Persons (PEP)
- 28. A higher risk of money laundering and terrorist financing can be indicated in particular by:
 - a. establishment of business relationships in unusual circumstances;
 - b. the fact that the contractor is:
 - i. a legal person or an organizational unit having no legal personality, whose activity serves to storage of personal assets;
 - ii. a company in which bearer shares were issued, whose securities are not admitted to organized trading, or a company in which the rights attached to shares or stocks are exercised by entities other than shareholders or stockholders;
 - c. the subject of the business activity carried out by the contractor covering conducting of a significant number of cash transactions or cash transactions of high amounts;
 - d. unusual or excessively complex ownership structure of the contractor, having regard to the type and scope of the business activity conducted by this contractor;
 - e. the fact of the contractor making use of services or products offered as part of private banking;
 - f. the fact of the contractor making use of services or products contributing to anonymity or hindering the contractor's identification, including the service consisting in creating additional numbers of accounts marked pursuant to the provisions issued under Article 68, subparagraphs 3 and 4 of the Act of 29 August 1997 – Polis Banking Law, as well as Article 4a, paragraph 5 of the Polish

Act of 19 August 2011 on Payment Services linked to the account held, in order to make the account numbers available to other entities for the purpose of identification of payments or originators of those payments;

- g. the fact of establishment or maintenance of business relationships or conducting an occasional transactions without the contractor being physically present - in the case when a higher risk of money laundering or terrorist financing related thereto was not mitigated in another manner, including by the use of the a notified electronic identification measure adequately to the medium security level referred to in Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73) or the requirement of using a qualified electronic signature or a signature confirmed by the Electronic Platform of Public Administration Services (ePUAP) trusted profile;
- h. the fact of ordering of transactions by third entities unknown or not linked to a contractor, the beneficiary of which transactions is the contractor;
- i. the fact of covering by business relationships or transactions of new products or services or offering of products or services with the use of new distribution channels;
- j. linking business relationships or an occasional transaction by contractor with:
 - i. a high-risk third country;
 - ii. a country defined by reliable sources as a country of high corruption or other criminal activity levels, a country providing funding or support for committing activities of a terrorist nature, or with which an activity of an organization of a terrorist nature is associated;
 - iii. a country in relation to which the United Nations Organization or the European Union have taken a decision on imposing sanctions or specific restrictive measures.
- k. the fact that business relationships or occasional transaction are related to crude oil, arms, precious metals, tobacco products, cultural artefacts, ivory, protected species or other items of archaeological, historical, cultural and religious importance, or of rare scientific value;
- l. the fact that business relationships or occasional transaction are related to a customer who is a citizen of a third country and applies for a right to stay or citizenship in a Member State in exchange for capital transfers, immovable property acquisition or Treasury bonds or, as the case may be, investments in corporate entities in a given Member State

29. Enhanced security measures provides a greater level of scrutiny of potential and current contractors. In the cases of higher risk of money laundering or terrorist financing WALLUTA

EUROPE undertakes steps to understand the origin and legitimacy of the contractor's wealth and ask contractor for additional documents and information other than stipulated in point 12-17 of the Policy, in particular:

- a. Official corporate records of amendments in corporate structure from last 18 months;
- b. Copy of Annual Financial Statements from last 3 years;
- c. Copy of Tax Declarations with confirmation of submission from last 3 years;
- d. Names and location of contractor's contractors and suppliers;
- e. Bank statements from last 18 months;
- f. Copy of lease agreement of register office;
- g. Standard documents, which confirm the sale of property, inheritance, salary, etc.

30. In the cases of higher risk of money laundering or terrorist financing WALLUTA EUROPE verifies also contractor (its representatives and beneficial owner) in sanctions list, in particular:

- a. Warning of The Polish Financial Supervision Authority;
- b. Warnings of the Polish Office of Competition and Consumer Protection ;
- c. VIES – European Commission;
- d. United Nations Security Sanction list;
- e. Us Consolidated Sanctions,
- f. EU Financial Sanctions,
- g. UK Financial Sanctions,
- h. Interpol Wanted List,

Monitoring ongoing business relationship

31. WALLUTA EUROPE ensures that the documents, data and information collected during the initial stages of the business relationship and as part of the enhanced security measure are kept up to date and questioned periodically, not less often than once per quarter.
32. Monitoring also involves identifying expired documents, changes in company structures, changes in address or business location and determining whether the contractor has become politically exposed, sanctioned or involved in dealings which are deemed to be high risk. Changes in the contractor profile might increase the contractor's risk category assigned, therefore requiring enhanced security measures.

Record keeping

33. WALLUTA EUROPE shall maintain, for the period of 5 years counting from the first day of the year following the year in which business relationships with a contractor were terminated or in which occasional transactions were conducted, the following documents
 - a. copies of documents and the information obtained as a result of application of financial security measures;

- b. evidence confirming conducted transactions and records of the transactions, said evidence including original documents and copies of documents necessary for identifying a transaction.
- c. prior to the expiry of the period referred to point a and b, the General Inspector may demand the storing of the documentation for the subsequent period not longer than 5 years, counting from the day on which the period expires, if this is necessary in order to counteract money laundering or terrorist financing.

Compliance officer and reporting

- 34. WALLUTA EUROPE designates management board member responsible for implementing the duties set out in this Policy – Compliance officer.
- 35. The Compliance officer is responsible for ensuring the compliance of activity of the WALLUTA EUROPE as well as its employees and other persons performing operations for the benefit of WALLUTA EUROPE with the provisions on counteracting money laundering and terrorist financing.
- 36. The Compliance officer is also responsible for submitting, on behalf of the WALLUTA EUROPE, of the notifications referred to in Article 74, paragraph 1, Article 86, paragraph 1, Article 89, paragraph 1, and Article 90 Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism, that is:
 - a. notification the General Inspector of the circumstances which could indicate a suspicion of commission of an offence of money laundering or terrorist financing;
 - b. notification the General Inspector, by electronic communication means, of a case of justified suspicion that a given transaction or specific property values may be associated with money laundering or terrorist financing.
 - c. notification the competent prosecutor of a case of a justified suspicion that the property values being the subject of a transaction or accumulated on an account are the proceeds of an offence other than an offence of money laundering or terrorist financing or a fiscal offence or are associated with an offence other than an offence of money laundering or terrorist financing or with a fiscal offence.
 - d. notification the General Inspector, by electronic communication means, of conducting the suspicion, in the case when provision of the notification was impossible prior to its conducting. In the notification the WALLUTA EUROPE shall justify the reasons for failure to previously provide the notification and provide the information confirming the suspicion;
- 37. WALLUTA EUROPE shall provide to the General Inspector the information on:
 - a. a received payment or disbursement of the funds of equivalent in excess of EUR 15,000 made;
 - b. a transfer of funds of equivalent in excess of EUR 15,000 made, except:
 - i. a national transfer of funds from other obliged institution;
 - ii. a transaction associated with the obliged institution's business dealings, which was conducted by the obliged institution in its own name and on its

- own behalf, including a transaction concluded on an interbank market;
 - iii. a transaction conducted on behalf of or for public finance sector entities referred to in Article 9 of the Polish Act of 27 August 2009 on Public Finance;
 - iv. a transaction conducted by a bank associating cooperative banks, if the information on the transaction has been provided by an associated cooperative bank;
 - v. conveyance of ownership for the purpose of securing property values made for the duration of a contract of ownership conveyance with an obliged institution.
38. An obligation of providing of information as referred to in 36 point a and b shall refer also to a transfer of funds from outside the territory of the Republic of Poland if the payment service provider is an obliged institution.
39. WALLUTA EUROPE shall provide the information within 7 days from the day of:
- a. receipt of the payment or making disbursement of funds - in the case of the information referred to point 36 letter a;
 - b. execution of a payment transaction in the form of a transfer of funds - in the case of the information referred to point 36 letter b;
 - c. making available the recipient's payment means - in the case of the information referred to in point 37
40. The information shall contain:
- a. a unique transaction identifier in the records of an WALLUTA EUROPE;
 - b. the date or the date and the time of conducting the transaction;
 - c. the identification data the contractor giving an instruction or order of conducting the transaction;
 - d. the amount and currency being the subject of the transaction;
 - e. the transaction type;
 - f. the transaction description;
 - g. the manner of issuing an instruction or order of conducting the transaction;
 - h. the numbers of the accounts used for conducting the transaction marked with the identifier of the International Bank Account Number (IBAN) or an identifier including the code of the country and the account number in the case of accounts not marked with an IBAN.
41. WALLUTA EUROPE shall notify the General Inspector of the circumstances which could indicate a suspicion of commission of an offence of money laundering or terrorist financing.
42. The notification shall be submitted forthwith, however not later than within 2 business days of the day of confirmation by the WALLUTA EUROPE of the suspicion referred to in point 40.

Exclusion of entering business relationship by WALLUTA EUROPE

43. WALLUTA EUROPE is not entering into business relations with contractors from a high-risk third country or having a registered office in such a country. High-risk third country shall be understood as a country identified on the basis of information obtained from reliable sources, including reports from evaluation of national systems of counteracting money laundering and terrorist financing conducted by the Financial Action Task Force on Money Laundering (FATF) and the bodies or organizations associated with it, as not having an effective system of counteracting money laundering or terrorist financing or having strategic deficiencies in its system of combating money laundering or terrorist financing, in particular a third country identified by the European Commission in the delegated act adopted under Article 9 of Directive 2015/849 - https://ec.europa.eu/info/sites/info/files/list_of_scoping-priority-hrtc_aml-cft-14112018.pdf

AML audits

44. WALLUTA EUROPE is aware that external audits by qualified AML experts provide a needed degree of objectivity in evaluating the internal controls program. WALLUTA EUROPE use services of licensed law firm in Poland, which provides WALLUTA EUROPE with a summary judgment about the quality of the Anti-Money laundering program.

Training

45. As part of WALLUTA EUROPE's Anti- Money Laundering program, all personnel is expected to be fully aware of the Anti- Money Laundering policies. WALLUTA EUROPE's employees are obligated to read and comply with this document and sign the acknowledgement form confirming that he has read and understands Anti- Money Laundering policies. Moreover, all personnel is required to reconfirm their awareness of the contents of Anti- Money Laundering policies by signing the acknowledgement form every 4 months.
46. All new employees receive anti-money laundering training as part of the mandatory new-hire training program. All applicable employees are also required to complete AML and KYC training annually. Participation in additional targeted training programs is required for all employees with day-to-day AML and KYC responsibilities.
47. WALLUTA EUROPE ensures participation of the persons performing the obligations associated with counteracting money laundering and terrorist financing in training programs covering the execution of those obligations. The training programs take into consideration the nature, type and size of activity conducted by WALLUTA EUROPE and ensure up-to-date knowledge in the realm of the discharge of obligations of the obliged institution, in particular the obligations referred to Article 74, paragraph 1, Article 86, paragraph 1 and Article 89, paragraph 1 Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism
48. WALLUTA EUROPE's training program Includes, at a minimum:

- a. how to identify signs of money laundering or financing of terrorism that arise during the course of the employees' duties;
- b. what to do once the risk is identified (including how, when and to whom report);
- c. what employees' roles are in WALLUTA EUROPE's compliance efforts and how to perform them;
- d. the disciplinary consequences (including civil and criminal penalties) for non-compliance.

49. WALLUTA EUROPE's personnel is obligated:

- a. At a time specified by the compliance officer, to undertake training programs on anti-money laundering policies and procedures;
- b. Participate in training how to recognize and deal with transactions which may be related to money laundering;
- c. Timely escalate and report the matter to the Compliance Officer;
- d. To get themselves acquainted with Anti Money Laundering Policy;
- e. Direct any doubts or queries in regard of WALLUTA EUROPE 'Anti Money Laundering Policy to Compliance Officer.

Personnel protection

50. WALLUTA EUROPE shall develop and implement an internal procedure of anonymous reporting by employees actual or potential breaches of the provisions in the field of combating money laundering and terrorist financing.

51. The procedure for anonymous reporting of breaches referred to in point 50 shall, in particular, specify:

- a. the person responsible for receiving the reports;
- b. the method of receiving the reports;
- c. the manner of protection of an employee, ensuring at least protection against actions of a repressive nature, discrimination or having an impact upon deterioration other types of their legal or actual situation or consisting in directing threats; unfair treatment;
- d. the manner of protection of personal data of an reporting employee and the person charged with committing a violation, pursuant to the provisions on protection of personal data;
- e. the rules for preserving confidentiality in the case of disclosure of identity;
- f. the type and the nature of follow-up actions taken after receipt of the report;
- g. the time limit of removal by WALLUTA EUROPE of personal data contained in the reports.

52. WALLUTA EUROPE shall ensure employees protection against undertaking against them actions of a repressive nature or having an impact upon deterioration of their legal or actual situation or consisting in directing threats.
53. WALLUTA EUROPE shall ensure employees performing activities related to fulfillment by the obliged institutions of the duties referred to in Article 74, Articles 86, 89 and 90 Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism protection against undertaking against these persons actions of a repressive nature or having an impact upon deterioration of their legal or actual situation or consisting in directing threats.
54. WALLUTA EUROPE shall not undertake against the employees actions of a repressive nature or having an impact upon deterioration of their legal or actual situation or consisting in directing threats against them, in particular actions adversely affecting their working or employment conditions.
55. Employees and other persons performing activities for the WALLUTA EUROPE exposed to the actions referred to in point 53 shall be entitled to report to the General Inspector the instances of such actions.

This AML Policy was prepared on [...] is effective as of this date.

Werner Wildberger

President of the Management Board / Senior Management representative designated for implementing the duties set out in the Polish Act of March 1, 2018 on counteracting money laundering and financing of terrorism and AML Officer - employee holding a management position, responsible for ensuring the compliance of activity of the obligated institution and its employees and other persons performing activities for this obligated institution with the provisions on money laundering and terrorist financing according to Article 8 of Polish AML Act

Signature:



Annexes:

1. Annex 1 "Reporting Manual";
2. Annex 2 "Risk Assessment";

Annex No 1 “Reporting Manual”

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59. Terrorist financing shall be understood as the act referred to in Article 165a of the Act of 6 June 1997 – Polish Penal Code; that is:

Art. 165a

Anyone who collects, transfers or offers means of payment, financial instruments, securities, foreign exchange, property rights or other movable or immovable property in order to finance a terrorist offence is liable to imprisonment for between two and 12 years.

60. WALLUTA EUROPE performs business activity consisting in the provision of services in the scope of exchange between virtual currencies and means of payment. According to Article 2 point 1 section 12 letter a Polish AML Act WALLUTA EUROPE has to be recognized as “obligated entity”.

61. The authority of Polish government administration exercising control over the compliance with the provisions on counteracting money laundering and terrorist financing is the General Inspector of Financial Information, hereinafter referred to as the “GIIF”, Świętokrzyska 12 Street, 00-916, Warsaw, Republic of Poland.

62. The main objective of this policy is providing appropriate controls for reporting of transactions exceeding threshold limit and suspicious activities in accordance with applicable laws, procedures and regulatory guidelines.

63. This Policy is revisited periodically and amended from time to time (especially in relation to changes in the risk factors concerning contractors, countries or geographical areas, products, services, transactions or their delivery channels – according to art. 27 point 3 Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism) based on prevailing industry standards and international regulations designed to facilitate the prevention of illicit activity including money laundering and terrorist financing.

64. This Policy is subject to approval by the senior management of WALLUTA EUROPE .

§ 2 Compliance Officer

1. WALLUTA EUROPE designates senior management board member responsible for implementing the duties set out in this Policy.
2. WALLUTA EUROPE appoints an employee holding responsible for ensuring the compliance of activity of the obligated institution and its employees and other persons performing activities for this obligated institution with the provisions on money laundering and financing of terrorism – Compliance Officer.

3. The Compliance Officer is also responsible for submitting, on behalf of the WALLUTA EUROPE , of the notifications referred to in Article 72, Article 74, paragraph 1, Article 86, paragraph 1, Article 89, paragraph 1, and Article 90 Polish Act of 1st March 2018 on counteracting money laundering and financing terrorism, that is:
 - e. information on transactions exceeding threshold limits prescribed in Polish AML Act;
 - f. notification the GIIF of the circumstances which could indicate a suspicion of commission of an offence of money laundering or terrorist financing;
 - g. notification the GIIF, by electronic communication means, of a case of justified suspicion that a given transaction or specific property values may be associated with money laundering or terrorist financing.
 - h. notification the competent prosecutor of a case of a justified suspicion that the property values being the subject of a transaction or accumulated on an account are the proceeds of an offence other than an offence of money laundering or terrorist financing or a fiscal offence or are associated with an offence other than an offence of money laundering or terrorist financing or with a fiscal offence.
 - i. notification the GIIF, by electronic communication means, of conducting the suspicion, in the case when provision of the notification was impossible prior to its conducting. In the notification the WALLUTA EUROPE shall justify the reasons for failure to previously provide the notification and provide the information confirming the suspicion;

§ 3 Information on transactions exceeding threshold limits prescribed in Polish AML Act
(Article 72 of Polish AML Act)

1. WALLUTA EUROPE shall provide to the GIIF the information on:
 - a. a received payment or disbursement of the funds of equivalent in excess of EUR 15,000;
 - b. transfer of funds exceeding the equivalent of EUR 15,000 from outside the territory of the Republic of Poland;
2. WALLUTA EUROPE shall provide the information within 7 days from the day of:
 - a. receipt of the payment or making disbursement of funds - in the case of the information referred to § 3 point 1 letter a;
 - b. making means of payment available to the recipient - in the case of the information referred to in § 3 point 2 letter b.
3. For the calculating the deadline referred to in § 3 point 2, the provisions of the Polish Act of 14 June 1960 Code of Administrative Procedure (Journal of Laws of 2018, item 2096, as amended). When calculating the deadline for submitting the above-mentioned information, the day on which the event subject to reporting occurred is not taken into account, therefore the counting of the deadline starts from the day following the event, e.g. if receipt of the payment or making disbursement of funds occurred on 22 July, then

the deadline for reporting will expire on 29 July (29 July at 23:59:59).

4. If the end of the deadline for submitting the aforementioned information to the GIFF falls on a day that is a public holiday or on Saturday, the deadline for reporting will expire on the next day that is neither a public holiday nor a Saturday.
5. The information shall contain:
 - i. a unique transaction identifier in the records of an WALLUTA EUROPE ;
 - j. the date or the date and the time of conducting the transaction;
 - k. the identification data prescribed in § 3 point 6 of the contractor giving an instruction or order of conducting the transaction:
 - l. available identification data referred to in § 3 point 6 related to other parties of the transaction;
 - m. the amount and currency being the subject of the transaction;
 - a. the transaction type;
 - b. the transaction description;
 - c. method of issuing the instruction or order to perform the transaction;;
 - d. the numbers of the accounts used for conducting the transaction marked with the identifier of the International Bank Account Number (IBAN) or an identifier including the code of the country and the account number in the case of accounts not marked with an IBAN.
6. The data of a the contractor involves providing following information in the case of:
 - a. natural person:
 - i. name and surname,
 - ii. citizenship,
 - iii. number of the Universal Electronic System for Registration of the Population (PESEL) or date of birth in the case if the PESEL number has not been assigned, and the state of birth,
 - iv. series and number of the document confirming the identity of a person,
 - v. residence address,
 - b. legal person or an organizational unit without legal personality:
 - i. name,
 - ii. organizational form,
 - iii. address of the registered office or address of pursuing the activity,
 - iv. NIP, and in the case of a lack of such a number – the state of registration, the commercial register as well as the number and date of registration,
 - v. identification data referred to in point 5 letter a subparagraph i and iii of a person representing such legal person or organizational unit without legal personality.

§ 4 Notification the GIFF of the circumstances which could indicate a suspicion of commission of an offence of money laundering or terrorist financing (art. 74 of Polish AML Act)

1. The obligated institution shall notify the GIIF of any circumstances which may indicate the suspicion of committing the crime of money laundering or financing of terrorism.
2. The notification shall be submitted immediately, not later than two business days following the day of confirming the suspicion referred to in point 1 by the WALLUTA EUROPE .
3. The following data shall be provided in the notification:
 - a) identification data referred to in § 3 point 6 related to the customer of the WALLUTA EUROPE providing the notification;
 - b) available identification data referred to in § 3 point 6 related to natural persons, legal persons or organizational units without legal personality other than customers of the WALLUTA EUROPE ;
 - c) type and value of assets and place of their storage;
 - d) number of the account maintained for the customer of the BTBIT, identified by the IBAN or identification containing country code and account number in case of accounts other than identified by IBAN;
 - e) available identification data referred to in § 3 point 5 related to the transactions or their attempted performance;
 - f) indicating a state of the European Economic Area the transaction is associated with, if it was conducted under the cross-border activity;
 - g) available information concerning the identified money laundering or financing of terrorism risk and a prohibited act from which assets can originate;
 - h) justification of providing the notification.
4. In accordance with § 4 point 3 letter h the notification to GIIF should, inter alia, contains a justification. This means that the WALLUTA EUROPE , in the context of establishing circumstances that may indicate a suspicion of the commission of a money laundering or terrorist financing offence, describes, in particular:
 - a) what information and documents were collected prior to the establishment of economic relations (e.g., what business profile of the customer was established, what was the declared frequency of transactions, what was the source of origin of the assets indicated),
 - b) what information the obliged institution collected in the course of economic relations (e.g. whether the obtained assets and executed transactions were in line with the established profile of economic activity, whether there were any changes of ownership, whether any circumstances changed the risk assigned to the customer, whether the domestic bank received a communication from the foreign bank regarding the return of funds, and if so - what reason was indicated by the foreign bank),
 - c) what financial security measures were applied after the circumstances that might indicate a suspicion of crime were identified and what was their outcome (e.g. whether the client's transactions with selected counterparties were analysed and specific cases were selected for further in-depth analysis),
 - d) what actions were taken in relation to the client after establishing the circumstances that could indicate a suspicion of crime, and what was the result (e.g. whether

telephone contact was made with the client or the client was obliged to present contracts and invoices, whether the client presented the requested documentation in full or in part),

- e) what information and documents were reviewed after determining the circumstances that might indicate a suspected crime, and what was the outcome (e.g. whether ambiguities were found in contracts and invoices submitted by the client),
- f) what was the impact of the finding of circumstances that might indicate a suspicion of a criminal offence on the business relationship (e.g. whether, as a result of the customer's failure to provide documents, the obliged institution decided not to carry out transactions through the bank account or to terminate the business relationship).

§ 5 Notification to the GIIF of any case of acquiring justified suspicion that the specific transaction or specific assets may be associated with money laundering or financing of terrorism (art. 86 of Polish AML Act)

1. The WALLUTA EUROPE shall immediately notify the GIIF of any case of acquiring justified suspicion that the specific transaction or specific assets may be associated with money laundering or financing of terrorism.
2. In the notification, the WALLUTA EUROPE shall provide information available to it, associated with the acquired suspicion and information on the expected time of performing the transaction referred to in point 1. With respect to the notification, the provision of § 4 point 3 shall apply accordingly.
3. Upon the receipt of the notification, the GIIF shall immediately confirm the receipt thereof in the form of an official confirmation of the receipt, containing in particular the date and the time of accepting the notification.
4. Until the time of receipt of the request referred to in point 5, or the exemption referred to in point 6, no longer than for 24 hours counting from the moment of the confirmation of the receipt of the notification referred to in point 3, the WALLUTA EUROPE shall not perform the transaction referred to in point 1 or other transactions charging the account on which assets referred to in point 1 have been collected.
5. In case of recognizing that the transaction referred to in point 1 can be associated with money laundering or financing of terrorism, the GIIF shall provide the WALLUTA EUROPE with a request to suspend the transaction or block the account for no more than 96 hours from the date and time indicated in the confirmation referred to in point 3. The WALLUTA EUROPE shall suspend the transaction or block the account immediately upon the receipt of such request. In the request, the GIIF shall determine assets subject to the request.
6. The GIIF may exempt the obligated institution from the obligation referred to in paragraph 5 in the case if the available information does not provide grounds to notify the prosecutor of suspected crime of money laundering or financing of terrorism or in the case of recognising that the transaction suspension or account blocking could jeopardise the performance of tasks by the judicial authorities and forces or institutions responsible for

the protection of public order, citizens' security or prosecution of perpetrators of crimes or fiscal crimes.

7. The GIIF shall submit the request referred to in point 5 or the exemption referred to in point 6 to the GIIF with the use of electronic communication means.
8. Immediately after the submission of the demand referred to in point 5, the GIIF shall notify the competent prosecutor on a suspicion of committed crime of money laundering or financing of terrorism.
9. Upon receipt of the notification referred to in point 8, the prosecutor may issue the decision to suspend the transaction or block the account for a definite period, no longer than 6 months from the day of receipt of such notification.
10. The decision concerning the suspension of the transaction or the blocking of the account referred to in point 9 can be also issued despite the absence of the notification defined in point 8.
11. In the decision referred to in point 9, the scope, method and time of suspending the transaction or blocking the account shall be determined. The decision may be appealed to the court competent to hear the case.
12. The WALLUTA EUROPE , on request of the customer issuing the instruction or the order to perform the transaction referred to in point 1, or being the account holder or owner of assets referred to in point 1, may inform such customer about the submission of the request referred to in point 5 by the GIIF.
13. The suspension of the transaction or the blocking of the account shall fall before the expiry of 6 months from the receipt of the notification referred to in point 8 unless a decision on asset seizure or a decision concerning material evidence is issued.

§ 6 Notification to the competent prosecutor of any case of acquiring reasonable suspicion that the assets subject to transaction or collected on the account originate from a crime other than the crime of money laundering or financing of terrorism or a fiscal crime, or are associated with a crime other than the crime of money laundering or financing of terrorism or a fiscal crime (art. 89 of Polish AML Act)

1. The WALLUTA EUROPE shall immediately notify the competent prosecutor of any case of acquiring reasonable suspicion that the assets subject to transaction or collected on the account originate from a crime other than the crime of money laundering or financing of terrorism or a fiscal crime, or are associated with a crime other than the crime of money laundering or financing of terrorism or a fiscal crime.
2. In the notification, the WALLUTA EUROPE shall provide information available to it, associated with the suspicion and information on the expected time of performing the transaction referred to in point 1.
3. Until the time of receipt of the decision referred to in § 6 point 4, in any case no longer than for 96 hours from the moment of submission of the notification referred to in point 1,

the WALLUTA EUROPE shall not perform the transaction referred to in § 6 point 1 or any other transactions charging the account on which assets referred to in point 1 have been collected.

4. Within the time limit defined in § 6 point 3, the prosecutor shall issue the decision on institution or refusal to institute the proceedings, immediately notifying the WALLUTA EUROPE thereof. In the event of institution of the proceedings, the prosecutor shall suspend the transaction or block the account, by way of the decision, for a period not longer than 6 months from the date of receipt of the notification referred to in § 6 point 1.
5. The decision concerning the suspension of the transaction or the blocking of the account referred to in § 6 point 4 can be also issued despite the absence of the notification defined in § 6 point 1.
6. In the decision referred to in § 6 point 4, the scope, method and time of suspending the transaction or blocking the account shall be determined. The decision may be appealed to the court competent to hear the case.
7. The suspension of the transaction or the blocking of the account shall fall before the expiry of 6 months from the issuance of the decision referred to in § 6 point 4 and 5 unless a decision on asset seizure or a decision concerning material evidence is issued.
8. Immediately upon the receipt of the decisions referred to in § 6 point 4 and 7, the WALLUTA EUROPE shall submit, with the use of electronic communication means, information on the notifications referred to in point 1 and copies thereof to the GIIF.

§ 7 Notification to the GIIF of performing transaction in the event if the submission of the notification prior to the performance of the transaction was impossible (art. 90 of Polish AML Act)

1. The WALLUTA EUROPE shall immediately notify the GIIF of performing the transaction referred to in § 5 in the event if the submission of the notification prior to the performance of the transaction was impossible. In the notification, the WALLUTA EUROPE shall justify the reasons of its failure to submit the notification in advance and provides information available to it confirming the acquired suspicion referred to in § 5. The provision of § 3 point 5 shall apply accordingly.
2. The WALLUTA EUROPE shall immediately notify the competent prosecutor of performing the transaction referred to in § 6 in the event if the submission of the notification prior to the performance of the transaction was impossible. In the notification, the WALLUTA EUROPE shall justify the reasons of its failure to submit the notification in advance and provide information available to it confirming the acquired suspicion referred to in § 6 point 1. The provision of § 6 point 8 shall apply accordingly.

§ 8 Identification form

1. For the purpose of the first fulfillment of the obligations referred to in § 3, § 4, § 5, § 6 and § 7 the WALLUTA EUROPE shall submit a form identifying the WALLUTA EUROPE to the GIIF.
2. The form identifying the obligated institution contains:
 - b. name, including determining of the organisational form of the obligated institution;
 - c. NIP;
 - d. determining of the type of activity carried out by the obligated institution;
 - e. address of the registered office or address of pursuing the activity;
 - f. name, surname, position, telephone number and address of electronic mailbox of the Compliance Officer;
 - g. names, surnames, positions, telephone numbers and addresses of electronic mailboxes of other employees responsible for the implementation of the provisions of the Polish AML Act, whom the obligated institution is willing to indicate for contacts with the GIIF
3. In the case of change of the data referred to in paragraph § 8 point 2 the WALLUTA EUROPE shall immediately update them.

§ 9 Information requested by GIIF

1. On request of the GIIF, the WALLUTA EUROPE shall immediately submit or make available any information or documents held, required for the implementation of the GIIF's tasks defined in the Polish AML Act, including those referring to:
 - a. customers;
 - b. performed transactions in the scope of data defined in § 3 point 5;
 - c. type and value of assets and place of their storage;
 - d. application of the customer due diligence measure;
 - e. IP addresses from which the connection with the informatics system of the WALLUTA EUROPE took place and times of connections with this system.
2. In the request referred to in § 9 point 1 and 2, the GIIF may indicate:
 - a. the deadline and form of providing or making information or documents available;
 - b. the scope of information as well as the time limit of its acquisition by the obligated institution in connection with the application of the customer due diligence measure or in connection with specific occasional transactions.
3. The information and documents referred to in § 9 point 1 shall be provided and made available free of charge.

Werner Wildberger

President of the Management Board / Senior Management representative designated for implementing the duties set out in the Polish Act of March 1, 2018 on counteracting money

laundrying and financing of terrorism and AML Officer - employee holding a management position, responsible for ensuring the compliance of activity of the obligated institution and its employees and other persons performing activities for this obligated institution with the provisions on money laundrying and terrorist financing according to Article 8 of Polish AML Act

Signature:

A handwritten signature in blue ink, appearing to be 'M. J. K.', written in a cursive style.

Annex No 2 “Risk Assessment”

WALLUTA EUROPE Sp. z o.o. with its registered seat in Łódź

116/52 Piotrkowska

90-006 Łódź

Republic of Poland

NIP (TIN): 7252327520

REGON (Statistical Number): 524238470

KRS (Commercial Number): 0001014691

§ 1

Legal basis

1. This document is prepared on the basis of Article 27 of the Polish Act of March 1, 2018 on counteracting money laundering and financing of terrorism ((Polish Journal of Laws 2021, item. 1132, 1163, 1535 - consolidated text).
2. Following to above mentioned article, WALLUTA EUROPE Spółka z ograniczoną odpowiedzialnością with its registered seat in Łódź, Republic of Poland (hereinafter: “WALLUTA EUROPE ”), as obliged institution, shall identify and assess the risk connected with money laundering and terrorist financing related to its operations, taking account of the factors of risk concerning customers, countries or geographical areas, products, services, transactions or delivery channels. These actions shall be proportionate to the nature and size of the obliged institution.
3. While assessing the risk, the WALLUTA EUROPE may take into account the binding national risk assessment, as well as the report of the European Commission referred to in Article 6(1)-(3) of Directive 2015/849.
4. The Risk Assessment is prepared by WALLUTA EUROPE in hard copy or electronic form and where necessary, however at least once every 2 years, the WALLUTA EUROPE shall update this assessments, especially in relation to changes in the risk factors concerning customers, countries or geographical areas, products, services, transactions or delivery channels or the documents referred to in paragraph 2.

§ 2

Information sources

WALLUTA EUROPE , as an obliged institution, to identify the risk of money laundering or terrorist financing, takes into account, in particular:

1. information contained in the international risk assessments prepared by the European Commission,
2. information included in the national risk assessment prepared by the General Inspector of Financial Information (pl: “Generalny Inspektor Informacji Finansowej”) -

“GIIF”

3. information indicated on the website <https://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/giif> operated by the GIIF,
4. own knowledge and professional experience,
5. information obtained from clients, their proxies or statutory representatives,
6. information disclosed in public registers,
7. information contained in official documents submitted to WALLUTA EUROPE .

§ 3

Purpose of risk assessment

1. The purpose of the risk assessment is for the WALLUTA EUROPE , as an obliged institution, to identify and determine the level of risk related to money laundering and terrorist financing, taking into consideration its professional activity in respect of the business activity as defined in Article 2(1)(13) of the Polish Act of March 1, 2018 on counteracting money laundering and financing of terrorism:
 - a. exchange between virtual currencies and means of payment
 - b. exchange between virtual currencies;
2. Risk assessment takes into account the risk factors relating to the client, the beneficial owner, the countries or geographical areas, the type and subject matter of the activity covered by WALLUTA EUROPE 's business activity.
3. The risk assessment was made taking into account the size of the WALLUTA EUROPE 's undertaking and the nature of its business, which is characterized by:
 - a. subject of WALLUTA EUROPE 's transactions are virtual currencies, which are developing very quickly and are an example of digital innovation. However, at the same time, there is a risk that virtual currencies could be used by terrorist organizations to circumvent the traditional financial system and conceal financial transactions as these can be carried out in an anonymous manner. However, these could be more accurately described as 'pseudonymous'. The nature of distributed ledger technology means that every transaction carried out on a DLT-based system is recorded in multiple locations. Therefore transactions and owners can ultimately be tracked. The difficulty can then lie in identifying who it is carrying out transactions, particularly when multiple transactions are carried out to obscure a trail. Hence the use of 'mixers' or 'tumblers' which mix potentially identifiable currencies with others so as to make it more difficult to trace those engaged in illicit activities.
 - b. virtual currencies are characterized by the lack of a central oversight body;
 - c. 5AMLD brought much-needed transparency to the virtual currency sector across the EU;
 - d. the price of virtual currencies fluctuates constantly;
 - e. the data of the clients are always established and verified on the basis of

- presented original documents stating identity or scan copies;
- f. there is possibility to perform the transaction in physical absence of the client;
 - g. transactions are always financed with funds from client's bank accounts, which means that the client has been additionally verified by an obliged institution other than WALLUTA EUROPE ;
 - h. payments made by the clients are not flexible, i.e. they do not provide for a possibility to pay more than the amount specified in the transaction and later return the overpayment to the paying party or a third party.

§ 3

Money laundering or terrorist financing risk factors

In identifying the risk of money laundering or terrorist financing and assessing the level of such risk, the WALLUTA EUROPE consider factors relating to:

- 1) the client;
- 2) beneficial owner;
- 3) countries and geographical areas,

Above mentioned factors may be grouped into following criteria:

- 1) Economic - consisting of assessing the client's transactions in terms of the purpose of its business activity;
- 2) Geographical - involving transactions not justified by the nature of the business concluded with entities from countries where there is a high risk of money laundering and terrorist financing;
- 3) Object-oriented - consisting in carrying out by the client of a high-risk business activity from the point of view of vulnerability to money laundering and terrorist financing;
- 4) Behavioral - consisting of atypical, in a given situation, behavior of the client.

§ 4

Risk factors concerning client and beneficial owner

- 1. When recognizing the risk of money laundering or terrorist financing and assessing the level of such risk related to the client, the WALLUTA EUROPE considers:
 - a. the profile of the client's professional or business activity, in particular:
 - i. whether the client is engaged in virtual currency business activity,
 - ii. whether the client is engaged in non-profit activities,
 - iii. whether the type or subject matter of the activity covered by the transaction falls within the profile of the client's professional or business activity,
 - b. circumstances concerning the person of the client, in particular:
 - i. whether there is reasonable doubt as to the identity of the client,

- ii. whether the client is an entity other than a natural person,
 - iii. whether the client is a person holding a politically exposed position within the meaning of Art. 2 sec. 2 item 11) of the Polish AML Act or has ceased to hold such a politically exposed position in the last 12 months, or is a family member of a person holding a politically exposed position within the meaning of Art. 2(3) of the Polish AML Act or a person who has ceased to hold such a politically exposed position within the last 12 months, or is a person known to be a close associate of a politically exposed person within the meaning of section 2(2)(12) of the Polish AML Act or a person who has ceased to hold such a politically exposed position within the last 12 months,
 - iv. whether the client, whose appearance may indicate that he is not a wealthy person, engages in a transaction of substantial property value,
 - v. whether the ownership structure of a client that is a legal entity is transparent,
 - vi. whether the client is a person or entity entered by the GIIF on the list of persons and entities subject to special restrictive measures referred to in Chapter 10 of the Polish AML Act,
- c. client's behavior during the conducting the transaction, in particular:
- i. whether the client uses a false identity as evidenced by the documents presented,
 - ii. whether the client refuses to submit documents within the meaning of Article 37 of the Polish AML Act confirming the identity of the client or real beneficiary, despite the fact that the documents may be submitted by the client without obstacles,
 - iii. whether the client intentionally provides data that is inconsistent with reality,
 - iv. whether the client demands an unreasonably high level of confidentiality,
 - v. whether the customer behaves in an unusual manner (e.g. shows signs of unjustified nervousness or fear),
 - vi. whether the client is conducting transaction in the presence of third party, which acts in a suspicious manner,
 - vii. whether the client carries out the transaction in the company of a third party who gives him instructions concerning the transaction,
 - viii. whether the customer transports a significant amount of money in cash in an unusual manner,
 - ix. whether the documents submitted by the client raise reasonable suspicion as to their authenticity,

- x. whether the client refrains from conducting the transaction in the event that the WALLUTA EUROPE 's personnel shows interest in the details of the transaction,
 - xi. whether the client does not disclose data allowing identification of the beneficial owner, despite knowing such data,
 - xii. whether the client provides information requested by the WALLUTA EUROPE with undue delay.
- 2. When recognizing the risk of money laundering or terrorist financing and assessing the level of this risk related to the beneficial owner, WALLUTA EUROPE takes into account the circumstances concerning the person of the beneficial owner, in particular:
 - a. whether the beneficial owner is a person holding a politically exposed position within the meaning of art. 2 par. 2 item 11) of the Act or has ceased to hold such a politically exposed position within the last 12 months, or is a family member of a person holding a politically exposed position within the meaning of art. 2(3) of the Act or a person who has ceased to hold such a politically exposed position within the last 12 months, or is a person known to be a close associate of a person holding a politically exposed position within the meaning of Article 2(2)(12) of the Act or a person who has ceased to hold such a politically exposed position within the last 12 months,
 - b. whether the beneficial owner is a person entered by the General Inspector for Financial Information on the list of persons and entities subject to special restrictive measures referred to in Chapter 10 of the Polish AML Act.
- 3. A higher risk of money laundering or terrorist financing may be indicated in particular by the fact that:
 - a. the ownership structure of the client being a legal entity is not transparent,
 - b. the client or beneficial owner is a person holding a politically exposed position within the meaning of Art. 2 sec. 2 item 11) of the Act or has ceased to hold such a politically exposed position in the last 12 months, or is a family member of a person holding a politically exposed position within the meaning of Art. 2(3) of the Act or a person who ceased to hold such a politically exposed position within the last 12 months, or is a person known to be a close associate of a person holding a politically exposed position within the meaning of Article 2(2)(12) of the Act or a person who ceased to hold such a politically exposed position within the last 12 months,
 - c. despite taking reasonable actions, the WALLUTA EUROPE could not establish whether the client or the beneficial owner is a person holding a politically exposed position within the meaning of art. 2 sec. 2 item 11) of the Act or has ceased to hold such a politically exposed position in the last 12 months, or is a family member of a person holding a politically exposed position within the meaning of art. 2(2)(3) of the Act or a person who has ceased to hold such a politically exposed position within the last 12 months, or is a person known to

be a close associate of a person who holds a politically exposed position within the meaning of Article 2(2)(12) of the Act or a person who has ceased to hold such a politically exposed position within the last 12 months,

4. A low risk of money laundering or terrorist financing is indicated in particular by the fact that the client is:
 - a. a unit of the public finance sector referred to in Article 9 of the Act of 27 August 2009 on public finance (Journal of Laws of 2017, item 2077 and of 2018, item 62),
 - b. a company with a majority stake held by the State Treasury, local government units or their associations,
 - c. a company whose securities are admitted to trading on a regulated market subject to the requirements of disclosure of information about its beneficial owner arising from the provisions of European Union law or equivalent provisions of law of a third country, or a company with a majority shareholding of such a company.

§ 6

Risk factors concerning countries and geographical areas

1. When identifying the risk of money laundering or terrorist financing and assessing the level of such risk related to the country and geographical areas, the WALLUTA EUROPE shall take into account, in particular:
 - i. the country of residence or registered office of the client,
 - ii. country of citizenship of the client,
 - iii. country of citizenship of the beneficial owner.
2. A higher risk of money laundering or terrorist financing may be evidenced, in particular, by the fact that:
 - i. the country of residence or domicile of the customer, or
 - ii. country of citizenship of the customer, or
 - iii. the country of citizenship of the beneficial owner,

is:

- i. a high-risk third country referred to in Article 2(2)(13) of the Polish AML Act, as indicated in the statement of the Financial Action Task Force (FATF) published on the website <https://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/giif> maintained by the GIIF, or
- ii. a country with a high level of corruption or other criminal activity, or as a country which finances or supports the commission of acts of a terrorist nature, or with which the activities of organizations of a terrorist nature are associated, or
- iii. a country with respect to which the United Nations or the European Union has decided to impose sanctions or specific restrictive measures,

3. A low risk of money laundering or terrorist financing is indicated in particular by the fact that:
 - i. the country of residence or domicile of the customer, or
 - ii. the country of which the customer is a national, or
 - iii. the country of citizenship of the beneficial owner,

is:

- i. a Member State of the European Union, a Member State of the European Free Trade Association (EFTA) - a party to the Agreement on the European Economic Area,
- ii. a country with a low level of corruption or other criminal activity,
- iii. a country which has in force anti-money laundering and anti-terrorist financing regulations corresponding to the requirements arising from the European Union anti-money laundering and anti-terrorist financing regulations.

§ 7

Risk factors regarding the type and subject matter of the transaction

1. When recognizing the risk of money laundering or terrorist financing and assessing the level of the risk associated with the type and subject of the transaction the WALLUTA EUROPE considers, in particular
 - a. the type of virtual currency being the subject of the transaction,
 - b. market value of the virtual currency being the subject of the transaction,
 - c. form of transaction,
 - d. whether the client demand conclusion of the transaction which is non-equivalent on the basis of economic factors,
 - e. whether payment by client is made in the amount exceeding 15.000 euro,
 - f. whether payment of a pecuniary obligation resulting from the activity included in the notarial deed is funded in significant part with the money obtained from a bank loan or a bank credit,
 - g. whether the transaction is carried out in untypical circumstances,
 - h. whether transactions of the same property value are performed within a very short time interval,
2. A higher risk of money laundering or terrorist financing may be evidenced in particular by the fact that:
 - a. the client demands the conclusion of a transaction which is non-equivalent on the basis of economic factors
 - b. payment is made in the amount exceeding EUR 15.000;
 - c. the transaction is carried out in untypical circumstances.

3. A low risk of money laundering or terrorist financing is indicated in particular by the fact that:
 - a. payment for transaction is financed in a significant part with money obtained from a bank loan or a bank credit,
 - b. payment for transaction is financed in full by means of a bank transfer,
 - c. transaction is concluded due to the occurrence of a legal or economic event which previously caused legal effects for the client.

§ 8

Risk factors balance

1. WALLUTA EUROPE , after recognizing the risk factors listed in § 5, 6 and 7 and taking into account the nature of its business as defined in § 2(2), shall assess the risk of money laundering and terrorist financing by applying listed risk factors weighing to determine whether the analyzed transaction is associated with:
 - a. a higher risk of money laundering and terrorist financing, or
 - b. a medium risk of money laundering and terrorist financing, or
 - c. low risk of money laundering and terrorist financing.
2. In accordance with the assessment of the risk of money laundering and terrorist financing the WALLUTA EUROPE shall apply appropriate financial security measures as specified in the internal procedure on prevention of money laundering and terrorist financing.
3. Determination by the WALLUTA EUROPE of a higher risk associated with a particular transaction, does not prejudice the fact that there are circumstances that may indicate a suspicion of money laundering or terrorist financing.
4. The weighing of risks shall not lead to circumvention of the provisions of the Polish AML Act or Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for money laundering or terrorist financing.
5. The result of the application of the risk assessment analysis by the WALLUTA EUROPE is classification of the client into the appropriate risk group:
 - a. Low risk level - group 1
 - b. Normal risk level - group 2
 - c. High risk level - group 3

§ 9

Final provisions

1. The WALLUTA EUROPE shall update this risk assessment periodically, at least every 2 years, whenever the risk factors described in this assessment change.

2. In applying this risk assessment, the nature of the WALLUTA EUROPE as an obliged institution and the provisions of the specification of the business activity in the field of virtual currencies should be taken into account.

Werner Wildberger

President of the Management Board / Senior Management representative designated for implementing the duties set out in the Polish Act of March 1, 2018 on counteracting money laundering and financing of terrorism and AML Officer - employee holding a management position, responsible for ensuring the compliance of activity of the obligated institution and its employees and other persons performing activities for this obligated institution with the provisions on money laundering and terrorist financing according to Article 8 of Polish AML Act

Signature:

A handwritten signature in blue ink, appearing to read 'Werner Wildberger', is written over a faint, illegible stamp.