

Know Your Customer (KYC)/Customer Due Diligence (CDD) Policy

Purpose: The purpose of KYC/CDD is to prevent financial services providers from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC/CDD policies enable financial services providers to know or understand their customers and their financial dealings.

Overview: The KYC/CDD Policy identifies the specific customer and transaction information collected and recorded, as well as the verification of customer identification and government filings in accordance with regulatory expectations.

Summary: TokenLot, LLC (“TokenLot”) collects and records certain information from every customer that completes a transaction, utilizes a risk-based approach to verify the identity of certain customers, and records transaction information, customer identification, and verification methods. TokenLot has implemented a tiered system based on transactional amount to determine, at minimum, the pieces of information and identification to be collected and verified. Additionally, TokenLot leverages this information to perform OFAC and other watchlist screening of all customers, as well as CTR filings for transactions in excess of \$10,000.

In situations where either a customer sends multiple transactions within a single business day, TokenLot will aggregate the transactions and apply the aggregated amount to its tier system.

Exceptions: TokenLot will not grant any exceptions to its KYC/CDD Policy.

TokenLot will not execute the customer-requested transaction under the following circumstances: (1) the customer is unable to provide the requisite information, (2) the customer is unable to present an unexpired government-issued photo identification when required, or (3) TokenLot is unfamiliar with the type of identification presented.

If a prospective or existing customer either refuses to provide the information described below upon request or appears to have intentionally provided misleading information, TokenLot will not conduct the transaction and, after considering the risks involved, may block all future customer transactions. In either case, the BSA compliance officer will be notified and determine whether a Suspicious Activity Report (“SAR”) is warranted.

Details: The KYC/CDD tiers are as follows.

Tier 1 (transactions <\$1000)

TokenLot will collect and record the following information from any customer that purchases ICO tokens in amounts less than \$1000.

- (1) Full name
- (2) Phone number
- (3) Ethereum wallet address
- (4) Transaction amount
- (5) Transaction date
- (6) Transaction time
- (7) Transaction location

Additional action(s):

- (I) Natural language processing, named entity recognition
- (II) Phone number verification
- (III) OFAC screening
- (IV) Other watchlist screening

Tier 2 (transactions \$1,000 - <\$10,000)

TokenLot will collect and record the following information from any customer that completes a purchase of ICO tokens in amounts ranging from \$1,000 to <\$10,000.

- (1) Full name
- (2) Phone number
- (3) Date of birth
- (4) Ethereum wallet address
- (5) Transaction amount
- (6) Transaction date
- (7) Transaction time
- (8) Transaction location

Additional action(s):

- (I) Natural language processing, named entity recognition
- (II) Phone number verification
- (III) OFAC screening
- (IV) Other watchlist screening
- (V) Review blockchain explorer data

Tier 3 (transactions >\$10,000)

TokenLot will collect and record the following information from any customer that completes a purchase of ICO tokens in an amount greater than \$10,000.

- (1) Full name
- (2) Phone number
- (3) Address
- (4) Date of birth
- (5) Government-issued identification, unexpired
- (6) Ethereum wallet address

- (7) Transaction amount (U.S. Dollar; bitcoin)
- (8) Transaction date
- (9) Transaction time
- (10) Transaction location

Additional action(s):

- (I) Natural language processing, named entity recognition
- (II) Phone number verification
- (III) OFAC screening
- (IV) Other watchlist screening
- (V) Review blockchain explorer data
- (VI) Verification of customer information, including identification
- (III) Referral for enhanced due diligence (EDD) review
- (IV) Filing of a Currency Transaction Report (“CTR”)

Records: TokenLot will retain the aforementioned records relating to its KYC/CDD Program and any supporting records. TokenLot will retain these records for at least five (5) years after the date of transaction. These records will be filed or stored in such a way as to be accessible within a reasonable period of time.