

K Y C P O L I C Y

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1/ INTRODUCTION

Trust in the financial system can be seriously compromised by the efforts of criminals and people helping them to cover up the criminal origin of funds or to direct legal or illegal money for terrorist purposes.

Know Your Customer (hereinafter: KYC) is a usual and fundamental part of the Customer onboarding process. It is a set of standards used within the investment and financial services industry to verify customers, get to know the “essential facts and details” concerning Customers and, based on data collected, to assess their risk profile. KYC can be a part of a broader anti-money laundering (hereinafter: AML) and overall compliance program.

BlackDragon platform has implemented KYC policy to ensure Customer identities are verified in a proper manner using appropriate information, data and documentation that proves that Customers are:

- who they say they are,
- are not involved or related to anyone involved in money laundering or terrorist financing and
- don't represent an inordinate risk to the BlackDragon or financial system as a whole.

BlackDragon business performance, inter alia, depends on the trust of customers, employees and the public, and it is based on BlackDragon's compliance with all relevant regulations, therefore it aims to establish a culture that respects and rewards the application of appropriate controls and compliance procedures.

Specific provisions of BlackDragon policies are confidential and for internal use only, in order to prevent their avoidance by dishonest or fraudulent users. This document will introduce Customers to general rules and stipulations which directly concern Customers and affect our services.

Any tokens are offered only outside of the United States to non-U.S. persons, pursuant to the provisions of Regulation S of the U.S. Securities Act of 1933, as amended. The tokens will not be registered under the Securities Act, and may not be offered or sold in the United States absent registration or under an applicable exemption from the registration requirements and the purchasers should not assume they will be able to resell their tokens in the United States. Neither the Securities and Exchange Commission nor any state regulator has passed upon the merits of or given its approval to the tokens, the terms of the sale of the token, or the accuracy or completeness of any associated materials. Buying tokens involves risks, and purchasers should be able to bear the loss of their entire purchase. All purchasers should make their own determination of whether or not to make any purchase, based on their own independent evaluation and analysis.

2/ OBJECTIVES AND SCOPE

The purpose of this document is to establish KYC policy for BlackDragon.

The objective of KYC policy is to enable BlackDragon to know and understand its Customers and its analysis, purchase, sale, exchange, pooling or investing into certain digital assets (hereinafter: Contribution transactions) better which in turn will help it to manage its risks prudently and to prevent BlackDragon platform from being used, intentionally or unintentionally for money laundering activities or terrorist financing activities and to comply with existing laws and regulations.

BlackDragon has zero tolerance for any form of exploitation of any of its services for money laundering or terrorism financing purposes or any other illegal activity, therefore the KYC policy has been framed by BlackDragon to:

1. effectively service the customer's account,
2. enable BlackDragon to know and understand its Customers and their Contribution transactions,
3. put in place appropriate controls for detection of suspicious activities,
4. preclude Customers with illicit objectives and criminal background,
5. comply with applicable laws, regulations and regulatory guidelines.

3/ CUSTOMER IDENTIFICATION

For the purpose of this policy Customer is an individual, natural person that has connected a digital wallet which serves as an account within the BlackDragon platform or engages in the activity such as analysis, purchase, sale, exchange, pooling or investing into certain digital assets within the BlackDragon platform.

Customer identification is a process of confirming the identity of Customer and verifying his/her identity. It is carried out using and checking officially valid documents, data or information obtained from a credible, reliable and independent sources including a qualified electronic signature or electronic seal certificate or other secure identification procedure approved by national authorities.

Within BlackDragon, upon Customers wallet connect, Customer identification is performed automatically using third party KYC tool which is a piece of software used to confirm and verify the identities of users. KYC tool will obtain and gather sufficient information necessary to verify the identity of each new Customer and it will check and analyze the data provided by the Customer to meet baseline requirements.

Sufficient information provided by the Customer include sending "selfie" or video along with officially valid document in order to preclude possibility of using Customers documents by someone else. After documents and other required data upload Customers "identity profile" will be created and information will be rapidly verified using third party KYC tool and authenticated at the highest standards of regulatory compliance. Verification of Customers

photo or video and comparison with provided documents is made with use of software, professional external providers or, in case of doubts, is done manually by our customer support services.

In case of any doubts customer support team will contact is available to explain any concerns and solve the issues that arose at hello@blackdragon.io.

For the purpose of this policy, ID card, passport, driving license or residence permit are considered officially valid documents.

After collecting the Customer's identity information, address, recent photograph and other relevant information, "identity profile" is created and information gathered will be used to check:

- basic data (date of birth, ID issue date, ID expiry date, ID number, proof of residence, issue date etc.),
- various lists, including watchlists, sanction lists, PEP lists and high risk jurisdictions lists, which can point to restricted countries, suspicious activities or unacceptable Customers.

Please refer to our Privacy Policy for information about how we collect, use and share information about you.

<https://blackdragon.io/legal/PrivacyPolicy.pdf>

Successful identity check will redirect Customer from KYC tool to BlackDragon platform.

4/ CUSTOMER ACCEPTANCE

After successfully completing Customer identification process, Customers account becomes verified enabling Customer to use the account and access the content in accordance with Terms of Service.

<https://blackdragon.io/legal/TermsOfService.pdf>

Customer identification will be considered failed if:

- the Customer withdraws from the identification process during the identification process,
- for identification purposes, the customer presents documents that appear to be forged, altered or inaccurate,
- documents provided cannot be verified within reasonable time,
- KYC tool cannot determine, beyond a reasonable doubt, that the documents you provided belong to the Customer or that they are authentic.

BlackDragon reserves the right not to accept any customer if:

- Customer matches with any individual or entity with known criminal background or banned entities such as individual terrorists or terrorist organizations etc.
- Customer is citizen or resident of, as well as staying in, countries where analysis, purchase, sale, exchange, pooling or investing into certain digital assets are prohibited by international sanctions or their internal law regulations, or countries which based on various criteria selected by our compliance team.

In such cases, BlackDragon, in its sole discretion, may pause or cancel your transactions until additional information and documents are reviewed by BlackDragon and accepted as satisfying the requirements of applicable policies, laws and regulatory guidance. If you do not provide complete and accurate information and documents in response to such a request, BlackDragon may refuse to provide the Content to you.

6/ SANCTIONED COUNTRIES

In accordance with our policies we do not open accounts and do not allow analysis, purchase, sale, exchange, pooling or investing into certain digital assets (“Contribution”) for citizens and residents of, as well as people staying in, countries where such Contribution are prohibited by international sanctions or their internal law regulations, or countries which based on various criteria selected by our compliance team (for example Corruption Perceptions Index by Transparency International, FATF warnings, countries with weak anti-money laundering and terrorist financing regimes determined by European Commission).

These countries are stipulated in the appendix 1 of this document.

7/ BASIC OPERATING RULES

BlackDragon operating rules include, *inter alia*, as follows:

1. BlackDragon does not accept cash deposits or cash withdrawals in any cases;
2. BlackDragon does not accept use or attempt to use another user’s Account without authorization from such user and BlackDragon;
3. BlackDragon does not allow any exceptions in the field of documentation required from users;
4. BlackDragon reserves the right to refuse to process the User’s contribution at any time, in case of suspicion of AML / CTF risk;
5. BlackDragon does not allow provision of false or misleading information to BlackDragon,
6. BlackDragon does not allow using the Service in any manner that could negatively affect or harm the reputation of BlackDragon;

7. BlackDragon does not allow bypassing or ignoring instructions that control all automated access to the Service;
8. BlackDragon does not allow using the Service for any illegal or unauthorized purpose, or engage in, encourage or promote any activity that violates these Terms;
9. BlackDragon does not allow using the Ethereum blockchain to carry out any illegal activities, including but not limited to money laundering, terrorist financing or deliberately engaging in activities designed to adversely affect the performance of the Ethereum, xDAI or any other blockchain, or the Service;
10. BlackDragon does not allow engaging in wash trading or other deceptive or manipulative trading activities;
11. BlackDragon does not allow using the Service to carry out any financial activities subject to registration or licensing, including but not limited to creating, listing, or buying securities, commodities, options, real estate, or debt instruments.

BlackDragon is not obliged to inform Customers about the reason of Customer account termination.

6/ FINAL PROVISIONS

This Policy is adopted by the BlackDragon's Management, and it enters into force on the day of publication. Upon the entry into force of any amendments to this Policy, the previous version shall be repealed with effect from the date of entry into force of the latter.

Appendx 1:

- Afghanistan
- Albania
- Bahamas (the)
- Barbados
- Botswana
- Burundi
- Cambodia
- Central African Republic (the)
- Congo (the Democratic Republic of the)
- Côte d'Ivoire
- Cuba
- Ethiopia
- Ghana
- Iran (Islamic Republic of)
- Iraq
- Jamaica
- Korea (the Democratic People's Republic of)
- Lebanon
- Liberia
- Libya
- Mali
- Mauritius
- Mongolia
- Myanmar
- Nicaragua
- Pakistan
- Panama
- Somalia
- South Sudan
- Sri Lanka
- Sudan (the)
- Syrian Arab Republic
- Trinidad and Tobago
- Tunisia
- Uganda
- United States of America (the)
- Vanuatu
- Venezuela (Bolivarian Republic of)
- Yemen
- Zimbabwe