

## Spotcoin Privacy and AML/KYC Policy

### 1. PRIVACY and AML/KYC POLICY STATUS AND ACCEPTANCE

- 1.1. This Privacy and AML/KYC Policy (hereinafter referred to as the “Policy”) sets forth the general rules of User’s Personal Data collection, processing, distribution, use and keeping by the Company during the Website use and/or SPOT Token Sale and/or directly on our request as well as the general rules and procedures governing the implementation and conduction of Know-Your-Customer (“KYC”) procedures in accordance with the relevant Anti-Money Laundering rules (“AML”).
- 1.2. Each User must carefully read and comply with this Policy.  
It is understood and presumed per se that by the fact of the Website use and SPOT Tokens purchase during the Spotcoin Token Sale or otherwise or by providing Us the Personal Data directly on our request, the respective User fully read, understood and accepted this Policy. If any User does not agree with this Policy in general or any part of it, such User must not access and use the Website and/or purchase SPOT Tokens.
- 1.3. The Company reserves the right to modify or amend this Policy at its sole discretion. Any revisions to this Privacy and AML/KYC Policy will be posted on the homepage of our Website. If we make changes, we will notify you by revising the date at the top of this Policy. In addition, if the revised version includes any substantial changes to the manner in which your personal information will be processed, we will provide you with prior notice by posting notification of the change on the Privacy and AML/KYC Policy area of our Website. We strongly recommend You to periodically visit the Website to review any changes that may be made to this Privacy and AML/KYC Policy to stay informed about our information practices and your privacy rights and choices as well as to stay updated on our AML/KYC practices. Your continued usage of the Website and/or services shall mean Your acceptance of those amendments.
- 1.4. In terms of the Spotcoin Token Sale this Policy shall be considered as inalienable part of the Spotcoin Token Sale Agreement. In terms not regulated by this Policy, the Spotcoin Token Sale Agreement shall apply to the relationships that arise hereunder.
- 1.5. This Policy is administered by Chief Compliance Officer (“CCO”) and the Compliance Department.
- 1.6. It is the personal obligation and responsibility of each Employee to act in a manner consistent with this Policy.
- 1.7. All Employees must report any breaches, violations, risks, incidents and complaints, as appropriate.

### 2. DEFINITIONS

- 2.1. **Applicable Law** – laws of Georgia applicable under this Policy to any and all relations between a User and Company.
- 2.2. **Employee** – a Spotcoin employee.
- 2.3. **Personal Data** - information or totality of information that can be associated with a specific person (the User) and can be used to identify that person.
- 2.4. **Privacy and AML/KYC Policy** (also referred to as “Policy”) – this Privacy and AML/KYC Policy posted on the homepage of our Website which may be revised or updated from time to time as stated in subsection 1.3 of this Privacy and AML/KYC Policy.
- 2.5. **SPOTCOIN LLC** (also referred to as “Company”, “We”, “Us”) – a company incorporated under the legislation of Georgia for the purpose of Spotcoin project development and implementation, not being a financial entity, stock, exchange, investment entity or a partner, employer, agent or adviser for any User OR a third party, which we hire to perform services on our behalf such as Identity Verification Company.
- 2.6. **Spotcoin** (also referred to as “Platform”) is a blockchain-based economic platform bridging the gap between legacy, financial markets and emerging digital currency ecosystems, which is organized into 4 main sections: The Spotcoin

OTC market inside the Spotcoin Platform to make GPU minable coins more accessible and cheap for customers); Black Sea Blockchain Institute (institute that incorporates policymakers, policy analysts, and public educators about strategic issues within the country).

- 2.7. **Spotcoin Token Sale (“Token Sale”, “Crowdsale”)** – an offering of SPOT Tokens to eligible Users to purchase SPOT Tokens during the Sale Period, according to the respective phases (launches) and SPOT Tokens Price described on the Website and in Whitepaper.
- 2.8. **SPOT Tokens (“SPOT”, “Tokens”)** – cryptographic tokens, which are software digital products (not being cryptocurrency), which are created by the Company and is a digital representation for participation in Spotcoin project, including the participation in distribution of Platform rewards. The SPOT token is designed as a decentralized token on the NEO Blockchain platform.
- 2.9. **User** (also referred to as “**You**”) – any person, who uses the Website, with or without prior registration and authorization using the Account and purchases SPOT Tokens. The Company reserves its right to set forth at any time upon its own discretion special eligibility or other requirements to certain Users to participate in a certain phase of Spotcoin Token Sale as shall be mentioned on the Website and Whitepaper.
- 2.10. **Website** – the website maintained and owned by the Company at [www.spotcoin.com](http://www.spotcoin.com).
- 2.11. **Whitepaper** – one of the official Accompanying Documents published by the Company on the Website, describing technical and marketing details of the Spotcoin Token Sale, the idea and purpose of the Spotcoin Platform, as well as SPOT Tokens Price and Tokens Sale Period.

### 3. PURPOSE OF PERSONAL DATA USE

- 3.1. We collect from the Users only the Personal Data that we need for their proper use of the Website or for purchase of SPOT Tokens. In particular, we use Your Personal Data to:
  - administer Our Website and provide services;
  - develop new products and services;
  - personalize Our Website for You;
  - send You technical notices and support and administrative messages;
  - communicate with You about products, services, promotions, events and other news and information we think will be of interest to You;
  - monitor and analyze trends, usage and activities in connection with Our Website and services;
  - provide third parties with statistical information about Our Users (but those third parties will not be able to identify any individual User from that information);
  - detect, investigate and prevent fraudulent transactions and other illegal activities and protect the rights and property of the Company and others;
  - link or combine Personal Data We collect from or about You; and
  - verify compliance with the terms and conditions governing the use of Our Website (including monitoring private messages sent through the Website private messaging service).

### 4. PERSONAL DATA COLLECTION AND PROCESSING

- 4.1. We collect Personal Data from running the Website and use Personal Data, provided to Us by You. We may collect such Personal Data:
  - e-mail address,
  - full name and surname;
  - country of residence;
  - Telegram Messenger User Name.
- 4.2. We reserve the right to collect any Other Data, including data which is not Personal per se such as:
  - address of Your wallet on NEO Blockchain platform;
  - postal address;
  - any other information if we deem necessary in accordance with the Privacy and AML/KYC policy set forth

- your IP address;
  - device information including, but not limited to, identifier, name, and type, operating system;
  - mobile network information;
  - standard web log information, such as Your browser type, and the pages You accessed on Our Website, access times, website navigation paths.
- 4.4. The Company collects some data automatically, namely information about devices (including mobile devices), which you may use to access the Website, IP-address of your devices, used browser and operating system, date, time, geographical location data of your access to the Website. However, we will not release Your personally-identifying information of such kind to any third party without Your consent, except as set forth herein.
- 4.5. We do not process any sensitive Personal Data, such as religion, race, ethnicity and/or political views.
- 4.6. We also use third party service providers, which we entrust storing data, its collection and analysis. This is made in order to enable You to get the best services possible and to make our cooperation the most effective and with the best benefit for You. These third parties have their own privacy policies and their own conditions, whether to collect your data or opt-out from it. Thus, we do recommend You to getting yourself acquainted with the terms of third party service provider, if You use other services on our Website. We will not seek any of your Personal Information through any other software platforms, data web resources etc., even if this information is necessary for You or your usage of the Website.
- 4.7. When You access the Website, or use Our Product or services We (or Google Analytics or similar service provider on our behalf) may place small data files called cookies on Your computer or other device. We use these technologies to recognize You as our User, customize Our Website, understand usage and determine the effectiveness of email marketing campaigns, measure promotional effectiveness and collect information about Your computer (as described in clause 4.2. hereof) or other access device to mitigate risk, help prevent fraud, and promote trust and safety. You may control the use of cookies within Your internet browsers' settings. If you reject or delete certain cookies, be aware that the performance of the related features and functions of our Websites and services may be impaired. Web beacons (or pixel tags) are electronic images that may be used in our web Services or emails to help deliver cookies, count website visits, understand usage and determine the effectiveness of email marketing campaigns.
- 4.8. You agree to provide the Personal Data specified herein and agree that Your provided Personal Data may be processed and stored by Us or Our counterparties (as specified in clause 5.4. hereof) during the period of time that is practically necessary for the purposes for which the information may be used.
- 4.9. The components of Personal Data that mentioned below may be modified from time to time according to the Applicable law and our needs that will be reflected in this Policy. We will not collect any other Personal Data except for the mentioned herein until we amend and post these amendments to the Policy on the homepage of our Website.

## **5. AML/KYC POLICY**

- 5.1. Spotcoin is strongly committed to preventing the use of its operations for money laundering or any activity which facilitates money laundering, or the funding of terrorist or criminal activities.
- 5.2. On a global level, in order to prevent and combat money laundering and terrorism financing, there has been an introduction of the number of laws concerning the customer identification and verification procedures including but not limited to the EU Directives AMLD4 and AMLD5, with the latter expected to be implemented next year by way of amending the AMLD4 and bring businesses operating with the virtual currencies under the scope of the Anti-Money Laundering Directive.
- 5.3. In the United States regulation of the AML is carried out by a special government body under the US Treasury – FinCEN. In particular, FinCEN regulates, so-called, "money services business" (MSB). In 2013 FinCEN published the clarification on the regulation of persons administering, exchanging or using virtual currencies bringing the businesses dealing with virtual currencies under the scope of AML/KYC in terms of spotting suspicious financial behavior.
- 5.4. In order to ensure that our operations are compliant with the AML/KYC rules and procedures, we are implementing the AML/KYC policies detailed below.
- 5.5. As part of our AML (Anti-Money Laundering) Policy in order to combat money laundering and illegal financing

- appoint a designated CCO. The CCO is to report any suspicious transactions to the appropriate Financial Authority;
- assist law agencies and authorities to trace, seize, and confiscate the proceed of criminal activities;
- freeze any funds deemed suspicious and investigate the source of finance;
- introduce a Know-Your-Customer Policy (KYC);
- exercise reasonable measures to obtain information about the true identity of the persons on whose behalf a transaction is made;
- record keeping procedures – maintain, for a specific time period, all necessary records on transactions, both domestic and international;
- pay special attention to all complex, unusually large transactions;
- adopt economic, administrative, self-regulatory and other measures which can be taken to create an effective shield against money laundering;
- train staff accordingly;
- employ proper care in the hiring of new staff.

5.6. As part of the customer risk assessment, the following will act as Money Laundering Warning Signs based on guidance provided by Financial Action Task Force (FATF) – international body set up to combat money laundering:

- customer tells that the funds are coming from one source but then at the last minute the source changes;
- evasiveness or reluctance to provide information;
- incomplete or inconsistent information;
- unusual money transfer or transactions (e.g. when customer deposits unusual amounts (e.g. 9,990 euros) so as not to come under the threshold when KYC applies);
- complex group structures without obvious explanation that may be designed to disguise the true source and ownership of money;
- when money is coming from the list of ‘high-risk and non-co-operative jurisdictions’ according to FATF;
- negative public information available about the client or company.

5.7. The above principles and warning signs are aimed at determining the customer’s risk in terms of propensity to commit money laundering, terrorist financing or identity theft.

5.8. Every Employee is required to act in furtherance of this policy statement to protect the Company from exploitation by money launderers or terrorists.

5.9. Company adopts the KYC (Know-Your-Customer) Policy and reserves the right to undertake KYC in order to verify the identity of its customers at any point.

5.10. As part of the exercise of this right, Company may require the following information to be sent:

- copy of passport or national ID;
- recent utility bill;
- recent bank account statement

‘Recent’ means no longer than 3 months from date of issue.

5.11. **Please note** that the list above is not exhaustive and we reserve the right to require additional information at any time to verify the client’s identification and to fully satisfy the latest Anti-Money Laundering rules.

5.12. If any of the above documents are requested, prior to sending them to us we may require them to be certified as a true copy of the original by a Solicitor or a Lawyer who must use their company stamp. We require the documents to be sent to us in high quality color format. We reserve the right to reject any documents, which do not comply with the above or if we have doubts as to their veracity.

5.13. If any doubt arises we reserve the right to check the information provided, as part of the KYC Policy, using non-documentary methods including but not limited to contacting the customer directly.

5.14. CCO has a right to freeze any funds already transferred should the suspicion as to the sources of those funds arises after they have been deposited and investigate the customer’s transaction in retrospect.

## 6. PERSONAL DATA PROTECTION AND SHARING

- 6.1. We will do any and all efforts and actions prescribed by Applicable Law to store any of Your Personal Data in secrecy, to protect Your Personal Data from accidental loss, disclosure or erasure, from illegal processing or illegal access.
- 6.2. We store and process Your Personal Data on Our servers in various jurisdictions, where our facilities and/or Our service providers are located. By submitting Your Personal Data, You agree to this transfer, storing, or processing. We will take all steps reasonably necessary to ensure that Your Personal Data is treated securely and in accordance with this Policy. We protect Your Personal Data under internationally acknowledged standards, using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorized access, disclosure, and alteration. Some of the safeguards We use are firewalls and data encryption, physical access controls to our data centers, and information access authorization controls. We also authorize access to Personal Data only for those employees or contractors who require it to fulfill their job or service responsibilities. All of our physical, electronic, and procedural safeguards are designed to comply with applicable laws and regulations. Third parties may be located in other countries where the laws on processing of Personal Data may be less stringent than in Your country. From time to time, the Personal Data may be also stored in other locations, and in such cases, We will ensure that the Personal Data will be stored and processed with the reasonable level of care and security.
- 6.3. We reserve our right to share Your Personal Data with the following parties and with regard to the following cases:
  - companies that We plan to merge with or be acquired by (all or a portion of our business);
  - companies in connection with, or during negotiations of, any sale of company assets or any financing by another company;
  - service providers that execute any work for us (such as hosting providers, identity verification, support, payment, and email service providers);
  - in response to a request for information if we believe disclosure is in accordance with, or required by, any applicable law, regulation or legal process;
  - if we believe your actions are inconsistent with our user agreements or policies, or to protect the rights, property and safety of SPOT Tokens or others;
  - between and among Company and its current and future corporate parents, affiliates, subsidiaries and other companies under common control and ownership;
  - when we believe, in our sole discretion, that the disclosure of personal information is necessary to report suspected illegal activity or to investigate violations of our Terms and Conditions.
- 6.4. We will not provide Your Personal Data to any other Website users or third parties other than described in clause 6.3. herein without Your consent or direction.
- 6.5. We will not sell or rent Your Personal Data and/or customer lists to third parties without your explicit consent.
- 6.6. We may combine Your Personal Data with information we collect from other companies and use it to improve and personalize the Website and our products, as well as our content and advertising.
- 6.7. We may use Your name and email address to provide You with information about products or services that may be of interest to You, but we will not use Your Personal Data without complying with applicable laws and, where appropriate, obtaining your consent.
- 6.8. Our services may, from time to time, contain links to and from the websites of our partner networks, advertisers, and affiliates (including, but not limited to, websites on which the Website is advertised). If You follow a link to any of these websites, please note that these websites and any services that may be accessible through them have their own privacy policies and that We do not accept any responsibility or liability for these policies or for any Personal Data that may be collected through these websites or services, such as contact and location data. Please check these policies before You submit any personal data to these websites or use these services.
- 6.9. We may allow others to provide analytics services on our behalf in connection with our services. These entities may use cookies and other technologies to collect information about your use of the services and other websites and apps (if any), including your IP address, web browser, pages views, app performance, time spent on pages and links clicked. This information may be used by the Company and others to, among other things, analyze and track data, determine

## **7. DATA STORAGE AND RETENTION**

- 7.1. In accordance with Applicable Law and as needed to provide services to Our Users, We may store and retain Your Personal Data provided it's integrity and the appropriate approach to it. This requirement is conditioned by the need of complying with legal obligations and resolving possible disputes. We may retain Your Personal Data for as long as Your account is active. Moreover, Your Personal Data may be hold beyond the abovementioned period till it is indispensable for Us to have relevant information to respond to any issues that may arise later.

## **8. SECURITY**

- 8.1. We use relevant electronic and procedural safeguards to protect the privacy of the information You provide to Us from loss, misuse, disclosure, alteration and destruction. Please note that transmission of data or information (including communications by e-mail) over the Internet or other publicly accessible networks is not one hundred percent secure. Please note that We are not liable for the security of any data You are transmitting over the Internet, or third-party content.
- 8.2. Spotcoin is implementing state of the art security for the securing of all exchange information and stored value in accordance with CryptoCurrency Security Standard (CCSS). This includes software and hardware components that are identified by digital currency experts as the best course of action for an exchange, as well as coin throttling.

## **9. CORRECT/UPDATE/DELETE PERSONAL DATA**

- 9.1. You have a right to access to Your Personal Data and to require the correction, updating or deletion of incorrect or/and inaccurate data by contacting Us at [info@spotcoin.com](mailto:info@spotcoin.com). Nevertheless, this request must comply with the Spotcoin Token Sale Agreement and Our legal obligations. We shall delete Your respective Personal Data from any sources within 24 hours from the moment We receive such request from You. At that the Company reserves its right to suspend provision of any services to You referring to Spotcoin Project and/or delete Your Account on the Website without prior notice, not providing any compensations to You.
- 9.2. To disable Your account and remove Your Personal Data completely, please email us at [info@spotcoin.com](mailto:info@spotcoin.com) with a request that complies with the Spotcoin Token Sale Agreement.

## **10. CONTACT DETAILS**

- 10.1. If you have any questions regarding this Privacy and AML/KYC Policy, please contact us at [info@spotcoin.com](mailto:info@spotcoin.com).