



Know Your Customer (KYC) and Anti-Money Laundering (AML) Policy and Procedures

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It is the policy of Papyrus Foundation Pte Limited (the “Company”) to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements of Singapore’s Monetary Authority of Singapore (“MAS”) and its implementing regulations.

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

Our AML policies, procedures and internal controls are designed to ensure compliance with all applicable MAS regulations and rules 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 our business.

Papyrus Foundation Pte Ltd (the “Company”) operates so that it is compliant with ‘anti-money laundering’ (“AML”) and ‘know your customer’ (“KYC”) rules and regulations in the

jurisdictions it operates in or sells products or services to and has developed this KYC and AML Policy to protect itself from involvement in money laundering or suspicious activity as follows:

- The Company is performing an enterprise-wide risk assessment to determine the risk profile of the Company.
- The Company has established KYC and AML policies and procedures that have been reviewed and approved by the Company's Board of Directors (the "Board").
- The Company is implementing internal controls throughout its operations that are designed to reduce risks of money laundering, including designating a person responsible for AML compliance.
- The Company performing know your customer ("KYC") procedures on all token sale purchasers.

POLICIES AND PROCEDURES

I. Purchaser Identification (Know Your Customer)

The Company has taken The Company collects identifying information on each purchaser in its token sale. The Company shall collect the following information about each purchaser:

- First name
- Last name
- Citizenship
- Date of birth
- For entities, Papyrus collects all of the above for a director of the entity.

II. Contributor Eligibility

The Company shall not accept purchasers (individuals or entities) who are not at least eighteen (18) years of age or purchasers from the following jurisdictions (the "Prohibited Purchasers") to purchase PRP or PPR tokens:

- **Singapore** - a natural person, residing in Singapore, or any entity organized or incorporated under the laws of Singapore.

- **The People’s Republic of China** - a natural person, residing in the People's Republic of China, or any entity organized or incorporated under the laws of the People's Republic of China.
- **South Korea** - a natural person, residing in South Korea, or any entity organized or incorporated under the laws of South Korea.
- **United States** - Individuals or entities from or residing in the United States, including American Samoa, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands, or any entity organized or incorporated under the laws of the United States. U.S. citizens living abroad may also be deemed "U.S. Persons" under certain rules.

The Company explicitly prohibits the Prohibited Purchasers in its Token Sale Terms and Conditions (the “T&C”) attached hereto as Exhibit B . Any purchasers that purchase PRP or PPR tokens in violation of the T&C shall be invalid and such purchasers will have their purchase amount returned to them at their expense.

III. AML Screening

The Company shall screen each prospective purchaser in its token sale for matches in the following categories:

- **Global Sanctions List** - Screening prospective purchasers against OFAC sanctions.
- **PEPs** - Screening prospective purchasers for identification as a "politically exposed person". A PEP is a term describing someone who has been entrusted with a prominent public function. A PEP generally presents a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence that they may hold.
- **Adverse Media** - Screening prospective purchasers against adverse media involves looking for any negative mentions of them in traditional news media and publicly available information more broadly.

Any prospective purchaser that has a match on any of the above categories shall be flagged and blocked pending review by the Company and its counsel of the red flag. The prospective purchaser will receive an email letting them know of that it is being reviewed and a follow-up email letting the prospective purchaser of the disposition of the review.

IV. Dispositions of AML Flags

- **Global Sanctions List** - If the flag is a match on the Global Sanctions List, the Company shall outright deny the purchaser and let them know of the disposition of the review.

- **PEPs** - If the flag is a match on PEPs the Company's counsel shall review the AML report and may request proof of identification or additional verification from the prospective purchaser in accordance with the KYC matrix in Exhibit A hereto within forty-eight (48) hours of the flag. After receiving any additional verification information Company shall provide the prospective purchaser with notice of disposition within forty-eight (48) hours of receipt of such additional information.
- **Adverse Media** - If the flag is a match on Adverse Media, the Company's counsel shall review the adverse media and make a determination on whether to allow the prospective purchaser within forty-eight (48) hours of the flag.

V. Appointment of an AML Compliance Person - Designation and Duties

The Company is in the process of identifying and designating a compliance person to be its Anti-Money Laundering Program Compliance Person (AML Compliance Person), with full responsibility for the firm's AML program. The duties of the AML Compliance Person will include monitoring the firm's compliance with AML obligations, overseeing communication and training for employees. The AML Compliance Person will also ensure that the firm keeps and maintains all of the required AML records and will ensure that suspicious activity reports are filed with the MAS. The AML Compliance Person is vested with full responsibility and authority to enforce the firm's AML program.