

EcoMint Ltd - Anti-Money Laundering Policy - updated 10 September 2022

EcoMint Ltd (“EcoMint”) has no tolerance for money laundering, the financing of terrorism or any other form of illicit activity, and is committed to implementing appropriate policies, procedures and controls to prevent those activities. Due to the type of business EcoMint performs, EcoMint does not have a legal requirement to comply with the Money Laundering Regulations 2017 (“MLR”) (as amended by the MLR 2019), the Proceeds of Crime Act 2002 (“POCA”), and the Terrorism Act 2000 (“TACT”). However, as an ethical business, EcoMint Ltd will comply with the spirit of the UK’s MLR and therefore the international standards set by the Financial Action Task Force (FATF) and the EU’s 5th Money Laundering Directive.

This Anti-Money Laundering (“AML”) policy sets out EcoMint’s approach to preventing money laundering and counter terrorism financing and applies without exception to all employees, agency staff and contractors of the Company, its board members and directors as well as its project partners.

This policy aims to help partners and staff fulfil their AML responsibilities. Failure to fulfil these responsibilities may result in disciplinary action and may also result in criminal sanctions for the staff involved. Furthermore, a report may also have to be made to the NCA or other law enforcement agencies, which may result in a criminal investigation.

Definition

2

What are the business activities of EcoMint Ltd?

2

What is the relevant AML legislation in the UK in relation to crypto-tokens?

3

Are Angry Teenager NFTs crypto-assets?

3

Is Angry Teenager NFT activity EcoMint’s way of business?

3

Is EcoMint Ltd legally obligated to follow MLR in the UK under FCA oversight?

4

AML Responsibilities

5

Risk based Assessment

6

Customer Due Diligence

9

MLRO

9

Disclosure to the MLRO

9

Action to be taken by the MLRO following a disclosure

10

Training

12

Record Keeping

12

AML Definition

EcoMint understands money laundering to be the term used for a number of offences involving the proceeds of crime or terrorism funds. The following constitute the act of money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the country
- Entering into or becoming concerned in an arrangement which that individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquiring, using or possessing criminal property
- Failing to disclose any of the above three primary offences
- Tipping off, which is where an individual informs a person or people who are, or who are suspected of being, involved in money laundering, in such a way as to reduce the likelihood of their being investigated, or prejudicing an investigation.

What are the business activities of EcoMint Ltd?

EcoMint is a company involved in providing technology services, such as developing smart contracts, as agreements between parties on a blockchain, which enable a person to purchase NFT and receive a voting or other right to an asset, without a need for intermediaries.

EcoMint uses the technology to create and integrate smart contracts on the TEZOS Blockchain Platform and the TEZOS Blockchain Platform's smart contract shall then issue the NFTs to certain individuals and/or corporates (referred to as Angry Teenagers) for an agreed contribution, which shall be used to fund, develop, operate and maintain reforestation and regeneration projects.

EcoMint is able to use the greenest available blockchain technology of TEZOS to fund the Projects and to develop and coordinate the projects as Angry Teenager's appointed Project Coordinator. In accordance with Angry Teenagers' instructions, EcoMint will develop, operate and fund reforestation and regeneration projects with local Project Development Partners worldwide.

As project land regenerates, EcoMint will broker the sale of resulting carbon credits for a fee and distribute the resulting revenue to the local community of each project and to new projects. EcoMint will only sell carbon credits to reputable companies looking to offset as part of a suite of CSR initiatives.

What is the relevant AML legislation in the UK in relation to crypto-tokens?

Since the MLR update in 2019, cryptoasset exchange providers need to comply with MLR under the supervision of the FCA. Per MLR2019 Regulation 14A, a cryptoasset exchange provider is a "firm or sole practitioner who by way of business provides one or more of the

following services, including where the firm or sole practitioner does so as creator or issuer of any of the cryptoassets involved...exchanging, or arranging or making arrangements with a view to the exchange of, one cryptoasset for another"¹.

The legislation continues to define a cryptoasset as "a cryptographically secured digital representation of value or contractual rights that uses a form of distributed ledger technology and can be transferred, stored or traded electronically."²

Further FCA guidance sets out the factors that they consider when determining whether the activity is carried out "by way of business" in the UK³.

- Commercial element: Do you advertise or act in a way that suggests you are providing cryptoasset services by way of business?
- Commercial benefit: Do you receive direct or indirect benefit from this service?
- Relevance to other business: How significant is the activity to the business' other activities (cryptoasset activities may be only part of the business)?
- Regularity/frequency: Does the frequency of the activity suggest that it is being carried on as a business?

Are Angry Teenager NFTs crypto-assets?

It is our view that Angry Teenager NFT tokens do not meet the definition of a cryptoasset.

The Angry Teenager NFTs are not a representation of value. The Angry Teenager NFT is a digital asset, a collectible, not an investment yielding returns that holds value.

The Angry Teenager NFTs are not a representation of contractual rights. The Angry Teenager NFT gives the NFT-holder the right to vote on matters related to the relevant project; however this is not a right that will benefit the NFT-holder in any way.

Is Angry Teenager NFT activity EcoMint's way of business?

The FCA's factors that are considered when determining whether EcoMint's NFT activity is EcoMint's way of business are analysed below:

Commercial element - EcoMint advertises token sales as a fundraising mechanism to fund land regeneration projects globally. EcoMint's primary business is project coordination of land regeneration projects including fundraising, project scoping, appointment of project manager and overall responsibility for project success. EcoMint also brokers the sale of carbon credits generated by land regeneration projects. EcoMint's advertising emphasises the project nature of the business with the NFT sale the fundraising mechanism.

¹ <https://www.legislation.gov.uk/uksi/2017/692/regulation/14A>

² <https://www.legislation.gov.uk/uksi/2017/692/regulation/14A>

³ <https://www.fca.org.uk/publication/documents/cryptoasset-registration-flowchart.pdf>

Commercial benefit - If EcoMint solely facilitated the sale of Angry Teenager NFTs, there would be no compensation due to EcoMint on the mint or transfer of the NFTs. EcoMint is compensated for its role as project coordinator in land regeneration projects and for brokering the sale of carbon credits generated by regeneration projects. The compensation for its project coordinator role comes from funding raised by the NFT sales, but only if the NFT-holders vote to release funds to EcoMint. EcoMint will benefit indirectly from Angry Teenager NFT sales as long as it carries out its project coordination and carbon credit brokering duties to the satisfaction of the NFT-holders.

Relevance to other business - EcoMint facilitates the sale of NFTs, project coordinates land regeneration projects and brokers the sale of carbon credits generated by regeneration projects. The majority of staff and management time is spent project coordinating and reporting upon project progress.

Regularity/frequency - EcoMint has only launched one project thus far. The fundraising element of the project, the Angry Teenager NFTs minting, takes place over 4-6 weeks whereas the project coordination element of the project runs for 6+ months prior to the mint, intensively for 2 years post-mint and then from an oversight perspective for 20+ years. The primary activity of EcoMint as the business scales up will be project coordinating existing projects and finding new projects to develop with NFT sales approximately annually to fundraise.

Considering the above, we do not believe that Angry Teenager NFT sales are EcoMint's way of business. NFT sales are a part of EcoMint's integrated solution to combat the climate crisis using peer-to-project funding.

Is EcoMint Ltd legally obligated to follow MLR in the UK under FCA oversight?

No. Angry Teenager NFTs are not cryptoassets and the sale of NFTs is not EcoMint's way of business and therefore EcoMint Ltd does not legally fall under MLR.

However, EcoMint Ltd will follow the spirit of MLR as set out in this AML policy.

AML Responsibilities

Regulated companies have the following responsibilities under MLR:

- To conduct a Risk Based Assessment on all business activities
- To conduct appropriate customer due diligence ("CDD")
- Where necessary, to conduct enhanced due diligence and ongoing monitoring including the treatment of politically exposed persons ("PEP") and compliance with international sanctions.
- To appoint a Money Laundering Reporting Officer ("MLRO")
- To undertake suspicious activity reporting ("SAR") and keep records of AML related activity

- To conduct AML training

POCA and TACT legislation sets out the key responsibilities of staff to be:

- Conducting an adequate risk assessment and appropriate CDD on clients and transactions, including PEP and sanctions checking.
- Monitoring all clients/transactions on an ongoing basis for potential money laundering or terrorist financing activity;
- Reporting any suspicious activity in respect of client or transactions to the MLRO in accordance with the firms SAR (suspicious activity reporting) procedure;
- Avoiding discussing any potential or actual SARs with clients or any third parties ("Tipping off")
- Referring any Police/Law Enforcement queries or requests to the MLRO
- Undertaking any AML-related training provided by the Firm.
- Keeping appropriate records of all AML related activity

Risk based Assessment

Business Activity	Description of Activity	Risk	Risk Mitigation Actions
<p>Facilitating Angry Teenager NFT early bird token sales</p>	<p>EcoMint has developed smart contracts which will issue Angry Teenager NFTs on the Tezos blockchain. EcoMint markets the NFTs on twitter, discord and print/online media outlets.</p> <p>EcoMint will issue a limited number of early bird tokens which will be converted to Angry Teenager NFTs at the point of the official mint.</p> <p>EcoMint is partnering with Wert (trading name of SHA2 Solutions OÜ and SHA2 Solutions Inc) to provide the payment processing for the early bird sales. Wert enables a customer to pay by credit card in USD. In the background Wert will purchase XTZ (the crypto-currency that the Tezos blockchain uses) and transfer it to the Angry Teenagers multi-sig wallet in exchange for the early bird NFT token placed in the customer's wallet.</p>	<p>NFT tokens could be used as a method to transfer, conceal and "clean" criminal property.</p>	<p>- Wert undertakes CDD measures on customers when converting credit card funds to crypto-currencies in accordance with its duties as regulated by Estonian law. EcoMint can rely upon the CDD which Wert has undertaken to confirm customer identity.</p> <p>- There will be batches of 40 tokens available for early-bird sales to avoid large, bulk purchases.</p> <p>- EcoMint has a suite of reports to monitor suspicious behaviour:</p> <ul style="list-style-type: none"> • Early bird NFTs per wallet identifying those wallets with more than USD 10k worth of NFTs. • Early bird NFTs transferred from wallets identifying those wallets with high turnover.
<p>Facilitating Angry</p>	<p>EcoMint has developed smart contracts</p>	<p>NFT tokens could be used as</p>	<p>- Wert undertakes CDD</p>

<p>Teenager NFT sales</p>	<p>which will issue Angry Teenager NFTs on the Tezos blockchain. EcoMint markets the NFTs on twitter, discord and print/online media outlets.</p> <p>EcoMint is partnering with Wert (trading name of SHA2 Solutions OÜ and SHA2 Solutions Inc) to provide one payment solution for Angry Teenager NFT sales. Wert enables a customer to pay by credit card in USD. In the background Wert will purchase XTZ (the crypto-currency that the Tezos blockchain uses) and transfer it to the Angry Teenagers multi-sig wallet in exchange for the Angry Teenager NFT token placed in the customer's wallet.</p> <p>Customers can purchase Angry Teenager NFTs using the Wert credit card payment flow or directly on the blockchain.</p>	<p>a method to transfer, conceal and "clean" criminal property.</p>	<p>measures on customers when converting credit card funds to crypto-currencies in accordance with its duties as regulated by Estonian law. EcoMint can rely upon the CDD which Wert has undertaken to confirm customer identity.</p> <ul style="list-style-type: none"> - EcoMint has a suite of reports to monitor suspicious behaviour: <ul style="list-style-type: none"> • Angry Teenager NFTs per wallet identifying those wallets with more than USD 10k worth of NFTs. • Angry Teenager NFTs transferred from wallets identifying those wallets with high turnover. • Proportion of NFTs purchased via Wert vs. direct purchase.
<p>Project Coordinating land regeneration projects</p>	<p>EcoMint works with project development partners and project consultants to progress land regeneration projects.</p>	<p>The project development partners will be in control of significant funds which must not be misappropriated.</p>	<ul style="list-style-type: none"> - CDD is undertaken on all project development partners to confirm identity of beneficial owner/board. - General due diligence is performed on all project development partners.

			<ul style="list-style-type: none"> - Project development partners must comply with this policy and undertake appropriate due diligence on employees, volunteers and contractors. - Project development partners cannot engage subcontractors with a contract value of more than USD15k per annum without approval from EcoMint. EcoMint will ensure appropriate due diligence has been performed.
<p>Brokering the sale of carbon credits generated from land generation projects.</p>	<p>EcoMint brokers the sale of carbon credits to reputable corporate or individual partners looking to offset emissions as part of their CSR responsibilities.</p>	<p>Brokering carbon credits is a low risk activity from an AML perspective however EcoMint must ensure it is not furthering legitimacy of potential criminal activity.</p>	<ul style="list-style-type: none"> - EcoMint performs CDD on individuals buying carbon credits. - EcoMint performs light due diligence and CDD where required on corporates buying carbon credits.

Customer Due Diligence

Customer due diligence including, if required, enhanced customer due diligence and treatment of PEPs, is performed by EcoMint's payment partner, Wert. Wert identifies the customer and verifies the customer's identity on the basis of documents or information obtained from a reliable and independent source.

Due diligence is performed on EcoMint's project development partners by identifying the beneficial owner or board of trustees on the basis of documents or information obtained from a reliable and independent source.

Customer due diligence is performed on EcoMint's carbon credit customers by identifying the individual or beneficial owner on the basis of documents or information obtained from a reliable and independent source. Where necessary, and in discussion with the MLRO, enhanced customer due diligence will be performed on customers.

MLRO

The MLRO for EcoMint is the CEO, Ben Whately. He is responsible for:

- Scrutiny of unusual transactions highlighted to him
- Determining if enhanced due diligence is appropriate for a customer
- Ultimately deciding if a client should be taken on where there is a high risk of money laundering
- Reviewing SARs made from employees and deciding when to submit to National Crime Agency
- Deal with any contact to or from the National Crime Agency ("NCA") or Police
- Ensure all staff are trained to level appropriate to their role

Disclosure to the MLRO

Suspicious regarding money laundering activity must be disclosed by any employee, agency member of staff or contractor with such suspicions as soon as practicable to the MLRO on the same day as the information came to his or her attention. The suspicions reported are a SAR.

Suspicious could be about such activity by others or concern that the employee, agency member of staff or contractor himself or herself might be involved.

Failure to make a disclosure may render the worker liable to prosecution.

A SAR disclosure should include as much of the following information as possible:

- Full details of the people involved (including the worker, if relevant), such as name, date of birth, company names, directorships, and contact details (if known)
- Full details of the property involved and its whereabouts (if known)

- Full details of the nature of involvement
- The types of money laundering activity involved
- The dates of such activities, including whether the activities have happened, are ongoing or are imminent
- The location of the activities
- How the activities were undertaken
- The likely amount of money/assets involved
- The reason/s for the suspicions
- Any other relevant information

Immediately following disclosure, the worker must:

- Follow all directions the MLRO gives
- Not make any further enquiries into the matter themselves
- Not discuss the matter with anyone else including their own manager
- Not voice any suspicions to the person(s) suspected of money laundering, even if the NCA has given consent to a particular transaction proceeding, otherwise a criminal offence of “tipping off” may be committed
- Co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Action to be taken by the MLRO following a disclosure

Where there is a possibility that money laundering is taking place and a contract is involved, no action will be taken and the contract will continue while investigation takes place.

The MLRO will open a confidential report on which to note:

- The date on which the SAR disclosure was made to him
- A copy of the acknowledgement of receipt of the SAR disclosure
- A copy of the correspondence to the worker of the timescale within which he expects to respond

The MLRO will gather together all information in order to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering. This will include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- The identification evidence held
- Any other evidence made by the MLRO from appropriate reasonable inquiries in order to ensure that all available information is taken into account in deciding whether a report to NCA is required. The MLRO will avoid any appearance of tipping off those involved
- Follow-up discussion with the worker making the disclosure

Once the MLRO has evaluated the disclosure report and any other relevant information, she or he will make a timely determination as to whether:

- There is actual or suspected money laundering taking place
- There are reasonable grounds to know or suspect that this is the case
- She or he knows the identity of the money launderer or the whereabouts of the property involved or these things could be identified or whether the information may assist in such identification
- Whether she or he needs to seek consent from the NCA for a particular transaction to proceed.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then he shall mark the confidential file accordingly and give his consent for any ongoing or imminent transaction(s) to proceed.

The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering of whom he knows the identity or the whereabouts of laundered property in consequence of the disclosure, that the person or property's whereabouts can be identified from that information, or he believes, or it is reasonable to expect him to believe, that the information will or may assist in such identification and he does not disclose this as soon as practicable to the NCA.

Where the MLRO concludes that disclosure should be made to the NCA, she or he must:

- Liaise with EcoMint's legal adviser to consider if there is a reasonable excuse for non-disclosure to SOCA
- If advised that there is no reasonable excuse, disclose the matter as soon as practicable to the NCA on the standard SAR report form and in the prescribed manner, with accompanying relevant supporting documents; or
- If advised that there is a reasonable excuse, make a note on the confidential report and immediately give consent for any ongoing or imminent transactions to proceed.

If the worker making the disclosure is involved in the activity rather than only becoming aware of it, the MLRO, having decided if there is no reasonable excuse for non-disclosure, will consider whether that worker's involvement in the activity would amount to a prohibited act under the legislation, and in that case:

- Will seek the consent of the NCA for the worker to continue in that activity;
- Provide the NCA with any deadlines for giving such consent, such as a contract completion date;
- Remind the worker of the importance of not 'tipping-off' anyone else involved in that activity;
- Remind the worker not to discuss the situation with anyone else.

Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from NCA.

Training

All EcoMint employees, agency staff and contractors must understand and will receive specific training so that they are aware of their responsibilities regarding the relevant money laundering legislation. EcoMint:

- Arranges in-house training for all relevant workers upon induction and refresher training at appropriate intervals
- Arranges for the administration of a brief annual test to ensure that all workers are aware of the legislative requirements and responsibilities
- Provides certificates or notifications following the test

EcoMint reviews the training that its partners provide to their staff to ensure they are complying with this policy.

Record Keeping

All SAR disclosure reports referred to the MLRO and reports made by him to the NCA with supporting documents will be retained by the MLRO in the confidential file for a minimum of five years. No record of any disclosure will be made on a worker's personal file.

Any CDD performed will be stored for a minimum of 5 years from the end of the customer/supplier relationship.

Regular reporting designed to monitor suspicious activity will be stored for 5 years post-activity.

Staff AML training records will be stored as evidence of compliance with this policy.