

Customer Due Diligence Policy

Intent

This is a public policy document outlining our KYC management for onboarding customers and to manage the ongoing AML/CTF monitoring process for compliance with AUSTRAC registration requirements. This policy, in part, references our AML/CTF program (customer due diligence procedures) and forms part of our applicable customer identification procedures (ACIP)

Scope

This policy applies to all customers of Metex Corp Pty Ltd (Metex) controlled exchanges and affiliate programs prior to providing a designated service to any customer on any Metex controlled exchange.

As of 17 June 2021, changes to the AML/CTF Act to explicitly prohibit reporting entities from providing a designated service if customer identification procedures cannot be performed.

Metex must not provide a designated service to a customer unless applicable customer identification procedures (ACIP) have been carried out.

Policy

1. Investors

- 1.1. Any investor applying for shares of more than 20% in Metex Corp Pty Ltd or affiliated businesses in any Designated Business Group will undergo KYC/KYB ID verification and AML/CTF/PEP clearance as part of the due diligence process
- 1.2. Entity investors applying for shares of more than 20% in Metex Corp Pty Ltd or will have the entity verified by KYB process in SumSub
- 1.3. Any investor, entity or individual who increases their shareholding above the 20% UBO threshold shall be subject to revised due diligence processes including KYC/KYB.
- 1.4. Beneficial owners including individuals above the 20% UBO threshold of investing entities shall have their individual ID verified.

2. Customers applying for access to Metex exchanges or affiliate programs

- 2.1. Any customer applying for an account on any Metex controlled digital currency exchange is subject to this policy.
- 2.2. The KYC/KYB ID verification process must be completed before any fiat funds can be transferred into, traded or transferred out of any trading accounts (digital wallets)

3. KYC/KYB ID Verification

- 3.1. Metex will maintain contracted services with SumSub to act as our KYC/KYB verification service and DVS Gateway Service Provider for eligible safe haven customers.
- 3.2. The KYC process for all customers domiciled in eligible countries will be conducted through the Metex website integrated with the API provided by SumSub.
- 3.3. SumSub will maintain records for compliance evidence for AUSTRAC audit purposes.

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- 3.4. A unique ID verification code will be provided by SumSub and held on record for each verified customer and all attempted verification customers
- 3.5. The SumSub portal shall be regularly accessed and reviewed for effectiveness and KYC/KYB completions.
- 3.6. KYC/KYB records shall be accessed and downloaded regularly.

4. KYC ID Verification - Countries other than Australia

- 4.1. Metex will maintain contracted services with SumSub to act as our domestic and international ID verification service provider.
- 4.2. The KYC process for all customers domiciled outside Australia will be conducted through the Metex website integrated with the API provided by SumSub
- 4.3. SumSub and Metex shall jointly maintain compliance evidence for AUSTRAC audit purposes.
- 4.4. A unique ID verification code will be provided by SumSub and held on record for each verified customer.
- 4.5. Customers will only be accepted from countries identified in the Country Risk Procedures.

5. KYC ID Verification - Entities

- 5.1. Metex will verify company details including registration and beneficial owners.
- 5.2. All beneficial owners will undergo individual KYC ID verification.
- 5.3. Metex relies on an electronic-based safe harbour procedure where:
 - a beneficial owner's full name; and
 - their full residential address or their date of birth, or both
 - have been verified from reliable and independent electronic data from at least two separate data sources. Reporting entities may verify an individual's identity electronically by using records held by a credit reporting agency.
- 5.4. Entity customers will only be accepted from countries identified in the Country Risk Procedures as being able to be fully verified.

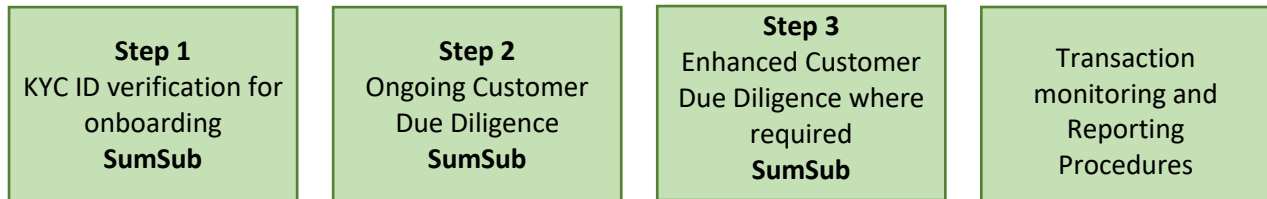
6. Legal basis for collection of personal data, ID verification and ongoing monitoring

- 6.1. Metex is required collect and process sufficient documentation and personal information to enable KYC ID verification under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)
- 6.2. Metex is required to conduct ongoing monitoring of its customers and transaction activity
- 6.3. The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) is part of a legislative package which brings Australia into line with international best practice to deter money laundering and terrorism financing.
- 6.4. The AML/CTF Act covers the financial sector, gambling sector, bullion dealers and other professionals or businesses that provide services covered by the Act.
- 6.5. Digital Currency Exchanges are covered by the Act.
- 6.6. Metex is registered with AUSTRAC as operating a Digital Currency Exchange and Bullion dealer

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7. Metex Transaction Compliance Overview

- 7.1. The complex regulatory compliance requirements for onboarding members transacting on our exchange and ongoing customer due diligence along with transaction monitoring and reporting, is simple in approach, but complex in detail.



8. SumSub - Onboarding ID Verification

- 8.1. Metex chose reliable and well recognised partners as part of our commitment to best practice in legislative and corporate compliance. Managing transaction monitoring and reporting risks associated with our scope of operations is a complex task. Partnering with like minded service providers enables us to leverage their experience and technical expertise in applying our policies and procedures to manage these risks.
- 8.2. SumSub are our preferred providers of services in onboarding members for the purpose of AUSTRAC compliance in the requirements for Know Your Customer/Anti Money Laundering/Counter Terrorism Financing (KYC/AML/CTF) initial screening and ID verification.
- 8.3. Enhanced services extend to other financial crimes and criminal activity involving funds transfers. Corporation intelligence and screening services for onboarding organisations within our scope of operations is also included in the range of services offered by our providers.

9. Ongoing and Enhanced Customer Monitoring

- 9.1. The cryptocurrency industries are regulated under Anti-Money Laundering laws. As Metex is by nature a global business, it needs a robust and scalable screening solution to avoid compliance risk, as sanctions and PEPs screening is a crucial and mandatory part of the AML requirement.

10. Public AML and CTF Policy Notice

- 10.1. Metex will publish on its exchange websites a policy outlining our approach to the AUSTRAC requirements for customers as detailed below.

11. Public AML and CTF POLICY

- 11.1. As the operator of cryptocurrency and digital asset exchanges operating in Australia, Metex is bound by Australian Law to be registered with the Australian Transactions Reports and Analysis Centre (AUSTRAC).
- 11.2. In keeping with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (AML/CTF Rules), Metex is required to implement staff training, know your customer checking processes, and reporting systems to help identify, manage and mitigate risks associated with our services being used to either launder money, and/or finance illegal activities including drug trafficking or terrorism.

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12. Measures

12.1. The following is a list of measures to be implemented as a minimum:

- All clients that are provided with a designated service will undergo an ID verification check to confirm identity prior to being provided that designated service.
- All clients that are provided with a designated service, having successfully undergone an ID verification check will be allocated a unique ID to enable them to use a designated service.
- All clients that are provided with a designated service will be maintained on a database for ongoing customer due diligence screening as required by AUSTRAC.
- Clients that are provided with a designated service may be directly called by one of our compliance team support staff to confirm application and identify over the phone.
- Fiat currency deposits by direct debit can only be accepted from a bank account held in the same name and verified address as the as the trading account being loaded.
- Fiat currency withdrawals can only be made to a bank account held showing the same name and address as the account holder.
- Any withdrawals will require the proof of a bank account held in the same name and verified address as the registered trading account before being approved for transfer.
- Educating our employees so they can understand risks, identify, monitor and report any suspicious matters.
- Ensuring our employees are aware that suspicious matters are not limited to financial transactions.
- Reporting when appropriate any suspicious activity across the Metex operated exchanges to AUSTRAC.
- Reporting physical cash transactions over AUD\$10,000 or more or multiples under this value that may seem suspicious.
- Reporting cross border (IFTI) transactions as required.
- Carrying out ongoing customer due diligence checks.
- Monitoring the transactions conducted by our customers.

13. Key Outcomes

13.1. The key outcomes we are looking to achieve with the ACIP component of our AML/CTF program include:

- Only dealing with customers we can properly identify.
- Managing customers we are unable to properly identify.
- Protecting our products and services from being utilised by money launderers, terrorist financiers, or anyone else that may choose to support these types of individuals.
- Combating, detecting and reporting any use of our services for laundering of funds and for the possible purpose of financing terrorism related activities.
- To help provide guidance and direction to ensure compliance with appropriate regulatory requirements including the AML/CTF Act and AML/CTF Rules.

- Helping to support the protection of the reputation of Metex as the operator of the exchanges.
- Helping to create a good reputation standard for other exchanges operating in the crypto currency sector.
- To prevent payment of any ransomware, including, but not limited to crypto-locker.

14. Metex AML/CTF Program integration

14.1. The Metex AML/CTF program was created to support our business risk profile of running exchange service offerings. It has taken into regard the specific systems and controls being implemented by Metex for the exchanges, including (without limitation):

- How Metex manages employee due diligence by screening all prospective and existing employees, including contractors and temporary employees.
- How Metex has designed its AML/CTF training program to ensure all employees receive relevant and ongoing training in identifying and reporting any suspicious activity.
- How Metex ensures our employees understand the importance of meeting our regulatory obligations under the AML/CTF Act.
- How we support governance by the designation of an AML/CTF compliance officer responsible for overseeing the AML/CTF program.
- Procedures that may need to address customer due diligence requirements, client record keeping and reporting requirements, as well as any of the processes being used by Metex for the identification, reporting and escalation of suspicious transactions.
- Independent audit which includes a periodic evaluation of the AML/CTF program by another third party and validates and tests the effectiveness of AML/CTF processes and procedures being used.
- Strict adherence to the AML/CTF Act and AML/CTF Rules and guidelines as issued by AUSTRAC and any regulators from time to time.

15. Our Responsibilities

- 15.1. The Metex board of Directors and senior management have ongoing oversight of the Metex AML/CTF policy and procedures.
- 15.2. As part of the Metex staff onboarding process employees are familiarised with the company AML/CTF policies, being required to attend a training session specific to their role and are briefed in the procedure for identifying and reporting any suspicious matters or behaviours.
- 15.3. Metex have a full-time dedicated AML/CTF compliance officer that is responsible for the regular monitoring the status and effectiveness of the employed AML/CTF risk management and compliance framework.

Further Information can be found at:

- AUSTRAC: <http://www.austrac.gov.au/>

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Related policy instruments

- Metex AML/CTF program
- Customer AML/CTF Procedures
- Cookies Acceptance Policy
- Terms and Conditions
- Privacy and GDPR Policy

Administration

NOTE: Printed copies of this policy are uncontrolled, and currency can only be assured at the time of printing. Approval Details:

Policy Sponsor	Compliance Officer
Approval Authority	CEO
Date for next Major Review (in accordance with the Policy Handbook)	01/06/2022

Revision History

Version	Approval date	Implementation date	Details	Author
DRAFT v1	09/11/2018	19/11/2018	Policy established	Brett Wilkins-Byrd Compliance Officer
DRAFT v2	05/01/2019	05/01/2019	Policy draft updated for review	Brett Wilkins-Byrd Compliance Officer
V 1.1	16/03/2019	14/01/2019	Title Updated	Brett Wilkins-Byrd Compliance Officer
V 2	28/03/2019	28/01/2019	Review and minor update	Brett Wilkins-Byrd Compliance Officer
V 3	01/06/2020	01/06/2020	Review and minor update	Brett Wilkins-Byrd Compliance Officer
V 4	01/12/2021	01/12/2021	Review and update	Brett Wilkins-Byrd Compliance Officer

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