

Privacy Policy

Effective Date: 01 June 2019

This is the Privacy Policy of Fractal Blockchain GmbH ("**We**" or "**Fractal**"). Fractal develops and owns Fractal ID 'Know Your Customer and Anti-Money-Laundering' (**KYC/AML**) checks to onboard Fractal's, financial institutions' and other obliged entities' (**Clients**) customers by using identity verification services (**Service**). With this, Clients get to know if they are allowed to enter into a contract for financial and other relevant services with the customers. This is a set of software solutions owned, licensed, managed, or developed by Fractal that enable, support, facilitate or automate identity creation, management, usage and verification activities, and transactions related to identity creation, management and verification activities for the purpose of providing access to applications or services that require such activities and transactions.

To be able to provide these services, we collect, record, organise, structure, store, adapt or alternate, retrieve, use, disclose by transmission, disseminate or otherwise make available, align or combine, restrict, erase or destruct, and otherwise process data that relates to you as an identified or identifiable natural person (**Data Subject**) as described in Art. 1 (1) GDPR. By processing these data, we generally decide the means and purposes of the data processing and thus work as **Data Controller**.

This Policy is meant to inform you for which purposes and on which legal basis Personal data is processed by us. We further inform you about your rights in regards to your Personal Data. This Policy was lastly updated on the effective date noted above. This Policy may be amended or updated from time to time to reflect changes in our privacy practices with respect to the processing of personal data or changes in applicable law. We encourage you to save this Privacy Policy locally on your computer and to regularly check this page so that you may review any changes we might make. If there should be any changes, we will immediately inform you via email about these changes and make the new privacy policy available. The legal basis for this processing and disclosure is found in Art. 6 (1) 1 lit. c) GDPR and Art. 13 (3) GDPR.

1. Who processes your data

Your personal data will be processed and controlled by us. Our full address is:

Fractal Blockchain GmbH
Wiener Straße 10
10999 Berlin, Germany
Email: privacy@fractal.id

To conduct our Services, we use third parties to provide us with necessary services (**Data Processors**). We may disclose your personal data with them, while making sure they only receive your personal data what is adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed (**data minimisation**). Fractal involves the following Data Processors to process your personal data on our behalf:

Sendgrid: (processor)

We use Sendgrid's email delivery platform to send email to you in case we want to request more documents or any clarification from you regarding your identity verification request. Sendgrid processes your personal data in different locations, however, for personal information received from the EEA and Switzerland, SendGrid, Inc. participates and complies with the EU-US and Swiss-US Privacy Shield Framework as set forth by the US Department of Commerce.

For further information, please see Sendgrid's data security explanations and their privacy policy: <https://sendgrid.com/policies/privacy/services-privacy-policy/>

AWS:

To store all Personal Data collected and processed, we also use Amazon Simple Storage Service, a service provided by our data processor Amazon Web Services, Inc., 410 Terry Avenue North, Seattle WA 98109, United States ("AWS"). AWS stores your Personal Data only in Frankfurt, Germany.

For further information, please see AWS's Privacy Policy: https://aws.amazon.com/privacy/?nc1=h_ls.

LexisNexis:

To check your name against AML databases, we use the CDDS AML Risk API, a service provided by LexisNexis GmbH ("LexisNexis"). LexisNexis processes your personal data i.e. your name and passport or National ID number in compliance with the applicable data protection laws.

For further information, please see LexisNexis' Privacy Policy: <https://www.lexisnexis.com/en-us/privacy/default.page>

Twilio:

We use Twilio's Programmable Video service to do the video identification.

For further information, please see Twilio's data security explanations and their privacy policy: <https://www.twilio.com/legal/privacy>

ComServ GmbH:

We work with ComServ GmbH for manual compliance check, ComServ GmbH is based in Germany and uses our data secure back-office screening software to screen KYC+AML applications and process the data in compliance with the applicable data protection law(s).

Please contact ComServ to get additional information regarding their data security explanations and their privacy policy: kai.petersen@comserv-gmbh.de

Pusher:

We use Pusher's service to add real time functionality to our website. This is used to notify us when you are ready to do video identification.

For further information, please see Pusher's data security explanations and their privacy policy: <https://pusher.com>

Authenteq:

We use technology from Authenteq Tarbena GmbH (Authenteq) to automatically recognise and extract the relevant information from your passport or National ID. Authenteq is headquartered in Iceland and is also based in Germany and processes your personal data i.e the information on the Passport and National ID in compliance with the applicable data protection laws.

Please contact Authenteq to get additional information regarding their data security explanations and their privacy policy: gdpr@authenteq.com

2. Transfer to third countries

We may use processors that process your data in countries outside of the EU that do not ensure an adequate data protection level comparable to the EU (no adequacy decision of the EU Commission). If we do so, we make sure that the processor in that third country warrants a data protection level comparable to the GDPR. This will also not affect your rights against Us as controller of your personal data.

In case we transfer Personal Data outside the territorial scope of the GDPR, we ensure that there is either an adequacy decision by the European Commission or a similar level of data protection compared to the GDPR is guaranteed by the use of the Standard Contractual Clauses provided by the EU Commission (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0087&from=en>)

3. The categories of personal data we process

For Fractal ID, we collect the following categories of Personal Data about you in our capacity Data Controller to provide you the Fractal ID services:

- Personal details:
 - full name, gender, date and place of birth and age, nationality
 - passport / national ID number or comparable document), social security number, tax identification number,
 - if US resident: social security number, accredited investor qualification and proof thereof - scans of one of the following valid documents:
 - Pay slips for the past two years and personal declaration that you are going to earn at least 200,000 USD (300,000 USD together with your spouse) in the whole year
 - Or Account statements (including virtual currency accounts)
 - Or declaration by certified accountant or lawyer in office in your resident state that you meet the income or net worth requirements for accredited investor
 - photo of you holding your national ID / passport (or comparable document);
 - your personal address, including your country of legal residence;
 - email address and telephone number.
 - if the person is representing themselves: national ID / passport number, residential address, proof of address (e.g. electronic scan of monthly utility bill/ government correspondence/paystub /bank or credit card statement (Except in US/Canada) or credit report with address- all not older than 3 months);
- Financial details:
 - bank statements, credit card statements, utility bills, credit report,

- other financial details to check the proof of address, source of funds such as income statements, salary slips, etc. and similar data for 'Accredited Investor' verification for residents of the United States of America, Canada or other such jurisdictions.
- Corporate details (in case you register as an institution):
 - name, place of registration, registration number, transparency register number,
 - details with respect to the articles of association and other similar documents / certificates,
 - details with respect to shareholders and/or beneficial owners (including their personal and contact details); position of the registering person in that company and power of attorney
 - full company data (name, commercial register & registration nr., legal form, jurisdiction, seat, directors and legal representatives, owner/beneficial owner (+25%) etc) and corporate documents (shareholders' list, articles of association).
- Technical information:
 - device type and device used (cell phone, tablet, notebook etc.); operating system, browser type and settings, IP address, language settings, dates and times of connecting to a website, form completion status and other technical communications information.
- Log-in information
 - email address, password
 - cryptocurrency address (wallet address) which the customer uses to participate (appears as a series of letters and numbers).

Biometric data

Our verification process includes a video recording of the person registering with Fractal ID. With that video identification process, we process data that relates to the physical, physiological or behavioural characteristics of you as a natural person, which allows and confirms the unique identification of you as a natural person, such as facial images your voice and the way you move. These data qualify as biometric data pursuant to Art. 4 (14) GDPR. Pursuant to Art. 9 (1) and (2) GDPR, we are allowed to process this category if you give your specific and informed consent, which you must provide before the video identification. The data we ask for can vary as per the KYC/AML requirements of the relevant country, status of the respective applicant and the specific client requirements.

4. Purpose of the processing and how we process your Personal Data

Purpose of the processing of your personal data is to verify your identity and check whether any sanctions or KYC/AML restrictions apply to you as a customer regarding the services any Client offers.

Your Personal Data's journey

When accessing the Fractal website, or the Fractal ID interface, your device and browser may automatically store an identifier to continue your journey of registering an account and

disclose certain technical information, that might qualify as Personal Data, of you. The legal basis for such data processing is Art. 6(1) lit. b) GDPR.

For setting up an account, you have to give us the information required and asked for by our application form. This includes personal details, contact details, financial details, and where applicable corporate details. We send a link to your email address to activate your account. We need the information to identify/verify you as per the applicable and relevant KYC/AML regulations. To do so, you have to accept this Privacy Policy beforehand by clicking on the acceptance box. The legal basis for such processing is Art. 6 (1) lit. a) GDPR. The whitelisting process is necessary as preparation for the contract that you may enter into with the financial service provider we provide the onboarding services for. Without you giving the needed information, you won't be able to enter into a contract with the obliged entity.

We then process your data to verify your identity and check your name with KYC/AML sanctions' lists. Thus, we send your personal data to third parties verifying your identity ('Vendors'). These Vendors process your personal data on our behalf and are therefore Data Processors.

After you have been verified, we transfer that information to the financial service provider (our Client)(so he knows you have been verified and he is allowed to enter into a contract with you).

Marketing

For marketing purposes, Fractal might process your email address and name to send you information via email regarding our services. However, we do so only if and as long as we have received your explicit prior consent. The legal basis for this data processing is Art. 6 (1) lit a) GDPR. You can always withdraw your consent and stop the processing of your data as described in Sec. 6 lit. c) of this Privacy Policy.

Third parties

Additionally, we disclose your personal data to other third parties for business and product development. However, in order to provide you with effective and continuous products and services, and for the purposes listed above, your Personal Data may be disclosed to the following parties:

- Service providers who provide operational services to Fractal, such as telecommunications, information technology;
- Partners or Clients who have referred you to Fractal ID so that you may be whitelisted for their services.
- professional advisers such as (financial) auditors and lawyers;
- relevant public authorities, government agencies, statutory boards, administrative bodies, authorities or law enforcement agencies to comply with any laws, rules, guidelines and regulations or schemes to which Fractal may be subject, whether situated locally or overseas.

5. Legal basis for the processing

Legal basis for the processing is your consent pursuant to Art. 6(1)1 lit. a) GDPR, regarding your biometric data your specific/informed consent pursuant to Art. 9 (2) lit a) GDPR, and regarding data retention obligations our legal obligation pursuant to Art. 6(1)1 lit. c) GDPR.

6. Your rights when your Personal Data are being processed

We guarantee you the applicable rights of the German data protection laws. Please note that we will require you to provide us with proof of identity before responding to any requests to exercise your rights. We must respond to a request by you to exercise those rights without undue delay and at least within one month (although this may be extended by a further two months in certain circumstances).

To exercise any of your rights, please contact us at:

Fractal Blockchain GmbH
Wiener Straße 10
10999 Berlin, Germany
Email: privacy@fractal.id

As soon as personal data is being processed, you have the following rights:

(a) Right of access

Pursuant to Art. 15 GDPR, you have the right to obtain confirmation as to whether or not your personal data is processed. If we process your personal data, you are entitled to receive information on such personal data and the processing, which includes thorough information on what we do with your personal data.

(b) Right to rectification

In accordance with Art. 16 GDPR, you are entitled to demand that we rectify your personal data if they are inaccurate or erroneous. We will rectify your data immediately upon notification.

(c) Right to restriction of processing

In accordance with Art. 18 GDPR, you have the right demand a restriction of processing for your personal data. However, if we stop processing the Personal Data, we may use it again if there are valid grounds under data protection law for us to do so (e.g. to comply with regulatory obligations in respect of anti-money laundering, counter terrorism financing and customer due diligence legislations and procedures, for the defence of legal claims or for another's protection).

You may request we stop processing and just store the Personal Data we hold about you when:

- you believe the Personal Data is not accurate, for the period it takes for us to verify whether the Personal Data is accurate;
- we wish to erase the Personal Data as the processing we are doing is unlawful but you want us to store it instead;
- we wish to erase the Personal Data as it is no longer necessary for our purposes but you require it to be stored for the establishment, exercise or defence of legal claims; or
- you have objected to us processing Personal Data we hold about you on the basis of our legitimate interest and you wish us to stop processing the Personal

Data whilst we determine whether there is an overriding interest in us retaining such Personal Data.

(d) Right to erasure ('right to be forgotten')

In accordance with Art. 17 GDPR, you have the right to have your personal data erased without undue delay. This does not include your personal data that has to be stored due to statutory provisions.

The right to erasure does not apply if processing your personal data is required for

- the execution of the right to freely express one's opinion and the right to information;
- in order to fulfil a legal obligation we are subject to (e.g. statutory KYC/AML retention periods), or
- in order to assert, execute or defend legal claims.

(e) Right to data portability

Pursuant to Art. 20 GDPR, you have the right to receive your personal data which you provided to the Controller in a structured, commonly used and machine-readable format. You also have the right to transfer this data to a third party without hindrance from the Fractal, if

- The processing is based on consent pursuant to Article 6 (1) lit. a) GDPR or on a contract pursuant to Article 6(1) lit. b) GDPR; and
- The processing is carried out by automated means.

The relevant subset of Personal Data is data that you provide us with your consent or for the purposes of performing our contract with you.

Please provide as much detail as possible on your reasons for the request to assist us in determining whether you have a valid basis for erasure. However, we may retain your personal data if there are valid grounds under law for us to do so (e.g., to comply with regulatory obligations in respect of KYC/AML, counter terrorism financing, embargo sanctions, and customer due diligence legislations and procedures, for the defence of legal claims or freedom of expression) but we will let you know if that is the case. Please note that after deleting the Personal Data, we may not be able to provide the same level of servicing to you as we will not be aware of your preferences.

(f) Right to object

Pursuant to Art. 21 GDPR, you have the right to object at any time, on grounds relating to your particular situation, to the processing of your personal data which is based on Article 6(1) lit. e) or lit. f) GDPR, including profiling based on those provisions.

The Controller shall no longer process your personal data unless it can demonstrate compelling legitimate grounds for the processing which override your interests, rights and freedoms, or if the processing is for the establishment, exercise or defence of legal claims.

(g) Right to withdraw your consent

You have the right to withdraw your consent under the data protection law at any time. Withdrawing your consent does not affect the lawfulness of processing based on consent before its withdrawal.

If you withdraw your consent regarding your personal data leads to a termination of your contract as the whole contractual relationship of Fractal and You is dependant on personal data.

(h) Automated individual decision-making, including profiling

Pursuant to Art. 22 GDPR, you shall have the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning you or similarly significantly affects you.

(i) Right to lodge a complaint with a supervisory authority

Without prejudice to any other administrative or judicial remedy, you have the right to lodge a complaint with a supervisory authority, in particular in the Member State of your habitual residence, place of work or place of the alleged infringement if you consider that the processing of your personal data infringes the GDPR. You have the right to address the supervisory authority for any questions or complaints. The supervisory authority of Fractal is the data protection supervisory authority in Berlin (*Berliner Beauftragte für Datenschutz und Informationsfreiheit*) <https://datenschutz-berlin.de/>.

7. Duration of data storage ('Data Retention')

We will not keep your personal data for longer than is necessary for the purpose it was collected. Thus, we store your data for as long as you have an account with Fractal. However, in case delete your account, in accordance with § 8 GWG (*Geldwäschegesetz*) or other applicable KYC/AML regulations, we still might have to store your data due to KYC/AML regulations for up to 5 years.

This means that data will be destroyed or erased from our systems when it is no longer required.

We take appropriate steps to ensure that we process and retain information about you based on the following logic:

1. at least the duration for which the information is used to provide you with a service;
2. as required under law, a contract, or with regard to our statutory obligations; or
3. only for as long as is necessary for the purpose for which it was collected, is processed, or longer if required under any contract, by applicable law, or for statistical purposes, subject to appropriate safeguards.

8. Changes to the privacy policy or the purpose of processing

Please note that we may update this Privacy Policy from time to time to ensure that this Privacy Policy is consistent with our future developments, industry trends and/or any changes in legal or regulatory requirements. If there are material changes to this Privacy Policy, we will notify you by posting a notice of such changes on our website or by sending you an email notification directly. Do periodically review this Privacy Policy to stay informed on how we are protecting and managing your information.

Where Fractal intends to further process the personal data for a purpose other than that for which the personal data were collected, we provide you with the relevant information on that



other purpose and with any relevant further information prior to processing your personal data regarding the new purpose.