

## Terms of Service

Last updated: [uneti]

Pursuant to Article 64 of the Law on Digital Assets (“Official Gazette of the RS”, No. 153/2020), point 5 of the Decision on the implementation of the provisions of the Law on Digital Assets relating to the granting of authorization for the provision of services related to virtual currencies and the consent of the National Bank of Serbia (“Official Gazette of the RS”, No. 49/2021), and Article 5 of the Rulebook on the implementation of the provisions of the Law on Digital Assets relating to the granting of authorization for the provision of services related to digital tokens and the consent of the Securities Commission (“Official Gazette of the RS”, No. 69/2021), David Veselinović, acting as director and legal representative of VESCON DOO BEOGRAD-NOVI BEOGRAD, with its registered office at Omladinskih brigada 86, 24th floor, apartment no. 8, Novi Beograd, Belgrade, registration number 21281565, TIN 109993864 (hereinafter: the “Provider of Services Related to Virtual Currencies and Digital Tokens” or the “Service Provider”), in accordance with the provisions of the Companies Act (“Official Gazette of the RS”, Nos. 36/2011, 99/2011, 83/2014 – other law, 5/2015, 44/2018, 95/2018, 91/2019 and 109/2021), on 10 July 2024, in Belgrade, hereby adopts the following:

### **OPERATING RULES OF VESCON DOO BEOGRAD-NOVI BEOGRAD AS A PROVIDER OF SERVICES RELATED TO DIGITAL ASSETS**

#### **1. Subject Matter of the Operating Rules**

1.1. These Operating Rules of the Provider of Services Related to Virtual Currencies and Digital Tokens (hereinafter referred to as the “Rules”) govern the general rules of business, and in particular:

- 1) the meaning of terms used in the Rules and other internal acts of the Provider of Services Related to Virtual Currencies and Digital Tokens;
- 2) the types of services related to digital assets provided by the Provider of Services Related to Virtual Currencies and Digital Tokens;
- 3) information exchanged with users and potential users;
- 4) essential elements of the agreements with users;
- 5) account registration;
- 6) receipt of requests and processing of requests;
- 7) protection of the User’s property;
- 8) rules of business conduct;
- 9) avoiding conflicts of interest;
- 10) protection of business secrets;
- 11) personal transactions;

- 12) insider information;
- 13) prohibition of manipulation;
- 14) keeping records;
- 15) other issues;

## **2. Meaning of Terms**

2.1. In these Rules, in accordance with the law governing digital assets and other acts of competent authorities, certain terms mentioned in these Rules and other acts of the Provider of Services Related to Virtual Currencies and Digital Tokens have the following meaning:

- 1) The law is the Law on Digital asset (“Official Gazette of RS”, No. 153/2020);
- 2) The Rulebook is the Rulebook on Implementation of the Provisions of the Law on Digital Assets relating to the granting of a license for the provision of services related to digital tokens and the consent of the Securities Commission (“Official Gazette of RS” No. 69/2021)
- 3) The User is a legal or natural person to whom the Provider of Services Related to Virtual Currencies and Digital Tokens provides a service related to Virtual Currencies and Digital Tokens;
- 4) The request represents the initial act of the User addressed to the Provider of Services Related to Virtual Currencies and Digital Tokens for the provision of any of the services related to Virtual Currencies and Digital Tokens;
- 5) An order is a request by the User that the Provider of Services Related to Virtual Currencies and Digital Tokens may conclude a contract on the purchase or sale of digital assets on its own behalf, and for the account of the User, under the conditions specified in the trading order;
- 6) A market order is an order with a request to immediately buy or sell a digital asset. This type of order guarantees that the order will be executed, but does not guarantee the execution price. A market order will generally be executed at or near the current bid price (sell order) or ask price (buy order). However, it is important for investors to remember that the last traded price is not necessarily the price at which the market order will be executed;
- 7) A limited order is an order to buy or sell digital assets at a specified price or better than specified. A limited purchase order can only be executed at a limit price or lower, and a limited sell order can only be executed at a limit price or higher. Example: An investor wants to buy the digital asset ABC for a maximum of \$10. An investor could submit a limited order for this amount and this order will only be executed if the price of the digital asset is \$10 or lower;
- 8) A stop order, also called a loss stop order, is an order to buy or sell a digital asset when the price of the digital asset reaches a specified price, known as the stop price. When the stop price is reached, the stop order becomes a market order;
- 9) A buy stop order is entered at a stop price above the current market price. Investors generally use a buy stop order to limit a loss or protect a profit on a stock they sold in short

period. A sell stop order is entered at a stop price below the current market price. Investors generally use a stop sell order to limit loss or protect profits on digital assets they own;

- 10) Good till Canceled – the order will be active until the order is withdrawn;
- 11) Fill or Kill – the order will be active for only a few seconds, and if it cannot be executed completely in those few seconds, it will be automatically withdrawn;
- 12) Immediate or Cancel – the order will be active for a very short time, that is, Immediate or Cancel means that the order will be active only at that moment when it is sent (immediate). If at the time of submitting the order, the order cannot be fulfilled, it is automatically withdrawn. So, it is not active for a second, but 0 seconds. It will be executed in the part where it is possible, while in the part where it is not possible it will be automatically withdrawn;
- 13) Good till Date – the order will be active until a certain date when it will be automatically withdrawn;
- 14) Day – the order will be active for exactly 24 hours;
- 15) Digital wallet is a set of addresses of digital assets where the Provider of Services Related to Virtual Currencies and Digital Tokens stores and manages the User’s digital assets;
- 16) A business day is every day except weekends and non-business days;
- 17) A non-business day is any day that is designated as a non-business day by applicable regulations, that is, which is marked as such on the appropriate list of the National Bank of Serbia;
- 18) A business day in the sense of the Law on Digital Assets means the time in which the service provider enables the execution of transactions with digital assets, which in the case of Vescon d.o.o. represents the period from 8:00 a.m. to 4:00 p.m. every business day, except for services that are provided and can be provided at any time;
- 19) A relevant person in the Provider of Services Related to Virtual Currencies and Digital Tokens is a member of the management, a manager and an employee of the Provider of Services Related to Virtual Currencies and Digital Tokens, assigned to jobs that are directly or indirectly related to the provision of services related to digital assets;
- 20) Director is the director of the Provider of Services Related to Virtual Currencies and Digital Tokens.

### **3. Services**

3.1. The Provider of Services Related to Virtual Currencies and Digital Tokens in accordance with the law, by-laws and internal acts in the service market provides the following services related to digital assets:

- 1) reception, transmission and execution of orders relating to the purchase and sale of digital assets on behalf of third parties;
- 2) purchase and sale of digital assets for cash and/or scriptural money and/or e-money;
- 3) exchange of digital assets for other digital assets;
- 4) custody (safekeeping) and administration of digital assets on behalf of digital asset users and the related services;

- 5) digital asset portfolio management;
- 3.2. The Provider of Services Related to Virtual Currencies and Digital Tokens provides services via the Internet and in its branches.

#### **4. Rights and Obligations of the User**

- 4.1. The User will pay a fee for executed orders and transactions in accordance with the applicable Tariff List of the Service Provider.
- 4.2. The fee of the Provider of Services Related to Virtual Currencies and Digital Tokens will be calculated and submitted to the User when confirming the receipt of the order.
- 4.3. The Provider of Services Related to Virtual Currencies and Digital Tokens will charge a fee for the executed order when executing the order and closing the transaction.
- 4.4. The Contracting Parties agree that the Provider of Services Related to Virtual Currencies and Digital Tokens cannot guarantee that the User will be able to access the services provided by the Provider of Services Related to Virtual Currencies and Digital Tokens at all times.
- 4.5. Technical difficulties may cause a temporary suspension of the provision of services.
- 4.6. In case of temporary suspension of the provision of services, the Service Provider will not bear responsibility for the damage that may be caused to the User due to the temporary suspension/impossibility of access the services, including loss of profit.
- 4.7. The Service Provider will have the right to temporarily or permanently block the user account and/or refuse access to the services, if it suspects abuse of the user account or services, and especially in the case of acting contrary to the rules for preventing money laundering and terrorist financing. The Service Provider also has the right to block the user's account and/or refuse access to the services if the User does not act in accordance with the Agreement, Rules of Conduct, User Instructions, if they do not pay due fees or intends to cause damage or costs to the Service Provider.
- 4.8. Users may not use, copy, modify, change and/or abuse in any way the intellectual property rights of the Provider of Services Related to Virtual Currencies and Digital Tokens without prior consent.
- 4.9. When transferring digital assets to Vescon d.o.o., users may send them exclusively from the address of digital assets under their exclusive control.
- 4.10. When withdrawing digital assets from an address under the control of Vescon d.o.o., users may withdraw them exclusively to the address of digital assets under their exclusive control.

- 4.11. Violation of any of the User's obligations specified in this section of the Operating Rules is a reason for unilateral termination of the contract with the User.

## **5. Information Exchanged with Users**

- 5.1. The information that the Provider of Services Related to Virtual Currencies and Digital Tokens provides to users is intended to inform them in a timely and accurate manner about the type, conditions and manner in which it provides services related to virtual currencies and digital tokens, as well as other information important for compliance of business with applicable regulations and proper fulfillment of obligations from the contract with the User.
- 5.2. Information from Article 5.1. include, but are not limited to, the contents of the Operating Rules, Service Tariff List and all their changes, which will be available at any time to users and potential users on the Internet address of the Provider of Services Related to Virtual Currencies and Digital Tokens, and in case of need, in another appropriate way, in accordance with the specific request of the User.
- 5.3. Additionally, the Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to warn each User about the risks of conducting transactions with digital assets, such as fraud, abuse of trust, risk of exchange rate differences, risk of inflation, risk of volatility of certain virtual currencies and digital tokens, including the risk of partial or complete loss of funds, i.e. other assets, as well as the fact that regulations governing deposit insurance or investor protection, as well as regulations governing protection of users of financial services, do not apply to transactions with digital assets.
- 5.4. The notification from the previous paragraph is an integral part of the contract with the User.
- 5.5. Before establishing a business relationship with the Provider of Services Related to Virtual Currencies and Digital Tokens, each User is obligated to provide information about the address of the digital asset (if any) and contact data: address, phone number, e-mail.
- 5.6. In addition, a natural person – resident is obligated to provide a valid identity card or passport for inspection, a natural person – non-resident: a passport or other identification document, and a legal person – resident: a decision or an extract from the register of companies not older than three months, an identity card or passport of the legal representative and a declaration on the beneficial owner signed by the legal representative.
- 5.7. In the event of a change in any of the data from Article 5.5. and 5.6, the User is obligated to inform the Provider of Services Related to Virtual Currencies and Digital Tokens about the change no later than within 15 days from the date of occurrence/registration of the change.
- 5.8. At the request of the Provider of Services Related to Virtual Currencies and Digital Tokens, each User is obligated to submit documentation in accordance with the regulations governing the

prevention of money laundering and terrorist financing, as well as other necessary documentation for the execution of the work.

- 5.9. The User and the Provider of Services Related to Virtual Currencies and Digital Tokens can communicate orally and electronically in Serbian and/or English.
- 5.10. In the case of communication by electronic means, it is necessary that the User has submitted a valid electronic address, that the User has expressly agreed to the electronic method of communication for the valid exercise of rights and obligations, i.e. the fulfillment of contractual obligations, that the User is timely and in a clear manner informed about the internet address of the website where they can access the relevant data, as well as all their changes.

## **6. Contract with the User**

- 6.1. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to conclude a contract with the User, the essential elements of which are:
- 1) a detailed description of the service that the User opted for;
  - 2) fee and method of payment;
  - 3) a warning about the risks of conducting transactions with digital assets, such as fraud, abuse of trust, the risk of exchange rate differences, the risk of inflation, the risk of volatility of certain virtual currencies and digital tokens, including the risk of partial or complete loss of funds, i.e. other assets, as well as the fact that the regulations governing deposit insurance or investor protection, as well as the regulations governing the protection of users of financial services, do not apply to transactions with digital assets.
  - 4) Tariff List;
  - 5) the User's statement that they are familiar with the content of the Operating Rules;
- 6.2. In addition to the essential elements from Article 6.1. the other rights and obligations of the contracting parties will be specified in the contract, and some of them may be indicative in nature, with mandatory confirmation by the User that they are familiar with their contents.
- 6.3. If the contract refers to the management of a portfolio of digital assets, a description of the investment strategies available to the User, including a warning regarding those strategies, shall be submitted with it.

## **7. Account Registration and User Verification**

- 7.1. Each User, before submitting a request to use the service, is obligated to register an account on the website of the Provider of Services Related to Virtual Currencies and Digital Tokens, [crypto12.com](https://crypto12.com), and, at the office of the Provider of Services Related to Virtual Currencies and Digital Tokens, go through the identity verification process with the operator, in accordance with the instructions on the website of the Provider of Services Related to Virtual Currencies and Digital Tokens.

- 7.2. The process of online registration on the crypto12.com portal takes place in the following way: The user has two places they can click to start the registration. After clicking on “registering” or “open an account” they go to the page where they enter the basic data (name, surname, country of residence, code, control code, i.e. basic data about the legal entity), accept the Operating Rules, pass the security verification (I’m not a robot) and click on “register me”. Then, the Provider of Services Related to Virtual Currencies and Digital Tokens sends a registration code to the User’s email, which must be entered and thus the registration is confirmed. After successful registration, the User can go to the “login” page and to log into their account using their email address as a username and the password they chose in the second step.
- 7.3. When registering on the crypto12.com portal, the User provides the following information: first and last name, email address and name of the legal entity (if it is a legal entity. If not, the field for “name of the legal entity” remains empty).
- 7.4. In order to verify the person who registered on the portal, an authorized person employed by the Service Provider schedules a meeting/appointment with the potential User at the branch office in order to determine and verify the identity of the potential User. All information necessary for verification is obtained from the identity card or passport of a natural person; if the User is a legal entity, the information is obtained by inspecting the original or a certified copy of the documentation from the register maintained by the competent authority of the country of the User’s registered seat (if it is not possible to obtain all data from the official public register, i.e. the register maintained by the competent authority of the country of the registered seat, the Service Provider shall obtain the missing data from the original document, a certified copy of the document, or other business documentation submitted by the User). In addition, the employee performing the verification shall:
1. in the case of a natural person, write the date, time and their full name on the copy, or on the printed extract of the personal identification document in paper form, and the Service Provider shall keep such copy, or printed extract of the personal identification document, in accordance with the Law on the Prevention of Money Laundering and the Financing of Terrorism;
  2. in the case of an entrepreneur, write the date, time and their full name on the copy of the documents in paper form in respect of which an inspection was carried out in accordance with Article 19 of the Law on the Prevention of Money Laundering and the Financing of Terrorism, and the Service Provider shall keep such copies in accordance with the Law on the Prevention of Money Laundering and the Financing of Terrorism;
  3. in the case of a legal entity, write the date, time and their full name on the copy of the documents in paper form in respect of which an inspection was carried out in accordance with Article 20 of the Law on the Prevention of Money Laundering and the Financing of Terrorism, and the Service Provider shall keep such copies in accordance with the Law on the Prevention of Money Laundering and the Financing of Terrorism.
- 7.5. During the verification, the employee performing the identification is required to request a document from which the origin of the property of the potential User can be determined (e.g.

financial report for the previous business year). There, they also check whether the User is an official in accordance with the Law on Prevention of Money Laundering and Financing of Terrorism and whether they are on the Sanction List.

- 7.6. The goal and purpose of the business relationship will certainly be defined by the contract that the User concludes with the Service Provider after verification. The contract is signed in the premises of the applicant after the User agrees in writing that they have read and understood the Operating Rules. The User's statement that they are familiar with the Operating Rules will be contained in the contract itself.
- 7.7. In order to safely eliminate any risk of preventing money laundering and terrorist financing, the verification of the User and the determination of the identity and origin of the property do not have to be completed on the same day, and employees may request that the potential User successively brings all additional documentation necessary for verification. Only when all the documentation has been collected, in accordance with the Law, the User may be considered verified.
- 7.8. If it is not possible to obtain all the necessary data from the official public register, i.e. the register maintained by the competent authority of the country of residence, the User is obligated to submit the necessary documentation to the Provider of Services Related to Virtual Currencies and Digital Tokens in accordance with the procedures for preventing money laundering and financing of terrorism, i.e. instructions received from employees.
- 7.9. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated, on one hand, to obtain from the User only information for which they have a legal basis or a legitimate business interest, while, on the other hand, it is obligated to inform the User in detail, during the process of creating and registering the account, as well as during the verification process of the manner and conditions of provision of its services.
- 7.10. The User is obligated to expressly confirm that they agree with the business rules, tariff list and other conditions under which the Provider of Services Related to Virtual Currencies and Digital Tokens operates, and also, in cases when the User is a natural person, to consent to the collection and processing of personal data, which is given in the online process of opening the account, regarding the data entered in that phase of the procedure, while in the verification phase, the User gives written consent to the processing.
- 7.11. Consents from Article 7.10. that are obtained in the process of online account creation may not be implied, that is, they must be explicit and unambiguous, and the visual display of the page in the part that concerns their acquisition must not be suggestive or marked in advance. Before choosing the option to agree, it is necessary for the User to enter the "window" which contains the full text of the consent.
- 7.12. The operator in the branch office is obligated to provide the User with all additional notices upon the User's request, when creating an account, verifying it and obtaining the necessary consents.

## **8. Receipt of Requests and Processing of Requests**

- 8.1. All requests and orders contain personal data identifying the User, the User's authorized representative, the day, place and time of submission of the request.
- 8.2. The Service Provider within the service of receiving, transferring and executing orders enables the issuance of purchase and sale orders, which can be market, limit or stop orders. Limit and stop orders can be Good till Canceled, Fill or Kill, Immediate or Cancel, Good till Date or Day.
- 8.3. Service provision process when it comes to a purchase order:
  - 1) The user places a purchase market, limit or stop order through the crypto12.com portal;
  - 2) If the User opted for a limit order, they have the option to choose the type of limit order;
  - 3) If the User opted for a stop order, they have the option to choose the type of stop order;
  - 4) If the User has already deposited the appropriate funds in accordance with Article 80, paragraph 1 of the Law, they receive a confirmation that the order has been issued, otherwise they automatically receive a notification that they have not paid enough funds and receives instructions for the payment of funds;
  - 5) The Service Provider automatically transfers the order to the Nexus platform;
  - 6) Until the order is executed, the user can, via the crypto12.com portal, withdraw their order – in that case, the Service Provider immediately withdraws the corresponding order from the Nexus portal (as a rule, market orders are executed very quickly, i.e. immediately after issuing, and in the case of a market order, it will most often not be practically possible to withdraw the order);
  - 7) After the execution of the order, the Service Provider withdraws the received digital asset from the Nexus portal, transfers it to the address of the digital asset where it stores and manages the User's digital asset, and informs the User that they can use the crypto12.com portal to withdraw this digital asset to their digital asset address;
  - 8) Until the User withdraws the digital asset, it will be kept by the Service Provider;
  - 9) When the User withdraws their digital asset through the portal, the Service Provider will transfer it without delay to the address of the digital asset chosen by the User.
- 8.4. Service provision process when it comes to a sales order:
  - 1) The User issues an order through the crypto12.com portal;
  - 2) If the User opted for a limit or stop order, they have the opportunity to choose the type of order;
  - 3) Users will have the opportunity to choose several types of stop orders;
  - 4) If the User has deposited the appropriate digital assets for the purpose of executing sales orders, they receive confirmation that the order has been issued, otherwise they automatically receive instructions for the transfer of digital assets to the Service Provider;
  - 5) Vescon d.o.o. transfers the order to the Nexus platform;

- 6) Depending on the size of the order and the amount of digital assets that the Service Provider has already transferred to the Nexus platform, the User's digital assets may be transferred to the Nexus platform – about which the User will be informed when submitting an order that exceeds a certain amount, and the order will be issued only when the User confirms that they agree with that transfer;
  - 7) The User can, until the execution of the order, withdraw their order through the portal – in that case Vescon d.o.o. withdraws the corresponding order without delay (market orders are as a rule executed very quickly after they are issued, and in the case of market orders, most often practically it will not be possible to withdraw the order);
  - 8) After executing the order, the Service Provider withdraws the received funds from the Nexus platform, i.e. transfers its own funds in the given amount to the account where the User's funds are kept, and informs the User that they can use the portal to withdraw these funds;
  - 9) Until the User withdraws the funds, they will be kept by the Service Provider in accordance with Article 80, Paragraph 1 of the Law;
  - 10) When the User withdraws their funds through the portal, the Service Provider will transfer them to the User's cash account without delay.
- 8.5. In the event that the purchase market order is not executed, the User will have the funds in question available for possible future trading, and the User can withdraw them at any time.
- 8.6. When it comes to sales orders, Users can issue them without any limits. The daily limit exists only with regard to purchase orders in the pairs RSD – USDT and RSD – USDC, and that limit is equal to the dinar equivalent of EUR 5,000. The User can submit a request to increase the daily limit, and the director of Vescon d.o.o. decides on this request within 3 business days.
- 8.7. Provision of service in case of purchase of a digital asset using the service of purchase and sale of digital assets for funds in the account:
- 1) The User submits a request for the purchase of digital asset via e-mail;
  - 2) The User receives information via e-mail at which indicative price the digital asset can be exchanged, with the notification that the actual price of the digital asset will be the price at the time the request is made;
  - 3) The User approves the indicative price;
  - 4) The User receives instructions on how to make the payment;
  - 5) After the payment, the Service Provider transfers the digital asset to the address of the digital asset chosen by the User.
- 8.8. Provision of service in case of sale of a digital asset using the service of purchase and sale of digital assets for funds in the account:
- 1) The User submits a request for the sale of digital asset through the portal;
  - 2) The User receives information about the indicative price at which digital assets can be exchanged;

- 3) The User approves the indicative price;
  - 4) The User receives instructions on how and in what time frame they can transfer digital assets to the Service Provider;
  - 5) Exceptionally, if the User also uses the service of storing and managing digital assets, they can decide to sell the assets they have entrusted to the Service Provider for storing and managing;
  - 6) Upon the transfer of digital assets, the Service Provider transfers the appropriate amount of funds to the User, to the account specified by the User in the request for sale.
- 8.9. The User can withdraw the request for exchange until the request for exchange is executed, with the fact that, as a rule, requests will be executed extremely quickly.
- 8.10. Service provision in case of exchange of a digital asset for another digital asset:
- 1) The User submits a request for the exchange of a digital asset for another digital asset via e-mail;
  - 2) The User receives information according to which indicative ratio digital assets can be exchanged;
  - 3) The User approves the indicative ratio;
  - 4) The User receives instructions on how to transfer digital assets to Vescon d.o.o.;
  - 5) Exceptionally, if the User also uses the service of storing and managing digital assets, they can decide to sell the assets they entrusted to the Service Provider for storing and managing;
  - 6) Upon the transfer of digital assets, Vescon d.o.o. transfers the appropriate amount of digital assets to the User.
- 8.11. The course of providing the service of storing and managing digital assets is as follows:
- 1) The User selects the service of storing and managing a certain type of digital asset through the portal. The User does this by clicking on one of the types of digital assets in a list like the list shown in the image below, with the difference that the Service Provider will provide services in respect of only those types of digital assets that are listed in this Program of Activities;
  - 2) By clicking on the appropriate button, the User generates their address of the digital asset, and then through the portal receives instructions for transferring the digital asset, i.e., they receive information about the address to which they should transfer that digital asset;
  - 3) The User makes a transfer of digital asset;
  - 4) The Service Provider stores the digital assets at the address in question;
  - 5) When the User decides that they no longer want to use this service of Vescon d.o.o., they submit a request through the portal to withdraw the digital asset in question, whereby that request contains information on the address of the digital asset to which the digital asset should be transferred;
  - 6) The Service Provider transfers the digital assets to the address chosen by the User.
- 8.12. Course of providing the digital asset portfolio management service:

- 1) The User concludes the annex to the Agreement on Provision of Services that contains the investment strategy;
  - 2) The User transfers funds, i.e. digital assets to the Service Provider in accordance with the instructions;
  - 3) The Service Provider manages the portfolio of digital assets in accordance with the agreed investment strategy;
  - 4) When the User decides that they no longer want to use this service of the Service Provider, they submit a request for the withdrawal of the digital asset in question through the portal, where the request contains information about the address of the digital asset to which the digital asset should be transferred;
  - 5) The Service Provider transfers the digital asset to the address chosen by the User.
- 8.13. The Service Provider and the User may agree on a special regime for the creation of Requests, whereby the relevant terms are agreed in advance for future Requests, together with the circumstances under which the Provider of Services Related to Virtual Currencies and Digital Tokens may create and execute a Request in the name and for the account of the User.

## **9. Records**

- 9.1. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to timely, orderly and reliably maintain client files, the Records of Requests and the Records of Orders, records for the purpose of applying Article 15a of the Law on Prevention of Money Laundering and Financing of Terrorism, as well as to submit to the National Bank of Serbia data on legal entities and entrepreneurs who are users of virtual currencies.
- 9.2. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to keep records in electronic form that contain data related to all transactions with digital assets that it has made, for its own account or on behalf and for the account of the Digital Assets User, and if the transactions were carried out in the name and for the account of the User, these records shall contain all data related to the identity of that User, as well as data prescribed by the law regulating the prevention of money laundering and financing of terrorism.
- 9.3. The Provider of Services Related to Virtual Currencies and Digital Tokens collects the following data from domestic and foreign legal entities and entrepreneurs who use or have used its services related to virtual currencies:
- 1) business name or abbreviated business name of the User of Virtual Currencies;
  - 2) the address of the seat of the User of Virtual Currencies (place, street and number), and for the User of Virtual Currencies who is a foreign legal entity or entrepreneur the name of the country as well;

- 3) the registration number of the User of Virtual Currencies, that is, another appropriate identification mark of that person if the User of Virtual Currencies is a foreign legal entity or an entrepreneur (e.g. registration number determined by the competent state authority);
- 4) tax identification number of the User of Virtual Currencies;
- 5) the date of establishment and termination of the business relationship of the Service Provider with the User of Virtual Currencies, i.e. the date of execution of the transaction with virtual currencies if, in accordance with the law, the User of Virtual Currencies and the Service Provider have not established a business relationship;
- 6) the type of service related to virtual currencies that is the subject of a business relationship, that is, the transaction from the provision under 5) of this point;
- 7) the address of virtual currencies that the User of Virtual Currencies uses, that is, which they used to perform a transaction with virtual currencies, and if they use several addresses – all those addresses;
- 8) the type and description of the change of data from the provisions under 1) to 7) of this point (e.g. change of the address of the seat of the User of Virtual Currencies, change of the address of virtual currencies used to perform transactions with virtual currencies), as well as other changes in connection with the business relationship established between the Service Provider and the User of Virtual Currencies – if such a relationship is established;
- 9) date of change from provision under 8) of this point;
- 10) the indicator that the person is the User of Virtual Currencies.

9.4. The record-keeping period is ten years from the date of termination of the business relationship with the User.

9.5. Data from Article 9.3. is submitted to the National Bank of Serbia immediately upon establishing a business relationship with the User of Virtual Currencies or executing a transaction with virtual currencies, i.e. upon the occurrence of a change in the data from the above-mentioned points, and at the latest at 12:00 o'clock on the following day. Exceptionally, information on the address of virtual currencies from Article 9.3. point 7) can be submitted after the first transaction with virtual currencies, if the Service Provider does not have this information at the time of establishing a business relationship with the User of Virtual Currencies.

9.6. Data from the Registry of Holders of Virtual Currencies is not publicly available and is subject to the provisions of the law governing digital assets that relate to trade secrets, as well as the provisions of regulations governing the protection of personal data.

## **10. Protection of Users and Their Funds**

10.1. In order to protect the rights and legally protected interests of Users, the Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to comply with all applicable regulations, including, but not limited to, regulations on protection of personal data and protection of trade secrets.

- 10.2. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to ensure the security of data, access codes and records of Users' transactions according to the highest standards of computer network protection, including, but not limited to, educating employees about security risks, periodic security checks and assessments, use of encryption techniques and monitoring of system events.
- 10.3. When choosing a platform on which to hold digital assets of its Users, the Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to take into account the expertise and market reputation of the platform and periodically review the choice of platform and agreed arrangements for holding and storing digital assets of the Users.
- 10.4. The Provider of Services Related to Digital Assets shall establish cooperation with foreign partners, in accordance with the applicable regulations of the Republic of Serbia, the interests of its clients, and the needs of its business operations.
- 10.5. The Provider of Services Related to Digital Assets shall regulate cooperation with foreign partners by adopting a decision and defining the details of such cooperation in the Business Activities Plan, and shall inform the regulators thereof.
- 10.6. The Provider of Services Related to Virtual Currencies and Digital Tokens cannot use the User's digital assets to pay their obligations, as well as the obligations of other Users, nor can the User's funds be subject to compulsory collection and execution for the purpose of settling with creditors, i.e. they do not make up the bankruptcy or liquidation mass.
- 10.7. In order to protect the User's funds, the Provider of Services Related to Virtual Currencies and Digital Tokens will keep the User's funds in an account with a commercial bank operating in the Republic of Serbia, separately from its own funds, i.e. its own money account, in that way that the User's special consent or authorization to open an account with cash on it is not necessary. The funds of natural persons shall be held in a separate omnibus account, while for each legal entity/entrepreneur a separate account shall be opened with a bank operating in the territory of the Republic of Serbia in accordance with the law.
- 10.8. The Provider of Services Related to Virtual Currencies and Digital Tokens will continuously keep accurate records of each User's funds that are kept in the collective account, in a way that enables it to separate the funds of one User from the funds of another User at any moment and without delay, as well as from its own funds, and to provide accurate data on those funds, with regular reconciliation of its internal accounts with the records and accounts of the Users it manages.

## **11. Rules of Business Conduct**

- 11.1. When providing services to users, the Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to put the interests of its Users before its own interests and operate fairly,

honestly and professionally, in accordance with the best interests of the Users, observing the principles established by the Law.

- 11.2. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to publish the Tariff List and Operating Rules on its website and to keep it in a visible place in its branches.
- 11.3. All information, including marketing, that the Provider of Services Related to Virtual Currencies and Digital Tokens sends to Users must be true, complete and accurate, marketing material must be clearly marked as such, and marketing activities impartial and balanced.
- 11.4. The information from the previous paragraph must be easily understandable to the average User of the group to whom it is directed, must not emphasize the potential benefits of the service, without simultaneously referring to the risks, and must not conceal, diminish or render incomprehensible important details.

## **12. Conflict of Interest**

- 12.1. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to organize its business in such a way as to minimize conflicts of interest, the existence of which may harm the interests of the User, and which may arise during the provision of services between the interests of related parties and all persons closely related to them and employees, on the one hand, and the interests of the User, on the other hand, as well as the interests of the Users mutually. A conflict of interest is a situation in which one of the mentioned persons has a private interest that influences, can influence or seems to influence the provision of services or the performance of tasks entrusted to them.
- 12.2. Conflict of interest includes, but is not limited to:
  - 1) Business relationship with related persons, physical (family members: spouse or common-law partner, parent or adoptive parent, child or adoptee) or legal (companies in which the founders, director and management body of VESCON d.o.o. have a share);
  - 2) State institutions that have the jurisdiction of the supervisory body in relation to VESCON d.o.o. will in no case be able to enter into a business relationship with VESCON DOO;
  - 3) Employees at VESCON d.o.o. will in no case be privileged in terms of verification and identification procedures. Likewise, the identification and verification procedure for a person employed at VESCON d.o.o. must be performed by another employee. The same applies to members of that person's family (spouse or common-law partner, parent or adoptive parent, child or adoptee). When scheduling a meeting/appointment at the Service Provider's office for the purpose of identification and verification, as well as in all cases where there is a specific order for service approval or service execution, VESCON d.o.o. employees will not have priority.
- 12.3. Supervision in order to prevent conflicts of interest between authorized persons and the director.

- 12.4. In order to enable the User to timely detect a possible conflict of interest, the Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to organize its business in a completely transparent manner and to make available to its users all the information they request, except for those for which there is the obligation to preserve the trade secret and privacy of other Users.
- 12.5. The Provider of Services Related to Virtual Currencies and Digital Tokens is, regardless of such activity of the User, obligated to take appropriate measures to detect conflicts of interest and, in proportion to the nature, scope and complexity of the work it performs in a specific case, manage the conflict of interests, as well as to continuously implement and regularly update an effective conflict of interest management policy.
- 12.6. In cases where the procedures from these Rules and other acts of the Provider of Services Related to Virtual Currencies and Digital Tokens are not sufficient to reasonably ensure the prevention of risks to the interests of the User, the Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to inform the User about the type and source of the conflict of interest before carrying out work on their behalf. Employees are obligated to notify the Director if they believe that there is even the slightest probability that it is not possible to prevent the occurrence of risks for the interests of the User, who will undertake all necessary activities in order to inform the User as soon as possible.
- 12.7. Notification from Article 12.6. must contain all relevant data that would enable the User to make a decision related to digital asset transactions in a clear and unambiguous manner in a context where a conflict of interest appears. The User can be notified orally, with the obligation to send a written notification to the User.
- 12.8. Procedures and measures for the detection and management of conflicts of interest aim to:
- 1) prevent the uncontrolled exchange of information between relevant persons if this could harm the interests of the User;
  - 2) eliminate any direct connection between the income of relevant persons with the income and profits of other relevant persons who are involved in various business activities,
  - 3) prevent the relevant person from participating in the simultaneous or consecutive provision of services, if this could have a negative impact on the management of the conflict of interest;
  - 4) ensure supervision of relevant persons participating in the simultaneous or consecutive provision of services, if this could have a negative impact on the management of conflicts of interest;
  - 5) ensure separate supervision of relevant persons in the provision of services to users whose interests may come into conflict, including the interests of the Provider of Services Related to Virtual Currencies and Digital Tokens.

### **13. Protection of Trade Secrets**

- 13.1. The Provider of Services Related to Virtual Currencies and Digital Tokens is obligated to adopt a special rulebook on identifying information that represents a trade secret and the method of keeping trade secrets, in accordance with the law regulating the protection of trade secrets.
- 13.2. All employees who have the opportunity to learn information that is designated as a trade secret in accordance with the regulations, are required to sign a statement on the non-disclosure of trade secrets, under the penalty of perjury, regarding the Provider of Services Related to Virtual Currencies and Digital Tokens, as well as regarding the Users.
- 13.3. Relevant persons are obligated to keep as a trade secret, in particular, information about users, information about the status of the accounts and turnover of the Users, information about the status of the addresses of the digital assets and the turnover of the Users, information about the services they provide to users and other information and facts that they learn during the provision of services.
- 13.4. Information from Article 13.3. can be made available for inspection and communicated to third parties only with the written consent of the User, during supervision by a supervisory authority, based on a court order, based on the order of an authority dealing with the prevention of money laundering and financing of terrorism and based on the order of another competent state authority, and in other cases prescribed by the Law.

### **14. Insider Information and Prohibition of Manipulation**

- 14.1. Insider information is information about precisely determined facts that have not been publicly announced, and which, if they were publicly announced, would probably have a significant impact on the value of digital assets.
- 14.2. Employees are obligated to pay attention to the existence of market manipulations and abuse of insider information and to inform their immediate manager of any suspicion of market manipulation and abuse of insider information.
- 14.3. The Provider of Services Related to Virtual Currencies and Digital Tokens must not inform any other person of suspected manipulation or misuse of insider information, which especially refers to the person on whose behalf requests were made, trading orders were given, i.e. transactions were completed or persons connected with that person, except persons to whom notification is delivered based on the law.

### **15. Personal Transactions**

- 15.1. A personal transaction is a transaction carried out by a relevant person acting outside the scope of activities performed as a relevant person or which is carried out for the account of a relevant person,

a person with whom the relevant person is related or closely related in the sense of the Law or a person whose relationship with a relevant person is of such a nature that the relevant person has a direct or indirect material interest in the results of the transaction, which is not a commission or fee for executing the transaction.

15.2. Relevant persons are prohibited from performing the following activities:

- 1) concluding personal transactions if this includes the misuse or disclosure of insider or other confidential information related to the User or transactions with the User or for the account of the User, or if the conclusion of such a transaction is in conflict or is likely to be in conflict with obligations of the Provider of Services Related to Virtual Currencies and Digital Tokens;
- 2) advising or persuading another person to conclude transactions with digital assets in a manner that exceeds the authority of the relevant person or is not prescribed by the service provision contract;
- 3) disclosing any information or opinions to another person, except as part of a regular authorization or as part of a contract for the provision of services, if the relevant person knows, or should know, that such action will influence that other person to conclude transactions with digital assets or to advise or persuade a third party to enter into such a transaction.

## **16. Protection of the User's Rights**

16.1. The User has the right to submit a complaint in writing, through a user account, e-mail, by sending it by post or handing it in person at the Service Provider's headquarters.

16.2. When receiving, considering and acting upon the User's complaint, the Service Provider will make a decision in accordance with the law, respecting the protection of confidentiality and personal data, guided by the principle of efficiency, urgency and decision-making within a reasonable time, respecting the rule of time order of reception.

16.3. The Service Provider is obligated to act and consider only those objections related to the specific provision of services related to digital assets to that User, which are reasonable and contain reasons and evidence for the claims.

16.4. The objection must contain the following information:

- 1) personal data of the User who submits the complaint (name and surname, that is, the name of the legal entity, personal ID number of company registration number, address of residence/seat, contact email and telephone);
- 2) the date of filing the complaint;
- 3) a description of the subject of the complaint and possible evidence;
- 4) signature of the complainant.

16.5. The Service Provider will not be obligated to take into account complaints that are incomplete or submitted anonymously.

- 16.6. The person in charge of customer support at the Service Provider will decide on the submitted complaint within 7 (seven) business days. This deadline can be extended in case of justified reasons or if it is necessary to establish other facts for which it is necessary to extend the deadline. The person in charge of user support will inform the User about the decision.
- 16.7. In addition to the possibility of submitting a complaint, the User has the possibility to contact the Service Provider's customer support for consultation.
- 16.8. During working hours, that is, from 8 a.m. to 4 p.m. every business day, the User has the opportunity to speak with a customer support agent by telephone.
- 16.9. The User can, at any time, contact the customer support via e-mail, and they will receive an answer in the shortest possible time, in accordance with the capabilities of the customer support.

## **17. Transitional and Final Provisions**

- 17.1. The Operating Rules are adopted and changed by the director of the Provider of Services Related to Virtual Currencies and Digital Tokens in accordance with general acts, after obtaining the prior consent of the National Bank of Serbia and the Securities Commission on the Operating Rules, as well as on possible changes and amendments to the Operating Rules.
- 17.2. The Provider of Services Related to Virtual Currencies and Digital Tokens will publish all future changes and additions to these Rules on its website, no later than eight days before the start of their application.
- 17.3. The Rules shall be published on the website of the Provider of Services Related to Virtual Currencies and Digital Tokens immediately after their adoption, and they shall come into force 8 days from the date of publication.