

GAMES & MORE B.V.

DIGITAL ASSET RISK MANAGEMENT POLICY

Version 1.0

Document History:

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1.0	March, 2024	Compliance	First issue	Board of Directors

The policy of Games & More B.V. (the “Company”) regarding the onboarding and trading of digital assets is as follows:

- A. This Digital Asset Risk Assessment policy (the “DARA”) shall be made publicly available on the Company’s website as well as delivered directly to counterparties seeking to transact in digital assets not hereinbefore vetted and accepted by the Company.
- B. The DARA shall be applied uniformly regarding all digital assets such that the digital asset onboarding framework and listing process and requirements are the same for all players.
- C. The Company shall develop a uniform application form such that it may obtain information from the players to help it determine whether the Company may transact in the digital asset.
- D. The Company shall obtain information from the players to enable it to determine whether the particular digital asset should be listed or transacted in. While it is in the discretion of the Company to accept a new digital asset, there shall be factors set forth that the Company must take into account in arriving at such decision. Accordingly, the Company shall evaluate, on a case-by-case basis, a minimum set of listing requirements and considerations, including, but not limited to the following:
 - a. Player Background: factors to consider include the history, background, player history, performance, financial conditions, track record, experience, resources and disciplinary history of the player;
 - b. Governance Considerations: factors to consider include whether there are mechanisms and controls in respect of updates to codes, system issues, conduct of players, disputes etc.;
 - c. Technological Considerations: factors to consider whether the digital asset ecosystem has already been established, whether the digital asset uses technology that has an open source code, whether the digital asset ecosystem has well-documented peer review, and whether the digital asset ecosystem has been tested by contributors outside the initial development team;
 - d. Total Supply and Liquidity Considerations: factors to consider include the market capitalization of digital assets, the trade velocity of digital assets, whether the supply of new digital assets are subject to any protocols, the number of exchanges which support the digital assets (and the volume of trading), whether existing fiat and digital asset trading pairs already, and the jurisdictions in which the digital assets have been offered;

- e. Digital Asset Demand: factors to consider include whether there is strong customer demand, whether there are contributors, whether there is a strong community base (e.g., based on activities in forums, etc.), whether third parties such as venture firms or hedge funds have invested in the project, and whether the project has other corporate partnerships;
 - f. Digital Asset Ecosystem: factors to consider include whether there is a compelling reason for the digital asset to exist (i.e., not purely for fundraising), and whether there are mechanisms to promote good behavior or deter bad behavior by holders/users;
 - g. Digital Asset Sale Structure: factors to consider include whether there has been a fair distribution of digital assets in the sale, whether the applicant team has retained a minority stake subject to lock-up conditions, and whether the sale has been conducted in a fair and transparent manner;
 - h. Regulatory Considerations: factors to consider include whether the digital assets can be traded in jurisdictions which the exchange operates in and whether it would affect the exchange's compliance obligations (e.g. AML/CTF compliance); and
 - i. Reputational Risk Considerations. factors to consider include whether the listing of the digital asset would bring a reputational risk to the exchange. For example, reputational risk could arise if the digital asset ecosystem is linked to illegal activities, pyramid schemes and narcotics.
- E. The Company may require and obtain a written legal advice in the form of a legal opinion or memorandum to confirm the legal and regulatory status of the digital asset in the relevant jurisdictions (i.e., the jurisdictions into which the digital asset has been sold) and the implications for the Company. The legal opinion shall further opine that the digital asset does not represent either a security or commodity. The Company shall establish guidelines on matters such as the form of the opinion, the scope of review, the issues to be addressed and the documents to be reviewed by legal counsel. Such legal opinion would be addressed to the issuer and provided to the Company on a non-reliance basis. In each instance, the Company shall ensure that it:
- a. understands the legal analysis; and
 - b. is satisfied with the legal counsel's scope of work and the assumptions/qualifications upon which the opinion is based.
- F. The Company shall conduct reasonable due diligence and not fully rely on the legal opinion provided by the issuer. The level of due diligence will depend on the circumstances and may include, for example, compliance searches on the digital asset player individuals, due diligence on source code and review of internal procedures. Where appropriate, the Company should verify the information provided by the issuer

by clarifying inconsistencies with the issuer or other means such as obtaining independently sourced information. The internal team responsible for the due diligence will be competent and have the expertise to conduct the due diligence (for example, it should consist of individuals with relevant technological, business, legal and regulatory expertise to perform due diligence on the issuer effectively). Adequate records, including relevant supporting documents and correspondence, should also be maintained by the Company. These records may include the due diligence plan, details on the due diligence procedures, the results of due diligence performed and assessment of such results

- G. The Company shall implement internal controls such that decisions makers in the listing process do not divulge confidential information or use such information for their own gains.
- H. The Company shall not transact in any digital asset that may be considered either a security or commodity under prevailing law.
- I. The Company may transact in or otherwise utilize digital assets that attempt to maintain a stable price as against a reference asset (e.g. a stablecoin). Each of these digital assets carries different features and risks. The structure that they adopt to achieve their stable price also differs – by way of example only, they could be based on market consensus alone, operate as structured products or money market funds, be asset-backed, reflect debt instruments or stored value facilities, or use third party price stabilization activities. Extreme care is required in using stablecoins. Whilst they can serve a valuable purpose offering a less volatile class of asset, many are likely to be regulated products. In certain jurisdictions, price stabilization activity could also constitute unlawful asset price manipulation. Customers may also be confused as to which assets they hold (fiat vs. stablecoin), particularly if the names are similar. Proper governance and controls are critical to ensure that any assets or other mechanisms supporting the stablecoin in fact exist. Accordingly, the Company shall adopt protections that:
 - a. ensure that stablecoins are subject to rigorous due diligence before being onboarded onto the platform, including obtaining all necessary legal and advice, akin to any other digital asset;
 - b. understanding what audit or other mechanisms are in place to ensure that the assets and/or other mechanisms supporting the stablecoin in fact exist; and
 - c. taking reasonable steps to ensure that players are not confused as to the asset.