



## **Uquid Coin Access Denial Policy**

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## **1. Overview**

The Uquid Coin (“Uquid”) has the ability to block individual Ethereum Blockchain addresses from sending and receiving Uquid Coin (“UQC”). In this document, this ability is referred to as “access denial.” When an address is denied access, it can no longer receive UQC and all of the UQC controlled by that address is blocked and cannot be transferred on-chain. It is not possible to deny access individual UQC tokens. This Uquid Coin Access Denial Policy (“Policy”) sets forth the Uquid policy on access denial to individual addresses.

A Uquid issuer (“Issuer”) has KYC, AML, and CFT controls in place in connection with the issuance and redemption of UQC on our platforms. Issuers are required to comply with applicable laws and regulations, Uquid policies, as well as their own internal compliance policies. Such laws, regulations, or policies may require Issuers to close user accounts or seize funds held in such user accounts on an Issuer’s platform. However, only Uquid, not individual Issuers, has the ability to deny access to addresses. Uquid and its Issuers do not monitor or impose controls for on-chain transfers of UQC, except under the terms of this Policy.

## **2. Applicability**

Non-compliance with this Policy can expose Uquid to serious risk. This Policy applies to Uquid and its Issuers, including each of their respective employees.

## **3. Policy Statement**

Uquid will not deny access to individual addresses, other than in circumstances that strictly conform to the requirements set forth under Part 4, Policy Exceptions.

## **4. Policy Exceptions**

Uquid, by majority vote of its Board of Managers, will accept and consider a request for an exception to its policy against access denial (with or without advance notice) only in the following circumstances:

- a) Where Uquid determines, in its sole discretion, that failure to grant a denial of access request presents a threat to the security, integrity, or reliability of the Uquid Network, including security breaches that compromise UQC privileged

keys (e.g., owner private key) and result in unauthorized UQC address being blacklist from such compromise.

- b) To comply with a law, regulation, or legal order from a duly recognized UK authorized authority, UK court of competent jurisdiction, or other governmental authority with jurisdiction over Uquid. To the extent an order requires access denial of an address with commingled funds of a platform (or similar) and Uquid reasonably determines that such access denial presents a threat to Uquid, Uquid reserves all rights to object to the order in the course of its participation in the proceeding.

Uquid will not accept and will not process a request for access denial absent the required showing that one of the above prerequisites have been met. In the event Uquid denies access to any address pursuant to this Policy, Uquid shall direct that corresponding reserve funds are segregated, if necessary, in compliance with applicable regulatory requirements. All such management decisions shall be approved by the Board of Managers.

## **5. Reversals**

Uquid may revert the access denial of an individual address upon formal confirmation from such duly recognized UK authorized authority or UK court of competent jurisdiction that the legal or court order (per Part 4, Policy Exceptions above) is lifted, or no longer applicable, or that a security incident no longer requires such intervention. All such reversals will be approved by Uquid by a majority vote of the Uquid Board of Managers.

## **6. Issuer UQC User Agreement Access Denial Terms**

All Issuers must include in their respective UQC user agreements access denial terms consistent with this Policy, including the following (in the same or substantially similar terms):

“UQC is issued in accordance with Uquid policies including the Uquid Access Denial Policy. Uquid reserves the right to block the transfer of UQC to and from an address in circumstances set forth in the Uquid Access Denial Policy [\[link to this policy\]](#).”

## **7. Governance**

### **a) Approval**

This Policy has been approved by majority vote of the Uquid Board of Managers.

### **b) Reporting**

To ensure effective Uquid oversight of this Policy, Uquid will regularly report publicly, the most up-to-date list of blacklisted addresses, amount of UQC tokens frozen, and corresponding fiat reserves that have been segregated. In addition, this information will be verified and publicly reported by monthly attestation of Uquid’s outside accounting firm.

### **c) Change Management**

This Policy is subject to annual review. Material changes are subject to approval by majority vote of Uquid Board of Managers.