

Redemption Policy



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1. Introduction: purpose and scope of the document

AllUnity GmbH, a limited liability company, registered under the commercial register of the local court of Frankfurt am Main under registration no. HRB 134001 and established under the laws of the Federal Republic of Germany, with its registered office at Sandweg 94, 60316 Frankfurt am Main, Federal Republic of Germany (hereinafter "AllUnity" or "Issuer") is a licensed Electronic Money Institution pursuant to Section 11 of the German Payment Services Supervision Act (Zahlungsdienststeaufsichtsgesetz, hereinafter "ZAG") supervised by the German Federal Financial Supervisory Authority (hereinafter "BaFin") and issuer of electronic money tokens as defined in Article 3 (1) no. 7 of Regulation (EU) 2023/1114 of 31 May 2023 on markets in crypto-assets ("MiCAR") (hereinafter "EMT(s)") for purposes of Article 48 MiCAR. AllUnity's business activity consists of issuing and redeeming EMTs.

Further information about AllUnity is available under <https://allunity.com/>.

This document details the redemption rights of holders of EMTs (hereinafter "EMT Holders"). AllUnity distinguishes between 'First Buyers' and other holders of EMTs than First Buyers (hereinafter "other EMT Holders"). A 'First Buyer' (also called a 'Verified Institution') is a company with whom AllUnity has entered a contractual and long-term legal relationship, and which has been identified. First Buyers are the only clients permitted to purchase EMTs directly from AllUnity. Other holders of EMTs are not in a contractual relationship with AllUnity as Verified Institutions. They cannot purchase EMTs directly from AllUnity. However, they have a legal right to redeem EMTs (purchased from First Buyers or other EMT holders) directly with AllUnity. The redemption terms and process for First Buyers are described in the Terms of Service.

This policy (hereinafter "Policy") together with the relevant EMT White Paper constitutes the terms of redemption between AllUnity and the other EMT Holders. All other Definitions in this Policy shall have the same meaning as set out in the relevant EMT White Paper.

2. Right of Redemption

Pursuant to Article 49(2) and (4) MiCAR and subject to the relevant EMT White Paper, a holder of an EMT has a claim against AllUnity as the issuer of EMTs upon request of the EMT Holders, for the redemption of an EMT at any time and at par value, by paying in funds, other than electronic money, of the monetary value of EMT as an EMT held by the EMT Holders. This Policy reflects the Issuer's obligation to comply with mandatory legal and regulatory requirements in connection with the redemption of EMT, notably Issuer's obligation to comply with anti-money laundering, anti-terrorist financing and sanctions requirements.

3. Redemption Process

3.1 Other EMT Holders may submit a redemption request including all the information requested by AllUnity in connection with the redemption request to AllUnity via the communication channel made available by AllUnity under <https://allunity.com/eea-redemptions>. Any such information will include KYC information and the provision of details of a bank account in the EMT Holders' name.

3.2 AllUnity will acknowledge the receipt of the redemption request.

- 3.3 Any redemption request of the other EMT Holders shall specify a bank account with an International Bank Account Number (IBAN), held with a banking institution located within the European Economic Area (EEA), for the payment of the redemption amount. All bank accounts held with banking institutions outside the EEA must undergo a comprehensive review and approval process by AllUnity's Anti-Money Laundering Officer.
- 3.4 Following the successful completion of all the compliance checks the other EMT Holders will initiate a transfer of EMTs to the relevant blockchain address notified to the other EMT Holders by AllUnity. Upon receipt of the EMTs by AllUnity on the notified blockchain address, AllUnity will transfer the corresponding fiat amount to the bank account notified by the other EMT Holders to AllUnity with the redemption request. For any avoidance of doubt, AllUnity will only transfer fiat to a bank account in the name of the other EMT Holders submitting the redemption request or during the onboarding process.
- 3.5 According to Article 49 (4) and (6) MiCAR, the EMT Holders have the right to redeem their EMTs at any time and at par value. The Issuer does not charge any administrative, processing, or redemption fees for executing the redemption of EMTs. The transfer of EMTs from the EMT Holder's wallet to the Issuer's redemption wallet requires an on-chain transaction within the underlying distributed ledger technology (DLT) network. The EMT Holder is solely responsible for initiating the on-chain transfer and for paying the associated native network/blockchain transaction fees ("Gas Fees") directly to the respective network validators or miners. Gas Fees are third-party network operational costs determined dynamically by the underlying blockchain protocol. They do not constitute a fee, surcharge, or deduction levied by or payable to the Issuer, ensuring full compliance with the free-of-charge redemption mandate pursuant to Article 49 (4) MiCAR.
- 3.6 In lieu of a redemption, an EMT Holder may at any time obtain the economic equivalent to a redemption of an EMT by way of sale and transfer of an EMT in accordance with Clause 3 of the relevant EMT Terms (Availability and Transfers) to a third party.

4. KYC/AML and Compliance for EMT Holders other than First Buyers

- 4.1. The compliance obligations consist of, in particular, the verification by AllUnity based on information provided by the other EMT Holders and external sources of
- (i) identification and verification of the identity of the holder and where applicable of beneficial owner of the EMTs subject to redemption,
 - (ii) the source of funds and wealth (including the EMT subject to redemption) of the EMT Holders, e.g. proof of income, investment income, sales contracts, audited financial statements, and statements from the operating business account that document the source of the funds,
 - (iii) verification of the control over the sender wallet by the EMT Holders via micro transaction as well as the conducting of sanctions checks according to, including but not limited to, applicable European and US sanctions with regard to the holder and the beneficial owner of the EMT subject to redemption, and
 - (iv) verification of the ownership of the EMT Holders bank account for transfer of the fiat via micro transaction.

- 4.2. Failure to pass all required KYC/AML, sanctions, and compliance checks will result in the suspension or denial of the redemption request. In cases where EMTs have already been transferred to AllUnity's designated redemption wallet but compliance checks fail or indicate suspected money laundering, terrorist financing, or other illegal activities:
- (i) AllUnity shall withhold the corresponding fiat payment in accordance with statutory requirements under applicable law (including the German Money Laundering Act - GwG);
 - (ii) The relevant EMTs will be safely held and restricted on a compliance address, and no re-transfer or conversion will occur until the matter is legally resolved; and
 - (iii) AllUnity will comply with all mandatory statutory reporting obligations and regulatory instructions, including asset freezing orders imposed by competent authorities, without prior notification where required by law.
- 4.3. AllUnity aims to complete the process within five (5) business days, provided that all required documentation has been fully received and verified.

5. Obligations of the EMT Holders

- 5.1. All information provided by the EMT Holders must be up-to-date, complete and accurate.
- 5.2. Documents must be submitted in the format specified by AllUnity during the compliance review process. AllUnity reserves the right, based on a risk-based approach and applicable statutory AML requirements, to request certified copies, official legalizations, or apostilles for provided documentation where deemed necessary.
- 5.3. The EMT Holders shall be liable for any damages arising from false, misleading, or outdated information.
- 5.4. The EMT Holders acknowledge that this Policy may be automatically amended or suspended by implementation of the Recovery Plan and/or the Redemption Plan in accordance with Article 55 in conjunction with Article 46 or 47 of MiCAR.

6. Miscellaneous

If and to the extent the terms of this Policy conflict with the relevant EMT White Paper, then the relevant EMT White Paper will prevail.