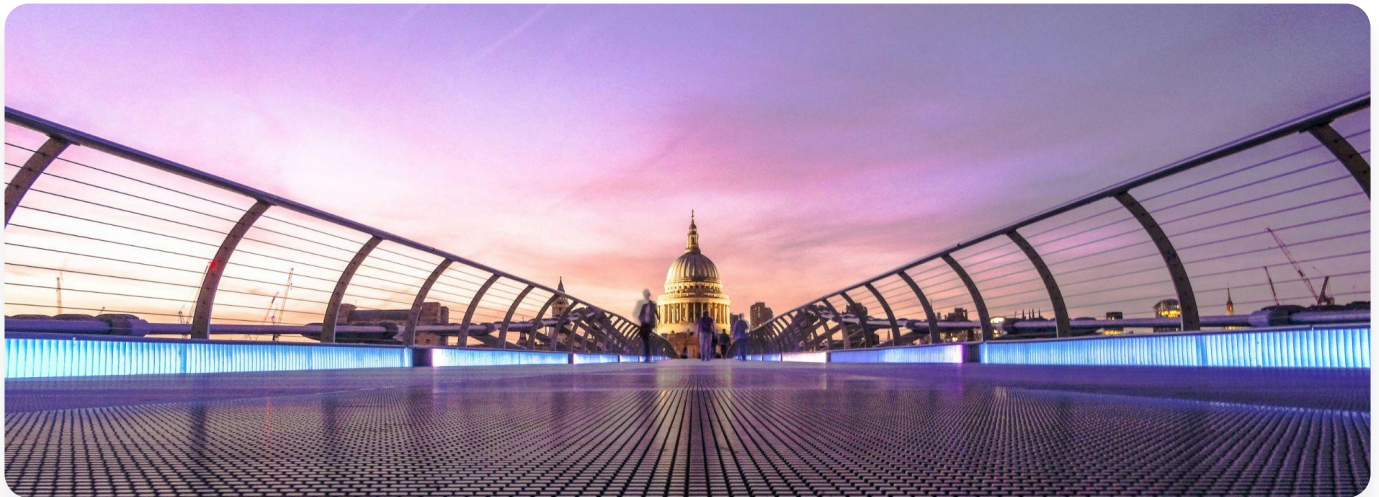


Ripple's Commitment to Safety



Introduction

Using blockchain technology, Ripple allows financial institutions to process payments instantly, reliably, cost-effectively, and with end-to-end visibility anywhere in the world. Our customers include financial institutions and businesses that want tools to effect faster and less costly cross-border payments, as well as to eliminate the uncertainty and risk historically involved in moving money using interbank messaging alone. Ripple's regulated subsidiaries and their clients — global financial institutions, international corporations, and national governments — are all entities that adhere to compliance controls designed to prevent and detect financial crimes

Ripple's Approach to Combating Financial Crimes

Ripple is strongly committed to ensuring that its technology products are not used to launder money, finance terrorism, evade government sanctions or otherwise facilitate criminal activity. Faith in and integrity of the financial system is a critical element for economic prosperity and growth, and compliance and risk management play important roles in preserving a healthy and trusted financial system.

Ripple's regulated entities fully and continuously comply with Anti-Money Laundering (AML), counter terrorism financing (CTF) and economic sanctions regulations in the jurisdictions in which we operate, including the Bank Secrecy Act and those issued by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC). Ripple also takes additional steps to address the threats posed by financial crime:

- Does not do business with any entities sanctioned by OFAC;
- Conducts Know Your Customer (KYC) due diligence prior to establishing a relationship with its customers, which are all institutional, and will not do business with any customer that fails to provide appropriate identification information;
- Continuously monitors customer transactions to prevent and detect suspicious activity and report activity deemed to be suspicious; and
- Has a rigorous Financial Crimes Compliance program supported by an experienced team that is audited annually by an independent third party.

Ripple's Financial Crimes Compliance Program

AML and CTF regulations are key linchpins in preventing and detecting financial crime, and Ripple ensures it is in full compliance with these legal requirements. Ripple's best-in-class AML/CTF framework mirrors traditional bank compliance programs that meet the five pillars expected of an AML compliance program:



1. Extensive Internal Controls:

Ripple has constructed an extensive set of written policies, procedures, and controls to detect, prevent, and report potential money laundering and terrorist financing.



2. Robust Employee Training:

Comprehensive training is provided to all employees and the Board of Directors on the internal controls and the risks of money laundering on an annual basis. AML Compliance staff undergo continuous training throughout the year to stay abreast of current trends and regulations.



3. AML Officers:

Board-appointed individuals oversee the day-to-day activities of the AML Program in each jurisdiction.



4. Independent Testing:

An independent third party is engaged to conduct an annual audit of the AML program to ensure it is effective and properly governed.



5. Customer Due Diligence:

Ongoing customer due diligence — KYC — is conducted, which includes understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile.

Ripple's Technology Helps Prevent and Combat Financial Crime

Unlike cash transactions, which instantly disappear, the immutable nature of blockchain transactions means that every transaction is enshrined in a database, providing investigators with a clear trail to identify and track illicit transactions and associated wallets. Additionally, our messaging technology provides the information institutions require to comply with their travel rule obligations.

In this way, Ripple's technology makes it possible for financial institutions using our technology products to meet compliance requirements while enjoying the full benefits of instant, affordable settlement technology.