



KYC AML POLICY

CareParrot is creating an immutable ledger based on blockchain technology that in hopes will create a private, distributed, access by coin only ecosystem of digital health transactions. To implement this, CareParrot wishes to utilize its own internal currency (aka Coin/CPX) through a Multi-Phase Coin delivery.

CPX will be broken up into two deliverables. Pre-mined (275 million coins) and Mined (3.337 billion). Pre-mined coins are created to help setup the initial nodes to create a virtual network to protect against a 51% attack to the system. The rest will be mined as rewards are earned for years to come.

To accomplish this, CPX will go through five (5) phases.

What does this mean for participants?

We are looking for participants that align with our vision and roadmap of the network, to provide access and affordability to healthcare through the innovative use of blockchain technology to disrupt the financial devolution processes; and provide innovative solutions in healthcare that is currently reducing access and increasing cost for the patient and providers.

A. CareParrot has a soft capitalization of \$3,000,000 USD needed to be raised during the Private Sale (Presale/Pre-MVP) to continue operations and development. Funds collected from the raise will be released through phasing and successful completion of each phase.

B. It is standard in ICO ventures not to award coins until after the events have concluded.

C. Know your customer (KYC) is the process of a business identifying and verifying the identity of its clients. The term is also used to refer to the bank and anti-money laundering regulations which governs these activities. KYC processes are also employed by companies of all sizes for the purpose of ensuring their proposed agents, consultants, or distributors are anti-bribery compliant. Banks, insurers and export creditors are increasingly demanding that customers provide detailed anti-corruption due diligence information.

PLEASE READ THIS SECTION CAREFULLY. YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISOR BEFORE TAKING ANY ACTION REGARDING A COIN SALE.

Participation in a coin sale can be highly speculative and could incur a risk of loss. Prospective coin purchasers should not construe this Website or White Paper, or any disclosures or disclaimers contained therein as a source of legal or tax advice. The White Paper currently contains a fair summary of CareParrot's vision and the operation and utility of its coin, and is subject to changes as the matters or relevant importance evolve. Further, this Website or White Paper does not constitute the offering of a security.

We have consulted and continue to work with legal counsel to assess the possible regulatory treatment by the United States Securities and Exchange Commission considering the developing regulatory guidance. Presently, the primary method for determining whether an instrument should be characterized as a security under United States securities laws was promulgated by the United States Supreme Court in *SEC v. W.J. Howey*, 328 U.S. 293 (1946), providing for what has become known as a Howey test.

According to the Howey test, an instrument is a security if the following four factors are satisfied: (1) an investment of money, (2) in common enterprise, (3) with an expectation of profits, (4) solely from the efforts of others. The SEC did not take the position as to whether virtual currencies, or interests in such currencies, are themselves securities, instead indicating that it will apply the same framework that the SEC and courts have applied thus far. On July 25, 2017, the SEC Division of Enforcement issued an investigative report involving coins issued by the DAO, a virtual organization. The biggest take away from this investigative report is that coins that function like investment contracts under the Howey test will be treated as securities. Although the courts in the United States have not yet directly applied the Howey test to any digital currency or blockchain coin. CareParrot coins have not and will not be registered or filed under the securities laws or regulations of the United States.

Notwithstanding the conducted research, analysis, and due diligence, the regulatory status of cryptographic coins, digital assets and blockchain technology is a young industry, varies significantly among jurisdictions, and is thus subject to significant uncertainty. Due to this uncertainty and the general nature of the rapidly changing regulatory landscape, there is always a risk that CareParrot coins may not be exempt from securities registration requirements in the United States. CareParrot's representations and securities assessments are not a guarantee that the SEC or any other regulatory authority will not determine the coins to be securities subject to registration. It is possible that certain jurisdictions, whether state or federal, domestic or foreign, may adopt laws, regulations, policies or rules affecting the industry through which CareParrot operates in, or restricting the right to acquire, own, hold, sell, convert, trade, or use CareParrot coins. To reiterate in a short and direct form, developments in laws, regulations, policies or rules may alter the nature of the operation of the blockchain network upon which the CareParrot coins are dependent.

All statements, estimates and financial information contained in this website, made in any press releases or in any place accessible by the public and verbal statements that may be made by CareParrot that are not statements of historical fact, they constitute "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. This includes, but is not limited to, the future revenues, earnings, strategies, and prospects of CareParrot. All statements that are not purely historical constitute future-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated.

Moreover, such statements are based on CareParrot's beliefs as well as assumptions made based on information currently available to it. The following non-exclusive list of words, when used within this Website or White Paper, and variations thereof are intended to identify forward-looking statements: "anticipate," "believe," "estimate," "expect," "intend," "should," or "project." Readers are cautioned not to place undue reliance on these forward-looking statements in making any decision.

Standard Risk Disclosures

CareParrot coin per this document is defined as a Multi-Phase Coin resembling aspects of currency, securities and utilities. Purchasing coins, coins or cryptocurrencies and other assets carries risks. The price or value of any digital currency (CPX), securities, structured investments and traded assets can and do fluctuate and may even become valueless, resulting in possible loss of investment, but also of all or part of the principal sums invested. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling cryptocurrencies. Past performance of any investment is not necessarily indicative of future performance in these markets. If the issuer of any coin, coin or cryptocurrency, security, structured investments and trading assets or other instrument or a trading counter-party becomes unable to meet its obligations, investments may become worthless and trading costs and profits irrecoverable

General Risk Statement

Such loss may offset the net return on your deposit(s) and may result in losses of such deposit(s). Payment of amounts due to you may be delayed or prevented by controls or other actions imposed by governmental or regulatory bodies.

Taxation

Income or profit from any investment may be subject to withholding tax or capital gains tax or other tax of the country of the issuer or the country. In such event, unless the issuer agrees to gross-up the income or profit received by the investors. Investments can be taxed, less the withholding tax or capital gains tax or other tax. Retention tax operated by paying agents may be applied in certain jurisdictions depending upon regulatory compliance measures of that jurisdiction.

Data Security

CareParrot will act responsibly to prevent; leakage or corruption of investor and customer data and information that could be caused by defective system changes resulting in financial fraud losses to both our investors and CareParrot - we're in this together.

AML Policy

CareParrot's AML Policy is based on ongoing compliance with the requirements introduced by our national laws and international policies and regulations.

CareParrot is against all types of money laundering and does not take part in any activity involving these actions. CareParrot views money laundering as a very serious attack against moral and ethical values. CareParrot is willing to collaborate against such activities by verifying the identity of account holders and exchangers to investigate suspicious activities, which will be reported to legal authorities upon confirmation of such matters.

Money laundering consists of using different instruments of money flow to convert illegally obtained funds to legally appearing funds making it appear as if it came from a legitimate source. Most countries have a strict anti-money laundering policy like the United States of America where CareParrot is registered.

Institutions or Organizations based in the United States are required to put in place controls or measures to detect and deter the flow of illegal funds through their systems. Such controls include KYC, audits, monitor for suspicious activity as well as others.

CareParrot may terminate an account provided without prior notice and retains the right to refuse transactions, if account holder is suspected of fraudulent funds or activity.

To safeguard against money laundering, the first step is to commit to a KYC (Know Your Client/Community) process. You may find that CareParrot will request a form of identification, proof of residence, and/or personal details.

Whenever you withdraw or deposit money in fiat or cryptocurrencies, you may be asked to confirm your identity.

Cash is a primary resource for terrorism and/or crime. Cash made from trafficking, terrorism, fraud, amongst others, will be moved through financial instruments in an attempt to clean it by way of using false identities of innocent people like yourself.