

Custody Policy Summary

1. Introduction

- 1.1. This Custody Policy Summary (the **Summary**) describes the measures that Bitcoin Suisse (Europe) AG (**BTCS EU, We, Us, or Our**) adopts to safeguard the Crypto Assets that belong to clients (**Client, You, or Your**).
- 1.2. By issuing the Summary, BTCS EU complies with the applicable legal and regulatory requirements, in particular Regulation (EU) 2023/1114 (**MiCAR**).
- 1.3. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the General Terms and Conditions (**GTC EU**) and the Custody Agreement.

2. Scope

- 2.1. This Summary provides an overview of the measures and standards that We apply in Our daily operations to mitigate the risks associated with the custody of Crypto Assets and to prevent events that may lead to the loss of Your Crypto Assets or the delayed access to Your Crypto Assets.

3. Client Agreement

- 3.1. Clients sign a written Custody Agreement before BTCS EU will provide any custody and administration services as defined in MiCAR.
- 3.2. The Custody Agreement, together with the GTC EU, outline the terms and conditions of the custody and administration services to ensure that You have a clear understanding of the rights and obligations, responsibilities and liability, fees and costs and the risks involved. The Custody Agreement, together with the GTC EU, also governs the handling of Crypto Asset Events.

4. Safekeeping

- 4.1. Your Crypto Assets remain with BTCS EU at all times. We do not delegate the provision of custody services for clients to a third party.
- 4.2. We employ advanced cryptographic, multi-signature, and hardware security protocols to store Your Crypto Assets.
- 4.3. As a principle, We securely store Your Crypto Assets in “cold wallets” (offline) to minimize exposure to cyber threats, such as hacking. We may hold a certain amount of Crypto Assets in “hot wallets” (online) to facilitate smooth execution of transactions and fast settlements of trade orders.

- 4.4. The means to access and control Your Crypto Assets, such as private keys and seed phrases, are stored in secure environments. These means of access and control can be restored without the involvement of a third party.
- 4.5. We have issued internal regulations and procedures to prevent, detect and sanction internal and external security threats, including hacking, insider jobs, and misappropriation of funds. In addition, the Custody Services and the Custody Systems are subject to internal incident management and business continuity planning.
- 4.6. We are committed to continuously work on Our security practices to ensure Your Crypto Assets remain safe and secure.

5. Crypto Asset Segregation

- 5.1. BTCS EU has implemented technical, operational and legal arrangements to safeguard Your Crypto Assets, especially with a view to an event of bankruptcy.
- 5.2. Your Crypto Assets are kept separate from Our own Crypto Assets by holding them in two types of segregated wallets:
 - **Full Segregation:** Crypto Assets are held on client-specific blockchain addresses that are assigned to one individual client in Our internal systems.
 - **Client Omnibus Segregation:** Crypto Assets are held on blockchain addresses that are not client-specific but are assigned to multiple individual clients in Our internal systems.
- 5.3. The segregated wallets are used for Crypto Assets that belong to clients. In Our internal systems, their blockchain addresses are mapped one to one to the respective clients’ positions, ensuring transparency and traceability of clients’ Crypto Assets.
- 5.4. At no point will We use Your Crypto Assets for Our own purposes without Your prior explicit consent.

6. Transactions Handling

- 6.1. We strictly apply a four-eyes principle for all transfers that require manual processing of Your Crypto Assets.

- 6.2. As a rule, Our employees will only process transactions based on Your instructions that We document in Our internal systems. We ensure that You receive confirmation for each instruction, such as a Trade Order or staking order. We accurately record all movements concerning Your Crypto Assets (as well as other funds that belong to You).
- 6.3. We facilitate withdrawals of Crypto Assets in a secure and efficient manner. When processing a withdrawal request, resulting in transferring the Crypto Assets to an external wallet address, We maintain a high level of communication with You throughout the withdrawal process to ensure that Your Crypto Assets are protected during the withdrawal process.

7. Compliance

- 7.1. Transactions must strictly comply with applicable regulations, including provisions regarding AML (Anti-Money Laundering), CFT (Combating the Financing of Terrorism) and KYC (Know Your Customer).
- 7.2. We may monitor transactions going into or leaving Your BTCS EU account.
- 7.3. Deposits and withdrawals of Crypto Assets are handled by Our employees subject to the applicable Travel Rule (see GTC EU). BTCS EU has implemented a process to verify that the Client has the power of disposal over the external wallet address used for transfers to and from the Client's BTCS EU account (**Proof-of-Ownership Process**).

8. Communication and Transparency

- 8.1. As a security measure, We only use the contact details, including e-mail address, that You have provided as well as the BTCS Online Tools to communicate with You.
- 8.2. We never ask You to share Your Login Information to any of the BTCS Online Tools You may use.
- 8.3. You will receive a statement detailing the holdings and movements concerning Your Crypto Assets at least every three months, or any time upon Your request. This statement will be made available to You in an electronic format.
- 8.4. You can request a digital copy of this Summary at any time and find additional legal documents on Our Website.
- 8.5. You are free to file a complaint if You are not satisfied with Our services. We provide a template form to facilitate this process on Our Website.

9. Support for Crypto Assets

- 9.1. BTCS EU regularly reviews the Crypto Assets that You can hold with Us, ensuring that We stay up to date with the latest developments and maintain high industry standards.
- 9.2. We may add custody support for Crypto Assets originating from Crypto Asset Events, such as blockchain forks, airdrops, and token migrations. You will be informed promptly about any Crypto Asset Event requiring Your action.
- 9.3. If We decide not to support a Crypto Asset Event or Crypto Assets originating from them, We will inform You in a timely manner and provide details about Your options, such as withdrawal or trading of the Crypto Assets.