

Summary of Custody Policy

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1. Introduction

The Custody Policy of Bitpanda GmbH and its direct subsidiary Bitpanda Asset Management GmbH ("**BAM**") (collectively referred to as "**Bitpanda**" or "**Entities**") is designed to provide a secure and transparent framework for the management, safekeeping, and administration of client crypto-assets. As a licence holder under the Markets in Crypto-Assets Regulation ("**MiCA**"), Bitpanda is committed to safeguarding client assets with the highest standards of security and regulatory compliance.

This summary of the Custody Policy (the "**Summary**") contains a description of the services offered by Bitpanda to customers, outlines the processes and controls in place to ensure that client assets are protected from unauthorised use, accurately tracked, and operationally and legally segregated from Bitpanda's own assets. It also details the rights of clients with respect to their assets and the procedures Bitpanda follows to manage, transfer, and report on these holdings. Customers of Bitpanda's custody services are also referred to the terms and conditions governing Bitpanda's provision of the custody services.

Bitpanda recognises the critical role it plays as a custodian and is dedicated to maintaining a transparent relationship with clients. This Summary provides an overview of the key aspects of the Custody Policy, ensuring that clients have a clear understanding of how their assets are managed and protected.

2. Asset Segregation and Safekeeping

Bitpanda adheres to stringent asset segregation practices to ensure that client crypto-assets are securely held and operationally separated from Bitpanda's own assets. This segregation is fundamental to protecting client assets and maintaining transparency in our custodial operations.

Client assets are stored in a combination of hot and cold wallets, with a strong emphasis on using cold wallets for long-term storage due to their enhanced security. Each client's assets are managed within an omnibus account tied to the respective blockchain protocol but are tracked individually through Bitpanda's internal ledger system. This system ensures that the integrity of each client's holdings is preserved.

In addition to operational segregation, Bitpanda employs advanced security measures, including multi-signature wallets, encryption, and regular audits, to safeguard assets. These measures are complemented by a robust operational framework that includes strict access controls, regular reconciliations, and continuous monitoring of all custodial activities.

Custody services may also include arrangements where custody functions are outsourced in accordance with applicable regulatory and contractual requirements, ensuring that such

activities remain fully compliant and subject to the same standards of security and oversight applied across the Bitpanda Group.

3. Client Rights and Asset Management

The Custody Policy ensures that the recognition and protection of each client's rights to their crypto-assets are prioritised. Each client's rights to their assets are reflected in a detailed register of positions maintained by Bitpanda. This register records the specific holdings of each client, tracking all movements, including deposits, withdrawals, and transfers. The register is continuously updated to ensure it accurately represents the client's holdings at any given time, providing a clear and transparent view of their asset positions.

The register of positions is a vital tool that supports the legal and operational framework of the custody services. It ensures that any movement affecting a client's assets is promptly recorded and that each client's ownership is clearly defined and respected. The internal systems are designed to handle these updates efficiently and seamlessly, ensuring that any instructions from clients regarding their assets are executed swiftly and accurately.

Clients have full visibility into their asset holdings through the secure client portal, where they can view detailed reports of their positions, transaction history, and any relevant updates. This transparency reinforces our commitment to managing client assets with the highest levels of integrity and accountability.

4. Transaction and Asset Management

The custody services provided by Bitpanda are built on a foundation of secure and efficient transaction management. All asset movements, including deposits, withdrawals, and transfers, are conducted with the highest levels of security and accuracy to ensure the integrity of client holdings.

When a client initiates a transaction, whether it involves moving assets into or out of their custody account, the process is governed by strict internal controls. These controls include multi-level authorisation procedures, thorough verification of client instructions, and the use of secure communication channels to prevent unauthorised access or fraudulent activities.

Asset movements are recorded in real-time within Bitpanda's internal ledger system, ensuring that the register of positions remains up-to-date and accurately reflects each client's current holdings. This real-time tracking allows for prompt reconciliation and minimises the risk of discrepancies between client instructions and the actual movement of assets.

Bitpanda's transaction processes are also designed to be responsive to the needs of clients, with efficient handling of requests to minimise delays. All transactions are subject to ongoing monitoring and review to ensure compliance with regulatory requirements and internal policies.

5. Compliance and Risk Management

Bitpanda operates within a robust compliance framework that aligns with the latest regulatory standards, including the MiCA. Compliance is central to all custody operations, ensuring that client assets are managed in accordance with both legal requirements and best industry practices.

Bitpanda's risk management procedures are designed to identify, assess, and mitigate risks associated with the custody and administration of crypto-assets. This includes operational risks, such as those related to asset movement and storage, as well as external risks like market volatility and cybersecurity threats.

To maintain high standards of compliance, Bitpanda implements regular audits to review and verify that all custody activities meet regulatory and policy requirements. These audits also assess the effectiveness of risk management strategies and the robustness of internal controls.

In addition, Bitpanda employs a dedicated compliance team that monitors regulatory developments and ensures that all necessary adjustments to policies and procedures are made promptly. This proactive approach helps to prevent non-compliance issues before they arise and ensures that Bitpanda remains at the forefront of regulatory adherence.

Risk management is further supported by the use of advanced technological solutions, such as encryption, multi-factor authentication, and secure data storage, to protect against potential threats.

6. Reporting and Transparency

Bitpanda is committed to maintaining transparency in its custody operations by providing clients with comprehensive and timely reports on their crypto-asset holdings. These reports are designed to give clients clear insights into the status of their assets, including detailed information on account balances, transaction history, and any movements within their portfolios.

Clients have access to a secure online portal where they can view and download reports at any time. The portal provides real-time updates on asset positions, allowing clients to monitor their holdings and review past transactions with ease. This level of transparency

ensures that clients are always informed about the state of their assets, fostering trust and confidence in the custodial services provided.

Bitpanda also ensures that all reporting is compliant with regulatory standards, including those outlined in MiCA. Reports are generated using secure systems that protect client data and maintain the confidentiality of all information.

7. Client Communication and Support

Bitpanda places great emphasis on clear and effective communication with its clients, ensuring that they are well-informed and supported in all aspects of their crypto-asset custody experience. Bitpanda provides multiple channels for clients to reach out, including email, and a secure online portal, ensuring that assistance is always readily available.

Clients are kept informed through regular updates on their asset holdings, including any changes in custody procedures or regulatory developments that may affect their assets. This proactive approach ensures that clients are never left in the dark and can trust that their assets are being managed in their best interests.

In addition to routine communications, Bitpanda offers dedicated support for any queries or issues that may arise. The customer support team is trained to handle a wide range of inquiries, from basic account management to more complex questions about custody operations and asset movements. For more specialised concerns, clients have access to expert support staff who can provide detailed explanations and guidance.

This summary of the custody policy in an electronic format is shared with users if requested.