

Summary of the Custody and Administration Policy

Purpose and Scope

The summary of the Custody and Administration Policy has as purpose to inform the users on the provisions of custody and administration of funds (bitcoin and euro) by Bitonic for the custody service offered by Bitonic in accordance with article 75 MiCAR.

Administration of Funds in Custody

Bitonic keeps record of all instruction from the users and holds a register of the funds for each individual user in custody on the base of the instructions of the users. Users have continuous insight in bitcoin and euro credit in their account in their custodial interface and create a transaction statement from the interface. Statements detailing the funds registered in their name are digitally provided on request of the user. A statement is pro-actively distributed to the users to provide the information needed for tax compliance purposes.

Segregation of Funds

The users' funds are held by Stichting Bitonic Payments, a foundation under Dutch law. The sole task and purpose of the foundation is to keep users' funds separated in order to create a separate estate from Bitonic. Bitcoin deposited by users are directly received in the wallets of the foundation. Euro deposited by users are directly received in accounts in the name of the foundation. Bitonic has no rights associated with the funds of users. The foundation is not entitled to dispose of the respective bitcoin and euro independently.

Security

The user acknowledges that storing bitcoin in the Bitonic Portfolio carries risks. Bitonic and the foundation take necessary security measures to protect the funds in the Bitonic Portfolio to prevent incidents. The user acknowledges that the use of the Bitonic Portfolio is at the user's own risk. Bitonic and the foundation perform risk assessments on the credit institutions prior to stalling user funds as reasonable can be expected from them. The security measures taken by the foundation are among others:

- bitcoin is stored in multiple wallets;
- the foundation has accounts at various credit institutions;
- the staff of Bitonic has limited access to the user funds.

Form of Custody

The foundation does not participate in staking and lending of bitcoin and holds all the funds, bitcoin and euro, in custody fully reserved divided over hot and cold wallets and multiple accounts at credit institutions.

Liability

The foundation and Bitonic are liable for a loss of bitcoin if the loss is a result of a fully attributable failure. The liability is limited to the market value of the lost bitcoin at the time it was lost. Bitonic and the foundation are not liable for the loss of bitcoin if the loss results from a non-attributable event. A non-attributable event will be in any scenario an event that occurred independently of the provision of the relevant service, or independently of the operations of the crypto-asset service provider. In the event of force majeure, as defined in article 6:75 of the Dutch Civil Code (BW), Bitonic is entitled to suspend its obligations towards the user and/or terminate the user agreement. As a result of the termination of the user agreement, the user is not entitled to compensation.