

## SUMMARY OF THE CUSTODY POLICY

### Introduction

1. Invity's Custody Policy, in particular the principles relating to the management, storage, and administration of Bitcoins in Custody, is designed to provide a secure and transparent framework. As a Licensee, Invity strives to protect Bitcoins entrusted to Custody in accordance with the highest security standards and the requirements of MiCA and other applicable laws.
2. This summary of the Custody Policy ("**Summary**") describes the services Invity provides to Users in connection with Custody, as well as the processes and controls that ensure the protection of Bitcoins from unauthorized use. It also addresses their record-keeping and operational and legal separation from Invity's own crypto assets. The Summary also defines Users' rights in relation to Bitcoins in Custody and the procedures that Invity follows in the Custody and record-keeping of these crypto assets.
3. Invity recognizes its key role in protecting the Bitcoins it holds in Custody for its Users and therefore emphasizes having a transparent relationship with its Users. This Summary is one of the means of ensuring that Users have a clear and understandable idea of how their crypto assets are stored and protected.
4. Capitalized terms have the meanings assigned to them in Article 2 (*Definitions*) of Invity's General Terms and Conditions, unless expressly stated otherwise. The headings of the individual sections of this Summary are for clarity only and do not affect the interpretation of any provision or condition herein.
5. In the event of a conflict between the Czech, English, or other language versions of this document, the Czech version shall prevail.

### Separation of Users' crypto assets from Invity's crypto assets

6. Invity adheres to strict procedures for separating (segregating) the crypto assets we hold for you from our own crypto assets. The aim is to ensure that Bitcoins in Custody are securely stored and operationally separated from Invity's assets.
7. This segregation is a fundamental element of Bitcoin in Custody protection and contributes to the transparency of all cashier activities.
8. Bitcoins in Custody are stored in a combination of hot wallets and cold wallets, with an emphasis on the use of cold wallets for long-term storage due to their higher level of security.
9. Bitcoins held in Custody are stored in one or more virtual accounts, which may also be shared with the crypto assets of other Invity Users. Therefore, the User does not have their own individual crypto asset account. Records of the amount of Bitcoins held for individual Users are kept individually in Invity's internal IT system (operations department) in accordance with the rules of the MiCA regulation. This system allows for the unambiguous identification and allocation of Bitcoins to each specific User.
10. In addition to the aforementioned operations department, Invity uses advanced security measures to protect crypto assets, such as multi-signature (multisig) wallets,

encryption, and regular audits. These measures are part of a robust operational framework that also includes wallet access control, regular reconciliation, and continuous monitoring of all cashier activities.

### **When you are and are not the legal owner of Bitcoins**

11. Bitcoins purchased through our Services become your property immediately upon Purchase or Exchange, provided they are sent to your External Wallet.
12. **Bitcoins that you purchase through our Services or deposit into our Custody upon completion of the Purchase, Exchange, or deposit into Custody immediately become our property**, which we hold on your behalf. This means that we have ownership rights to the Bitcoins we hold on your behalf and for your benefit, and you have the right to have those Bitcoins sent to your External Wallet. Upon transfer to your External Wallet, the Bitcoins become your property.
13. Our Custody rules ensure that protecting the property rights of each User as the true owner of the Bitcoins in Custody is our priority. Inivity maintains a detailed ledger that records each User's individual holdings, including Purchases, Sales, and Exchanges or transfers to or from an External Wallet. The ledger is continuously updated to accurately reflect the current status of Bitcoins held for each User at any given time, providing full transparency.
14. This ledger is a key element of the legal and operational framework of the Custody service. It allows every movement of assets to be recorded and ensures that each User's true ownership is clearly identified and respected. Our internal systems are designed to ensure the smooth, accurate, and secure processing of all updates and Orders.
15. You can access a detailed overview of the Bitcoins we hold on your behalf in Custody at any time through secure access to your User Account in the Inivity Application. Here you will find detailed information about your positions, transaction history, and other relevant data. Upon request, we will also issue you a statement from the records kept within Custody, which will be made available for download or sent to your email address. This statement will include the type of crypto asset, its current balance, value, and a summary of transactions for the selected period. This transparency reinforces our commitment to holding your Bitcoins in Custody with the highest degree of integrity and responsibility.

### **Bitcoin Transactions in Custody**

16. Our Custody service is built on secure and efficient transaction execution. Every Purchase, Sale, and Exchange or transfer to or from an External Wallet is conducted in strict compliance with security and operational standards.
17. Any transfer of Bitcoin from Custody—such as a withdrawal to an external wallet—is subject to rigorous internal controls. These include multi-level approval mechanisms, instruction verification, and secure communication to prevent unauthorized or fraudulent operations.
18. Crypto asset transactions are recorded in real time in Inivity's internal system. As a result, the Bitcoin holding ledger maintained within the Custody is always up to date

and accurately reflects the actual status of each User's assets. This mechanism enables seamless reconciliation and minimizes the risk of any discrepancies.

19. Our transaction processes are designed with speed, reliability, and regulatory compliance in mind. Each transaction is continuously monitored and checked to ensure compliance with regulatory requirements and internal policies.

### **Compliance and Risk Management**

20. Invity operates within a robust compliance framework that aligns with current regulatory trends, including requirements arising from the legal framework for crypto-asset service providers and the digital operational resilience framework. Compliance is central to all operations related to the Custody Service and ensures that Bitcoins in Custody are managed in accordance with legal requirements and industry best practices.
21. Invity's risk management procedures are designed to identify, evaluate, and mitigate risks associated with Custody. These include operational risks, such as those associated with transactions and custody, for example, those arising from transactions and the management of crypto assets, as well as external risks, including market volatility and cybersecurity threats.
22. In order to maintain a high standard of compliance, Invity conducts regular audits to verify that the activities of the Custody Service comply with legal and internal regulations. The audits also assess the effectiveness of risk management strategies and the reliability of internal control mechanisms.
23. In addition, Invity employs compliance professionals who monitor regulatory developments and ensure that necessary adjustments to policies and procedures are made in a timely manner. This proactive approach minimizes the risk of non-compliance and ensures ongoing compliance with current regulatory requirements.
24. Risk management is further supported by the use of advanced technological tools such as encryption, multi-factor authentication (2FA), and secure data storage, which protect User data and crypto assets from potential threats.

### **Measures taken to protect Bitcoins held on behalf of and for the benefit of Users**

25. To protect Users' rights to the Bitcoins we hold in Custody for them, we have implemented the following measures:
  - a. We keep records of all Bitcoins held for all Users, including records of Bitcoins belonging to individual Users. This ensures that we always have an overview of all Bitcoins held for you and their volume, and that they can always be withdrawn from Custody.
  - b. We use a third party for Bitcoin custody that has insurance covering the loss of Bitcoins we hold for you. This means that in the event of insolvency or other failure of the third party, you will still be entitled to withdraw your Bitcoins from Custody.
  - c. The third party we use for Bitcoin custody also has a license as a crypto-asset service provider in Germany and is therefore a regulated entity in the European Union.

- d. If we detect an attempt to make a suspicious transfer of Bitcoins from Custody (to an unauthorized address), this transfer requires the approval of at least two of our employees. This means that one person cannot decide on the transfer of Bitcoins, and Bitcoins cannot be transferred from Custody to anyone other than the User without authorization.
- e. You can withdraw Bitcoins from Custody at any time. We only suspend this withdrawal for reasons contained in the general terms and conditions, namely in the following cases:
  - i. You do not have enough Bitcoin in Custody.
  - ii. We or any of the third parties (providers) with whom we cooperate in providing our Services are unavailable (e.g., due to service interruption or scheduled maintenance).
  - iii. We have reasonable grounds to suspect that your Order was submitted for an illegal or dishonest purpose (for example, to commit fraud or harm another person or to disrupt the transparency or integrity of the crypto asset market).
  - iv. We have reason to believe that your Order could negatively affect our reputation or good name, or by rejecting the Order, we are fulfilling our legal or contractual obligation.

It is therefore guaranteed that you can exercise your ownership rights to your Bitcoins at any time by withdrawing them from Custody.

- f. Bitcoins held for Users are never mixed with Bitcoins held for our benefit. It is therefore guaranteed that Users' Bitcoins will not be used for Invity's needs.

### **Information and transparency**

- 26. Invity ensures the transparency of operations within the Custody Service by providing Users with comprehensive and up-to-date information about their crypto assets. This information includes an overview of balances, Bitcoin transaction history, and all movements within the User's portfolio.
- 27. Users have access to a secure online interface through the Invity Application, where they can view or download reports on their assets at any time. They also have the right to request a statement of the Bitcoin in Custody to which they have actual ownership at any time. This statement, which is provided to Users for download or sent by email, contains at least the type of crypto asset, its balance, value, and an overview of relevant transactions for the selected period. This level of transparency strengthens Users' trust in the Custody Service.
- 28. Invity also ensures that all reports or information provided comply with regulatory requirements, including MiCA. Statements are generated using secure systems that protect the confidentiality and integrity of User data.
- 29. Invity uses a third party, BitGo Europe GmbH, for Bitcoin custody, which maintains wallets where Bitcoins are stored as part of the Custody Service.

## Communication with Users and Support

30. Inivity places great emphasis on clear, understandable, and effective communication with Users. Various communication channels are available to Users, including email and a secure online interface, ensuring easy access to support and assistance.
31. Users are regularly informed about the status of Bitcoins in Custody, including changes in the Custody regime or adjustments to the legal framework that could affect their assets. This proactive approach helps keep Users informed and reinforces their confidence that their crypto assets are being managed in their best interests.
32. In addition to regular communication, Inivity provides dedicated user support to address queries or complaints. The support team is trained to handle a wide range of requests, from basic account management to more complex questions regarding cryptoasset operations. For more complex issues, experts are available to provide appropriate assistance and detailed explanations.
33. If you wish to exercise your rights to Bitcoins in Custody, such as Fork, Airdrop, or Governance, please contact us at [support@inivity.io](mailto:support@inivity.io). Due to the use of a third party for Bitcoin custody, we are bound by their terms and conditions for the exercise of such rights.

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