



Custody Policy and Restitution of Crypto-Assets

1. Introduction

Paymium's Custody Policy is designed to provide a secure and transparent framework for the management, safekeeping, and administration of client crypto-assets. As a regulated entity under the Markets in Crypto-Assets Regulation ("MiCA") in sense of article L. 54-10-1 of the Monetary and Financial Code, Paymium is committed to safeguarding client assets with the highest standards of security and regulatory compliance.

This Custody Policy contains a description of the services offered by Paymium to its clients, 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 Paymium's own assets.

It also details the rights of clients with respect to their assets and the procedures Paymium follows to manage, transfer, and report on these holdings. Customers of Paymium's custody services are also referred to the terms and conditions governing Paymium's provision of the custody services.

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

This Policy is supplemented by Paymium's Terms and Conditions relating to custody services. In the event of any discrepancy between the documents, the Terms and Conditions shall take precedence.

2. Asset segregation and safekeeping

In accordance with the provisions of article 76 of MiCA and article 722-1 of the RGAMF, Paymium ensures that the crypto assets of its Customers are separated from its own crypto-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. A high proportion of funds are stored in cold wallets due to their enhanced security. Client's assets are stored in omnibus accounts or addresses on the respective blockchains and are individually separated in Paymium's internal ledger system.

This system ensures that the integrity of each client's assets is preserved. In addition to operational segregation, Paymium uses 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.

3. Client rights and asset management

The Custody Policy guarantees that each client's rights to their crypto-assets are recognized and safeguarded as a priority. These rights are reflected in a comprehensive position register maintained by Paymium, which meticulously records each client's holdings and tracks all transactions, including deposits, withdrawals, and transfers. This register is regularly updated to ensure it accurately reflects the client's assets at all times, offering a transparent and precise overview of their positions.



The position register is a crucial component of the legal and operational framework for custody services. It ensures that every change affecting a client's assets is promptly documented, clearly defining and safeguarding their ownership rights. Our internal systems are designed to process these updates efficiently and seamlessly, ensuring that client instructions regarding their assets are executed quickly and accurately.

Through a secure client portal, clients have full visibility into their holdings, with access to detailed reports on their positions, transaction history, and relevant updates. This level of transparency reflects our commitment to managing client assets with the utmost integrity and accountability.

4. Transaction and asset management

Paymium's custody services are founded on secure and efficient transaction management. Every asset movement, whether deposits, withdrawals, or transfers is executed with the highest standards of security and accuracy to maintain the integrity of client holdings.

When a client initiates a transaction, strict internal controls govern the process, including multi-level authorization, rigorous verification of client instructions, and secure communication channels to prevent unauthorized access or fraud.

Asset movements are recorded in real-time within the company's internal ledger, ensuring that the position register remains continuously updated and accurately reflects each client's holdings. This real-time tracking enables prompt reconciliation, reducing the risk of discrepancies between client instructions and actual asset movements.

Additionally, the company's transaction processes are designed to be responsive, ensuring efficient request handling to minimize delays, while all transactions undergo continuous monitoring and review to maintain compliance with regulatory requirements and internal policies.

5. Compliance and risk management

Paymium operates within a strong compliance framework that aligns with the latest regulatory standards, including MiCA. Compliance is at the core of all custody operations, ensuring that client assets are managed in full accordance with legal requirements and industry best practices.

Paymium's risk management procedures are designed to identify, assess, and mitigate risks related to the custody and administration of crypto-assets, covering both operational challenges such as asset movement and storage and external threats like market volatility and cybersecurity risks.

To uphold the highest compliance standards, regular audits are conducted to review and verify that all custody activities meet regulatory and policy requirements. These audits also evaluate the effectiveness of risk management strategies and internal controls.

Additionally, a dedicated compliance team continuously monitors regulatory developments, ensuring that necessary updates to policies and procedures are promptly implemented. This proactive approach helps prevent compliance issues before they arise, keeping the company at the forefront of regulatory adherence. Risk management is further reinforced by advanced technological solutions, including encryption, multi-factor authentication, and secure data storage, to safeguard against potential threats.

6. Reporting and transparency

Paymium is dedicated to ensuring transparency in its custody operations by providing clients with detailed and timely reports on their crypto-asset holdings. These reports offer clear insights into asset status, including account balances, transaction history, and any portfolio movements.



Clients can access a secure online portal at any time to view and download their reports, with real-time updates on asset positions for seamless monitoring and transaction review. This high level of transparency keeps clients informed about their holdings, fostering trust and confidence in the custodial services. Additionally, all reporting complies with regulatory standards, including MiCA, and is generated using secure systems that safeguard client data and maintain confidentiality.

7. Information and services to clients

Paymium prioritizes clear and effective communication to ensure clients are well-informed and supported throughout their crypto-asset custody experience. Multiple contact channels, including email and a secure online portal, provide easy access to assistance.

Clients receive regular updates on their asset holdings, custody procedures, and regulatory developments, ensuring transparency and trust. In addition to ongoing communication, the company offers dedicated support for any inquiries, from basic account management to complex custody-related questions. For specialized concerns, expert support staff are available to provide detailed guidance.

8. Return of Clients' crypto-assets

The Company has set up a process to be able to return the crypto-assets it holds on behalf of its Clients or the means of access to these crypto-assets to the Clients as quickly as possible.

The return of crypto-assets must be understood as the return of control over the crypto-assets. Consequently, the obligation to return crypto-assets necessarily entails that once this restitution is complete, the Company will no longer be able to transfer or move the crypto-assets belonging to the Client. It may involve that the Company transfer the Client's crypto-assets to an external wallet previously designated by the Client. It may also be agreed between the parties that the return could involve equivalent crypto-assets or crypto-assets in legal tender.

Only the occurrence of an event that is not attributable to the Company may release it from its obligation to make restitution.

9. Liability

Paymium shall be liable to its Clients for the loss of any crypto-assets or of the means of access to the crypto-assets as a result of an incident that is attributable to Paymium.

The liability of Paymium shall be capped at the market value of the crypto-asset that was lost, at the time the loss occurred.

Incidents not attributable to Paymium include any event in respect of which Paymium demonstrates that it occurred independently of the provision of the relevant service, or independently of the operations of Paymium, such as a problem inherent in the operation of the distributed ledger that Paymium does not control.

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