
SUMMARY OF CUSTODY, ADMINISTRATION AND SEGREGATION OF CRYPTO-ASSETS PROCEDURES

1. INTRODUCTION

- 1.1. UAB Chronos Global (“**Chronos Global**” or “**we**”, “**us**”, “**our**”) is a crypto-asset service provider in Lithuania under the brand name Columis. We provide high-quality crypto-assets related services focusing on crypto-asset wallets, facilitating crypto-asset transfers and enabling the exchange between fiat currency and crypto-assets, as well as among different crypto-assets (“**Services**”).
- 1.2. This description provides key principles on how we manage and administer crypto-assets that are held by You with us, including the principles we follow ensuring a proper segregation of our crypto-assets and Your crypto-assets.
- 1.3. To maintain the highest level of security, transparency and reliability, we implement strict crypto-assets segregation, advanced security protocols and clear reporting mechanisms. This ensures that Your crypto-assets remain protected at all times, the ownership of such crypto-assets is retained by You, with full traceability and legal safeguards in place.

2. GENERAL PRINCIPLES OF CUSTODY, ADMINISTRATION AND SEGREGATION OF CRYPTO-ASSETS

- 2.1. We take all necessary steps to securely store and manage Your crypto-assets, ensuring that Your crypto-assets are always kept separate from our operational and proprietary assets. We do not use Your crypto-assets for business operations, ensuring they remain protected at all times.
- 2.2. We guarantee that Your crypto-assets are held in a way that allows clear identification and prevents any risk of commingling.
- 2.3. We are liable for any loss of Your crypto-assets or means of access resulting from an incident attributable to us, with compensation limited to the market value at the time of loss. However, we are not responsible for incidents that arise independently of our operations or outside our control. For example, we cannot be held liable for technological issues inherent to the operation of the distributed ledger technology that we do not manage or influence. Similarly, external events unrelated to our systems, processes, or personnel fall outside the scope of our liability. In the event of a loss attributable to us, we are committed to covering the loss using our own resources.
- 2.4. We ensure that You can fully exercise Your rights over Your crypto-assets. Any events that might affect Your rights are promptly recorded in Your position register.
- 2.5. You will receive regular statements at least once every quarter detailing the crypto-assets held in Your name, balance, value and any transactions made during the reporting period. You may also request for such statement separately and we will provide it to You upon Your request.

- 2.6. To ensure segregation accuracy, we maintain detailed records and conduct regular reconciliations, comparing internal records with blockchain data to verify that all crypto-assets are properly accounted for.

3. ENSURANCE OF OWNERSHIP AND SEGREGATION OF YOUR CRYPTO-ASSETS

- 3.1. Apart from the principles we follow above, we employ specific measures to ensure segregation and ownership of crypto-assets You hold with us.

3.1.1. To ensure segregation of Your crypto-assets:

3.1.1.1. we store Your crypto-assets in a segregated omnibus wallet, i. e., we aggregate Your crypto-assets across different networks using omnibus wallets utilizing *Fireblocks* technical solutions designated exclusively for our clients' crypto-assets, while our proprietary crypto-assets are held on separate wallets within the *Fireblocks* technical solution;

3.1.1.2. we ensure a robust and independent management as well as precise calculation of our clients' crypto-assets by utilizing a combination of aggregated ledger, reflecting the total value of client crypto-assets held across the omnibus account, as well as distinct ledger maintained for each individual client. Such a dedicated ledger maintains a detailed record of each Your balance, fully segregated from crypto-assets of other clients of ours, since every transaction is carefully logged against the specific client's account, making it possible to attribute exact amounts to each individual client of ours;

3.1.1.3. we perform daily reconciliations on Your crypto-assets held with us, where we compare internal ledgers to external blockchain records and all our client' account balances with omnibus wallet balances.

3.1.2. To ensure ownership of Your crypto-assets:

3.1.2.1. we maintain detailed internal records tracking Your ownership towards such crypto-assets;

3.1.2.2. we account Your crypto-assets off our balance sheet, which allows to ensure that in case of our insolvency or bankruptcy Your crypto-assets will not be part of our bankruptcy estate and will remain protected from creditor claims, ensuring that You can retrieve Your crypto-assets;

3.1.2.3. every transaction and trade are recorded in to Your account, with a dedicated ledger tracking Your exact balance separately from other users. An aggregated ledger reflects the total value of all our client held crypto-assets, ensuring precise reconciliation.

4. CUSTODY SERVICES WE PROVIDE

- 4.1. We provide custody services to ensure the secure and reliable safekeeping of Your crypto-assets. These services include custody of crypto-assets on behalf of our clients by securely holding Your crypto-assets in wallets managed via the *Fireblocks* technical solution.
- 4.2. We also hold private key components (such as Multi-Party Computation (MPC) solution - a Consensus Mechanism Protocol (the “CMP”)) required to manage access to the stored crypto-assets, utilizing *Fireblocks* technical solution:
 - 4.2.1. the MPC is a cryptographic technique allowing multiple parties to perform computations without any party revealing its private data to the others. The MPC ensures that no single private key used in our company is ever fully constructed or stored in one location. Private keys are split into several parts, each of which is distributed across different secure servers. These segments of the key remain separate throughout the lifecycle of the wallet. By this decentralization of key management, the we significantly reduce risk of compromise at a single point and increases the security of crypto-assets;
 - 4.2.2. the CMP within the MPC supports to maintain the integrity of the blockchain transaction process. When blockchain transactions are signed, each party who holds segment of the key confirms the transaction separately;
 - 4.2.3. our cryptographic infrastructure relies on the MPC / CMP protocol to safeguard cryptographic keys by utilizing three individual key segments, each stored in isolated and secured Intel Software Guard Extension (Intel SGX) enclaves. These key segments never come together in any location, ensuring a high level of protection. This design ensures that the risk of key compromise is minimized and that private keys are never exposed, even during transaction signing.
- 4.3. Your crypto-assets are segregated and remain in our custody wallets until You decide to sell, exchange for other types of crypto-assets or decratal (FIAT) currency, or withdraw them.

5. SECURITY MEASURES

- 5.1. Since security is our top priority – we have implemented strict systems and controls to protect against operational and cyber threats, ensuring Your crypto-assets remain secure and accessible at all times.
- 5.2. Key security risks and protection measures:
 - 5.2.1. the most critical risks include securing and accurately storing Your private keys and preventing unauthorized access;
 - 5.2.2. we use Fireblocks MPC technology to protect private keys from compromise, which ensures that private keys are never fully constructed or stored in one place. Instead, keys are split into multiple segments and distributed across secure servers, reducing

the risk of compromise. These segments remain separate throughout the entire lifecycle of the wallet, increasing overall security of crypto-assets;

5.2.3. our infrastructure is safeguarded against external cyber threats and unauthorized access attempts;

5.2.4. to maintain transaction integrity, the CMP ensures that each party holding a key segment independently approves transactions, further securing the process;

5.2.5. our cryptographic infrastructure relies on MPC and CMP technologies, utilizing three isolated key segments, each stored in Intel Software Guard Extension enclaves. These segments never come together, ensuring that private keys remain fully protected, even during transaction signing.

5.3. Advanced security infrastructure:

5.3.1. we employ dedicated servers with TLS 1.3 encryption and hardened operating systems configured to CIS Level 2 security benchmarks;

5.3.2. rigorous firewall policies protect against network intrusions;

5.3.3. encrypted off-site backups and a disaster recovery plan ensure business continuity in case of disruptions.

5.4. Strict access controls:

5.4.1. transaction access policies regulate all transactions at both the individual and aggregated wallet levels;

5.4.2. multi-level authentication is required for all transaction approvals;

5.4.3. access restrictions are enforced based on transaction volume and associated risk levels;

5.4.4. real-time logging and monitoring systems help detect and resolve vulnerabilities proactively.

5.5. Minimizing the risk of crypto-asset loss:

5.5.1. Your crypto-assets in hot wallets (used for withdrawals) are limited to a small fraction of total holdings to minimize exposure to risks;

5.5.2. the majority of Your crypto-assets are stored in cold storage or other secure environments, fully disconnected from automated processes;

5.5.3. manual funding of hot wallets follows a strict verification process, requiring approval from multiple authorized personnel based on transaction size.

6. YOUR RIGHTS AND POSITION MANAGEMENT

- 6.1. We are committed to enabling You to fully exercise Your rights attached to the crypto-assets held in the custody with us. These rights include the ability to exchange crypto-assets for other crypto-assets or FIAT funds, transfer crypto-assets to external platforms, or withdraw them from custody at any time.
- 6.2. The scope of the exercise of Your rights is stipulated in alignment with our AML and risk management policies and is determined based on Your risk profile, transactional history and compliance status. Please refer to our Terms of Business to see a more extensive list on the rights of Yours and the procedures applied for exercising Your crypto-assets, including exchange, withdrawals and transfers.
- 6.3. Any event that could create or modify the rights of Yours, is promptly recorded in Your register of positions. This includes any changes arising from the underlying distributed ledger technology or any other significant event that could affect the Your position or rights regarding the crypto-assets.
- 6.4. Whenever a change occurs, we guarantee that You are entitled to any crypto-assets or rights newly created based on their positions at the time of the event. This entitlement is ensured unless otherwise specified in a valid agreement between us.

7. YOUR POSITION REGISTER

- 7.1. We maintain a detailed register of Your crypto-assets, ensuring full traceability and accurate attribution. How it works:
 - 7.1.1. Your position register records all crypto-assets held in our custody;
 - 7.1.2. any transactions initiated by You are promptly updated;
 - 7.1.3. all movements are documented to provide a clear audit trail.
- 7.2. Regular reconciliation and accuracy:
 - 7.2.1. we conduct routine checks to ensure the register remains accurate;
 - 7.2.2. any discrepancies are promptly investigated and resolved;
 - 7.2.3. our position register ensures transparency, security and compliance with regulations.

8. DISCLOSURE OF INFORMATION

- 8.1. We ensure You receive regular and transparent updates about Your crypto-assets.

8.2. Regular statements:

8.2.1. You will receive a detailed statement at least every quarter or upon Your request;

8.2.2. the statement includes Your asset balance, value and transaction history.

8.3. Timely notifications:

8.3.1. we will promptly inform You about any events affecting Your crypto-assets that may require action;

8.3.2. we aim to ensure that any communication between You and us is clear, transparent and timely to keep You fully informed.

8.4. Access to Your crypto-assets:

8.4.1. Your crypto-assets or means of access are returned immediately upon request;

8.4.2. withdrawals and transfers are processed without delay.

8.5. Third-party custody:

8.5.1. Currently we provide custody services ourselves. However, if we decide to engage a third-party provider for custody services, You will be separately informed. In any case, we will ensure that such third-party service provider is authorized to provide custody services of the crypto-assets on behalf of the customers under applicable laws.

9. OTHER

9.1. In the event any changes in our segregation or custody arrangements occur, we will keep You updated on such immediately. This will be escalated via Your Account with us or e-mail by referencing to specific documents of ours where changes are indicated.

9.2. In case any questions arise, You can always contact us via email info@columis.com, compliance@columis.com, or on our web <https://columis.com/>.