

Bitpanda Custody MENA FZCO

Conflicts of Interest Disclosure

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Information on the resolution of conflicts of interest situations

The following section describes the general dealing of Bitpanda Custody MENA FZCO (**Bitpanda**) regarding conflict of interests. Bitpanda strives to avoid any potential conflicts of interest between the customers and Bitpanda or any partner companies, as well as among the companies within the group or between customers themselves.

A conflict of interest is defined as a situation in which the personal, financial, or other interests of Bitpanda, its employees, or its associated parties may potentially interfere with the ability to act impartially and in the best interests of clients and stakeholders.

A conflict of interest exists when the interests of Bitpanda and its obligation to protect the best interests of the customer conflict with one another. Bitpanda must also gain an advantage while, at the same time, the customer suffers or may suffer a disadvantage.

Potential conflict of interest situations

Conflicts of interest can take place

- between customers and Bitpanda;
- between shareholders, managing directors and Bitpanda
- between Bitpanda and its employees
- between customers and other companies of the group of companies;
- between customers themselves

Information on the acceptance of benefits

Advantages include, for example, commissions from third parties in connection with virtual asset services for customers. This category also includes non-monetary benefits from other service providers in connection with the offered transactions, such as financial analyses or other information material, training, technical services and the opportunity to access third-party information systems.

Information on the management of conflict of interest situations

Members of the Management, employees and all business partners of Bitpanda act in a lawful, diligent and honest manner in the interest of the customer pursuant to the relevant legal provisions. The aim of these regulations is to identify conflicts of interest at an early stage, to avoid them as much as possible and where not possible - disclose them.

Bitpanda has implemented measures, internal policies and procedures appropriate to its size and organisation and the nature, scope and complexity of its business to prevent, disclose and manage conflicts of interest.

These guidelines and measures are reviewed by the Compliance department on an ad hoc basis, as well as at least annually, and are adjusted as necessary to ensure the best possible sustainable and effective management and avoidance of conflicts of interest.

The measures mentioned above include, in particular:

- Internal guidelines as a basis for raising and managing circumstances that significantly harm or could harm the interests of one or more customers. The definition procedures and standards of conduct that ensure the protection of client interests and prevent or manage conflicts.
- Implementing an effective internal control system to ensure that activities on behalf of customers or services provided to the customer are conducted in their best interest.
- Adoption and regular update of a Conflict of Interest Policy with detailed descriptions and mitigation measures to actual and potential conflict of interest situations.
- Installation of independent Compliance and Risk Management functions with employees properly skilled and trained to effectively manage conflict of interest situations.
- The monitoring of the measures taken by the Compliance Officer and the Risk Manager to avoid conflicts of interest.
- Within the group of companies, different, independent confidentiality areas have been created to ensure that the disclosure of information does not exceed what is necessary for conducting regular business proceedings (need-to-know principle).
- Remuneration policy with clear rules for employee remuneration.
- A separate policy for employee's personal transactions was adopted
- Comprehensive compliance training program for employees to create awareness and to foster a culture of integrity.
- Bitpanda does not provide any advisory services or make any investment decisions for clients. Education material and controls are in place to support employees that have customer contact (like support) to stay within these guidelines.

Disclosure of conflict of interest situations

In individual cases, conflicts of interest may be unavoidable. In this case, Bitpanda will inform the customers regarding the conflict of interest and disclose it accordingly. It is then up to the customers to decide whether they wish to conclude the transaction despite the conflict. The disclosure of conflicts of interest is to be regarded as an ultima ratio and not as an alternative to conflict of interest management measures.

The following potential conflicts of interest are disclosed by Bitpanda.

Potential conflict of interest in connection with trading suspension

This potential conflict of interest arises between the customer and Bitpanda as Bitpanda has the authority to suspend trading of certain virtual assets. Given its financial interest in these assets, there is a risk that trading suspensions may be influenced by Bitpanda's own exposure, rather than solely by market conditions or the best interests of customers. This could allow Bitpanda to minimize risks while customers are unable to trade, potentially leading to less favourable outcomes for them once trading resumes. A further conflict may arise if Bitpanda suspends trading for a longer period of time in order to avoid a financial loss, which could result in a financial loss for the customer.

Potential conflict of interest situation in connection with own products

This potential conflict of interest situation may arise between the customer and Bitpanda in relation to Bitpanda issuing, promoting, or trading in virtual assets for which it also provides services, such as custody, exchange, execution of orders, placing service. This creates a situation where Bitpanda may have a financial interest that conflicts with its duty to act in the best interests of the customer.In such cases, there is a risk that Bitpanda may prioritize its own products or those of affiliated entities over others, potentially leading to biased promotion of its own products.

Potential conflict of interest situation in connection with remuneration

This potential conflict of interest situation arises between the customer and Bitpanda in relation to the remuneration of employees. Specifically, employees of certain departments may receive remuneration, such as bonuses or commissions, that are linked to the promotion, sale, or recommendation of certain virtual assets, including those issued or affiliated with Bitpanda. This may create a conflict where Bitpanda or its employees are financially incentivized to promote specific products, even when they may not align fully with the customer's best interests.

Potential conflict of interest situation in relation to financial incentives of token projects

This potential conflict of interest arises between the customer and Bitpanda in relation to all forms of financial incentives that Bitpanda may receive from third parties. Specifically, Bitpanda may receive payments, cost sharings, rebates, or other financial benefits from third-party service providers, partners, or affiliates in exchange for listing specific virtual assets or related services. This may create a conflict where Bitpanda is incentivized to promote products or services based on financial gain, rather than the best interests of the customer.

Potential conflict of interest situation in relation to trading incentives

This potential conflict of interest arises between the customer and Bitpanda in relation to trading incentives provided to Bitpanda. Specifically, Bitpanda earns most money based on the volume or frequency of trades of customers. Therefore Bitpanda might be incentivised to list assets that are very volatile or otherwise trending and prioritizes its own financial gain over a strict asset selection. However it needs to be highlighted that Bitpanda only enables the trading - but does in no case give advice or takes investment decisions. The final decision to trade therefore always lies with the customer, what significantly reduces this conflict.

Potential conflict of interest situation in connection with Bitpanda operating as a member of a group

This potential conflict of interest arises between the customer and Bitpanda due to Bitpanda operating as a member of a corporate group. Conflict of interests are primarily driven by the complex interrelationships and overlapping business activities within the group, which may lead to biased decision-making, preferential treatment of group entities, and a potential lack of transparency in service provision, e.g. with which entity the contract is signed. Although Bitpanda tries to ensure clarity, such a situation can't completely be ruled out. Such conflicts may lead to recommendations or decisions that prioritize the interests of related entities within the group over the best interests of the customer. This could result in less favorable outcomes for the customer, such as suboptimal pricing, higher costs, or limited access to alternative products and services.

Potential conflict of interest situations in connection with Bitpanda acting as the counterparty to client trades

This potential conflict of interest arises from the fact that clients are trading directly against Bitpanda, which acts as the counterparty in these transactions. In such situations, Bitpanda is not only facilitating the trades but also taking an opposing position to its

clients for a certain time by holding or acquiring virtual assets for its own account until it is hedged. Although this is within the nature of the "exchange service" it might create a conflict where Bitpanda may have financial incentives that could influence its behavior in a manner that is not aligned with the best interests of the client.

Potential conflicts of interest related to Bitpanda's exercisable rights

This potential conflict of interest exists between the customer and Bitpanda. The conflict is that Bitpanda can choose to some extent to exercise the exercisable rights regarding the Crypto-Assets (e.g. forks, airdrops, changes etc). Although Bitpanda tries to ensure to cover all such cases in the best interest of customers it can't be ruled out that a situation occurs, where one or - based on an ex-post view - even all customers are worse off due to the decision made within this process.