

AMENDED AND RESTATED TREASURY RESERVE POLICY

MicroStrategy 2020

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Overview and Scope

This Amended and Restated Treasury Reserve Policy (this “**Policy**”) sets out certain roles, responsibilities, and practices for managing all Treasury Reserve Assets. For purposes of this Policy, “**Treasury Reserve Assets**” means, at any given time:

- That portion of the Cash Assets (as defined below) held by MicroStrategy Incorporated (“**MicroStrategy**”) and its subsidiaries (MicroStrategy, together with its subsidiaries, the “**Company**”) that exceeds the Working Capital Threshold (as defined below), if any, plus
- any bitcoin (“**BTC**”) held by the Company.

“**Cash Assets**” means cash (whether denominated in U.S. dollars or other sovereign currencies (“**Cash**”) and includes any borrowed Cash), Cash equivalents, and short-term investments.

MicroStrategy’s Board of Directors (the “**Board**”) has authorized [Redacted] and [Redacted] to, among other things, manage the Company’s Treasury Reserve Assets, with the objective of holding a majority of the Treasury Reserve Assets in BTC, which has been designated to be the Company’s primary Treasury Reserve Asset, subject to market conditions and anticipated needs of the business for Cash Assets. Any and all BTC transactions must be conducted pursuant to this Policy.

This Policy helps address legal requirements and business risks that may apply to the Company’s management of Treasury Reserve Assets (“**Reserve Management**”), with a focus on BTC as the Company’s primary Treasury Reserve Asset. This Policy is applicable to all MicroStrategy executive officers, members of the Board, and Authorized Employees (as defined below). Capitalized terms are defined where they first appear in this Policy.

Personnel and Responsibilities

Designated Officers

[Redacted] (the “**Designated Officers**”) are responsible for evaluating and approving decisions pertaining to the Company’s Reserve Management, including, but not limited to, the amount, timing, and pricing of acquisitions and dispositions of BTC and the management of BTC as the Company’s primary Treasury Reserve Asset. The Designated Officers will have oversight responsibility over the preparation, implementation, updating, and enforcement of this Policy and of all Reserve Management activities. The Designated Officers are also responsible for (i) providing updates to the Board and MicroStrategy’s management team regarding this Policy’s implementation, (ii) serving as the Company’s point of contact if any external parties have questions, comments, or concerns regarding the Company’s Reserve Management, (iii) monitoring any legal and regulatory developments that may affect the Company’s Reserve Management or related activities, and (iv) delegating Reserve Management duties to authorized Company employees (“**Authorized Employees**”) as appropriate and overseeing the performance of such duties by Authorized Employees. The Designated Officers will retain and may continue to exercise their authority notwithstanding any delegation of authority to an Authorized Employee and may perform any of the duties assigned to Authorized Employees under this Policy. Unless otherwise specified, the Designated Officers will jointly make all decisions and determinations under this Policy.

Chief Accounting Officer

MicroStrategy’s Chief Accounting Officer (“**CAO**”) will consult with the Designated Officers regarding the preparation and implementation of this Policy.

Authorized Employees

Authorized Employees are responsible for (i) reviewing and understanding this Policy, (ii) carrying out the Reserve Management duties delegated to them by Designated Officers under this Policy, (iii) reviewing and understanding the Bitcoin Trading Policy set forth in [Exhibit A](#), (iv) helping detect and prevent any fraudulent or illegal conduct with respect to Reserve Management, (v) attending any required training to implement this Policy, and (vi) helping to maintain the Company’s ongoing compliance with this Policy.

[Exhibit B](#) is a list of Authorized Employees, which the Designated Officers may amend or supplement at any time and from time to time. When amending or supplementing the list of Authorized Employees, the Designated Officers will promptly notify applicable personnel of their addition to, or removal from, the list of Authorized Employees.

Thresholds for Working Capital and Cash Reserve

Because the Company's ability to meet its day-to-day working capital requirements is of paramount importance, the Company will seek to maintain adequate Cash Assets to meet those requirements.

The Company has deemed it appropriate to maintain Cash Assets of at least US\$[Redacted] (nominal) to meet the day-to-day working capital requirements of the business (the "**Working Capital Threshold**"). Accordingly, only Cash Assets held by the Company above and beyond the Working Capital Threshold are eligible to be treated as Treasury Reserve Assets.

In managing the Treasury Reserve Assets, the Company aims to balance several important objectives: seeking a return on its BTC holdings while maintaining adequate liquidity and a reasonable degree of diversification between BTC and Cash Assets. To that end, the Designated Officers will use reasonable efforts to maintain at least US\$[Redacted] (nominal) in Cash Assets (the "**Cash Reserve Threshold**"). If the amount of Cash Assets in the Reserve falls below the Cash Reserve Threshold, the Designated Officers will use commercially reasonable efforts to promptly meet the Cash Reserve Threshold, including by potentially disposing of a requisite amount of BTC (in accordance with this Policy's BTC disposal procedures) to meet or exceed the Cash Reserve Threshold.

The Working Capital Threshold and Cash Reserve Threshold are precautionary thresholds for calculating Treasury Reserve Assets available for investment in BTC, and as such, they do not affect other Company policies or procedures unless specifically stated. To the extent not invested in BTC, Cash Assets will be maintained pursuant to the Company's separate Permitted Investments Policy.

Board approval is required to adjust the Working Capital Threshold. The Designated Officers may adjust the Cash Reserve Threshold at any time and from time to time by amending this Policy; provided that Board approval is required to lower the Cash Reserve Threshold below US\$[Redacted].

Transaction Approval

Unless otherwise indicated, **“transaction”** means any acquisition, disposal or other transaction, including any pledge or encumbrance, of BTC as part of the Company’s Reserve Management. The Designated Officers will evaluate and pre-approve all proposed transactions or series of transactions according to the steps described below.

Pre-transaction Legal, Tax, and Accounting Considerations

Prior to approval of any transaction or series of transactions, the Designated Officers will:

- Obtain the material information and recommendations reasonably necessary for their decision;
- Determine a reasonable price and amount for the proposed transaction or series of transactions, using market quotations or other appropriate valuation methodologies and considering anticipated needs of the business for Cash Assets;
- Evaluate any material tax and accounting aspects of the transaction or series of transactions, including the tax and accounting aspects of any BTC disposal transaction, in consultation with the CAO and tax and accounting advisers as appropriate;
- Consider any material legal and regulatory aspects of the transaction or series of transactions, including any public disclosure requirements, in consultation with MicroStrategy’s General Counsel;
- Confirm that the transaction or series of transactions will not violate the Working Capital Threshold or Cash Reserve Threshold;
- Consult with the Investments Committee of the Board each time a BTC acquisition transaction will cause the Company’s rolling total of BTC acquisition transactions, from the approval of this Policy, to exceed US\$[Redacted] (nominal) or a successive increment of US\$[Redacted] (nominal); and
- Determine whether discretionary limits or restrictions on the manner and form of executing transactions may be warranted in light of legal, regulatory, tax, accounting, or reputational considerations.

Required Elements of Transaction Approval

Using the form of transaction approval decision set forth in Exhibit C (the **“Transaction Approval Form”**) in a written communication (which may be in the form of email), the Designated Officers will specify and approve for each transaction or series of transactions:

- The amount, the timing, and the pricing of any transaction or series of transactions. In the Transaction Approval Form, the Designated Officers may allow for appropriate discretion in transaction execution and may impose conditions on their transaction approval; and
- The Permitted Service Provider or, if applicable, the Permitted OTC Counterparty of any transaction or series of transactions. In the Transaction Approval Form, the Designated Officers may allow for appropriate discretion in the selection of the Permitted Service Provider (or Permitted OTC Counterparty, if applicable).

Withdrawal of Transaction Approval

Any Designated Officer may withdraw the approval of any approved transactions that have not been executed, or any approved series of transactions that have not been fully executed, in a written communication (which may be in the form of email) that (i) is authorized by such Designated Officer, (ii) expressly withdraws the transaction or series of transactions with reference to the applicable Transaction Approval Form, and (iii) states briefly the reason for the withdrawal. Such Designated Officer will immediately notify any Authorized Employees with responsibility for executing the withdrawn transaction or series of transactions of the withdrawal.

Transaction Execution

General Requirements

Designated Officers, or their Authorized Employee delegates, may execute a transaction on behalf of the Company if:

- The Designated Officers have completed the Transaction Approval Form;
- The transaction will be executed using a Permitted Service Provider or with a Permitted OTC Counterparty;
- The transaction is executed for the Company's own account and for its own Reserve Management purposes, and not as part of a customer business or otherwise on behalf of any third party; and
- In an acquisition or transfer transaction, the BTC will be custodied with a Permitted Custodian;

provided that [Redacted] and [Redacted] may only execute transactions with respect to the Company's custodial accounts.

Designated Officers may establish and implement additional procedures and protocols for executing a transaction or administering custody of BTC on behalf of the Company in accordance with this Policy, which will be set forth in [Exhibit D](#) to the extent applicable.

Executing Acquisition Transactions

The following requirements apply to execution of BTC acquisition transactions:

- *Timing and Delivery*—The Company will complete each BTC acquisition by taking delivery of the counterparty's BTC in accordance with the contractual agreement and submitting payment to such counterparty. Delivery of BTC will be taken via the Company's account at a Permitted Custodian. All BTC acquisitions will be completed as promptly as commercially reasonable and in accordance with applicable Transaction Approval Forms. The Company will take delivery of acquired BTC as soon as reasonably practicable.
- *Payment Methods*—The Company will submit payment for BTC acquisitions via wire transfer in accordance with the Company's applicable policies and procedures governing wire transfers. Additional payment methods may be approved by the [Redacted] on a case-by-case basis.

Executing Disposal Transactions

Transactions for the disposal of BTC will, to the extent applicable, be subject to the same procedures and requirements as acquisition transactions. Payment for disposals may be received by the Company in legal tender or other forms of payment approved by the Designated Officers.

With respect to each BTC disposal transaction, Authorized Employees should, where practicable, confirm and obtain from the applicable Permitted Service Provider or Permitted OTC Counterparty the documentation needed to secure foreign-derived intangible income (“**FDII**”) treatment for the transaction.

Permitted Service Providers and Permitted OTC Counterparties

The following procedures apply to the Company’s engagement, use, and monitoring of Permitted Service Providers and Permitted OTC Counterparties:

Permitted Service Providers and Permitted OTC Counterparties

The Company’s permitted brokers (each, a “**Permitted Broker**”), permitted custodians (each, a “**Permitted Custodian**” and together with Permitted Brokers, “**Permitted Service Providers**”), and permitted OTC counterparties (each, a “**Permitted OTC Counterparty**”) are listed in [Exhibit B](#). The Designated Officers may amend or supplement the lists of Permitted Brokers, Permitted Custodians, and Permitted OTC Counterparties in [Exhibit B](#) at any time and from time to time.

The Designated Officers or their Authorized Employee delegates will consult with the CAO, the Company’s Finance and/or Legal department(s), and applicable outside legal counsel and tax and accounting advisors when evaluating possible brokers, custodians, and OTC counterparties and will consider evaluation criteria set forth in [Exhibit E](#) as applicable.

Contractual Agreements with Permitted Service Providers and Permitted OTC Counterparties

The Company will only enter into contractual agreements with Permitted Service Providers, or, if applicable, Permitted OTC Counterparties, that are pre-approved by the Designated Officers. An entity must have a contractual agreement in effect with the Company to be added to, or remain on, the list of Permitted Service Providers and Permitted OTC Counterparties in [Exhibit B](#). Only the Designated Officers, the [Redacted], and Authorized Employees (other than [Redacted]) are authorized to sign contractual agreements on behalf of the Company with Permitted Service Providers and Permitted OTC Counterparties. The Designated Officers will specify in writing to Permitted Service Providers and Permitted OTC Counterparties the Authorized Employees who are permitted to approve or reject transactions.

Ongoing Monitoring of Permitted Service Providers and Permitted OTC Counterparties

The Designated Officers or their Authorized Employee delegates will monitor and evaluate Permitted Service Providers and, if applicable, Permitted OTC Counterparties on a periodic basis, considering the evaluation criteria set forth in Exhibit E as applicable. If a Permitted Service Provider or Permitted OTC Counterparty is performing in a manner that the Designated Officers, in their reasonable judgment, consider deficient, the Company will notify it of the deficiency and, depending on applicable contractual terms, provide a notice of termination and/or opportunity to cure. The Company will minimize or discontinue use of such Permitted Service Provider or Permitted OTC Counterparty for the duration of any cure period.

Specific Procedures Regarding Permitted Custodians

The Company will engage Permitted Custodians to hold BTC on its behalf. The Company's BTC will always be held with Permitted Custodians and the Company will not hold BTC itself.

Designated Officers and Authorized Employees will follow the procedures and processes of Permitted Custodian(s), including when, for example, an acquired amount of BTC is delivered into the Company's account at a Permitted Custodian, or an amount of BTC is disposed of from the Company's account at a Permitted Custodian.

At any time and from time to time, the Designated Officers may consider and approve transfers between Company accounts at Permitted Custodians for the purpose of reducing any Permitted Custodian concentration risk associated with the storage of the Company's BTC.

Designated Officers may allow a Permitted Custodian to hold reserved funds of the Company for the limited purpose of enabling BTC purchases by the Company; provided that the Permitted Custodian holds such funds in an account at an FDIC-insured depository institution for the benefit of the Company.

If any service is offered by a Permitted Custodian that is not acquiring, disposing of, or managing BTC, such service will require the prior written approval of the Designated Officers and will be otherwise subject to the procedures and requirements applicable to other transactions under this Policy.

Prohibited Activity

Neither the Company, nor any Designated Officer or Authorized Employee acting on behalf of the Company, will engage in any of the following transactions or other activities (each, a **“Prohibited Activity”**): (i) transmitting BTC on behalf of others, (ii) storing, holding, or maintaining custody or control of BTC on behalf of others, (iii) buying and selling BTC as a customer business, (iv) performing BTC exchange services as a customer business, (v) controlling, administering, lending, mining, or issuing BTC, (vi) front running or other activities that are intended to deceive or mislead other market participants, (vii) manipulating the price, value, or trading volume of BTC or any instruments that provide economic exposure to BTC, or (viii) aiding, abetting, enabling, financing, supporting, or endorsing any of the foregoing. Authorized Employees have an obligation to immediately report the occurrence or suspected occurrence of any Prohibited Activity to the Designated Officers.

The following arrangements are prohibited with Permitted Service Providers who provide broker services (i.e., Permitted Brokers and Permitted Custodians who act as both custodians and brokers):

- Directing transactions to a Permitted Service Provider to satisfy unrelated business obligations, including those associated with administration, operations, errors, or new business solicitation of the Company or its affiliates (i.e., promotion or sale of MicroStrategy stock or in reciprocation for any gifts or entertainment provided by the Permitted Service Provider);
- Entering into arrangements for goods or services to be received in exchange for order flow; or

Offering or promising a Permitted Service Provider payments or gifts, requesting or receiving from a Permitted Service Provider any payments, gifts, or discounted services, or requesting or arranging for the direction to a Permitted Service Provider of a specific amount or percentage of personal or third-party payments, as a condition to a particular transaction.

Conflicts of Interest Generally

MicroStrategy's Ninth Amended and Restated Code of Conduct ("**Code of Conduct**") requires that any transaction, relationship, or other circumstance that constitutes a conflict of interest be disclosed by the person having such a conflict to the General Counsel, or in the case of the General Counsel or an executive officer or director of MicroStrategy, to the Audit Committee of the Board. Any such transaction, relationship, or circumstance fully disclosed to, and expressly approved by, the General Counsel or the Audit Committee, as applicable, is deemed not to violate the Code of Conduct. Ownership of BTC or plans to trade BTC may create conflicts of interest under the Code of Conduct. Some examples of such conflicts of interest (which may also constitute Prohibited Activities) are:

- Requesting or receiving a preferential rate for personal transactions from a Permitted Service Provider;
- Favoring a Permitted OTC Counterparty that has given preferential terms in a personal transaction; or
- Utilizing confidential information regarding Company transactions in BTC for personal gain.

These are only a few examples and not intended to be a comprehensive list of potential conflicts of interest. It is the responsibility of the individual who may have a conflict of interest to comply with the requirements of the Code of Conduct.

Security Procedures

[Redacted]

Accounting and Recordkeeping

The Company will account for BTC on its books and records in accordance with the Company's accounting policies and procedures. The CAO will advise the Designated Officers of any material changes, developments, or updates to tax and accounting procedures and practices with respect to BTC, including those of the Company, the Financial Accounting Standards Board, the Public Company Accounting Oversight Board, the Internal Revenue Service, or other relevant organizations.

The Company will retain records of any BTC that it holds or disposes of, including the date a particular BTC transaction was made, the transaction details and price, and any other records or information required by the CAO or the Company's Finance department. The Company will also retain records of its transactions, including all acquisitions, transfers, dispositions, or events associated with BTC, for at least six years from the date of any such transaction or event or such other period as may be required by applicable law, including the date and time of the transaction or event and the amount of BTC that was the subject of the transaction or event.

Training and Enforcement

The Designated Officers will be responsible for determining the appropriate method and level of training for Authorized Employees who have a role or responsibility relating to the Company's Reserve Management.

For violations of this Policy, the Designated Officers will consult the Company's Human Resources and Legal departments and take action in accordance with the Company's Employee Handbook or other applicable internal Company policy.

Interpretations and Determinations

The Designated Officers have the authority and discretion to interpret this Policy (including any defined terms) and apply this Policy to Reserve Management and all other matters addressed in this Policy. If necessary, final determination of questions arising under this Policy will be made by the [Redacted].

Amendments

The Board has the authority and discretion to amend this Policy, unless such authority is explicitly delegated to the Designated Officers herein. The Designated Officers will notify MicroStrategy executive officers, members of the Board, and Authorized Employees of material changes to this Policy via email.

Approved by the Board of Directors
of MicroStrategy on [Redacted], 2020.

Exhibit A – Bitcoin Trading Policy

See separate document

Exhibit B – Authorized Employees, Permitted Brokers, Permitted Custodians, and Permitted OTC Counterparties

The Company's Authorized Employees, Permitted Brokers, Permitted Custodians, and Permitted OTC Counterparties are as follows:

Authorized Employees:

[Redacted]

Permitted Brokers:

[Redacted]

Permitted Custodians:

[Redacted]

Permitted OTC Counterparties:

[Redacted]

Exhibit C – Form of Transaction Approval Decision

Date:

Approval By:

Transaction Information:

- Permitted Service Provider or, if applicable, Permitted OTC Counterparty:
- Transaction Amount:
- Transaction Timing:
- Transaction Pricing:
- Single Transaction or Series of Transactions:
- Other Conditions or Restrictions:

Rationale for Approving Transaction:

- [Brief narrative to be completed]

Exhibit D – Additional Procedures and Protocols for Transaction Execution

The Company will establish standard security protocols with respect to account access and transacting on any BTC exchange or custody platform. The standard security protocols are as follows:

[Redacted]

In the event a Permitted Service Provider or Permitted OTC Counterparty is not able to adhere to these security protocols, the transaction execution process will default to the transaction execution requirements of this Policy and of the applicable Permitted Service Provider or Permitted OTC Counterparty.

Authorized Signatories for Exchange Accounts

[Redacted]

Authorized Signatories for Custody Accounts

[Redacted]

Approved by the Designated Officers on
[Redacted], 2020

Exhibit E – Criteria for Evaluating Brokers, Custodians, and OTC Counterparties

Criteria for Evaluating Brokers

The following selection criteria are provided for illustrative purposes and may be utilized when selecting brokers and/or dealers (hereinafter “**brokers**”). Such criteria include:

- A broker’s financial condition;
- The broker’s responsiveness and speed of execution;
- The broker’s willingness and ability to enter into and take financial risks in large and difficult transactions;
- The facilities that the broker makes available (including trading networks, access to other brokers and markets, and resources for positioning as principals);
- The potential methods of execution (i.e., on an agency or principal basis) that a broker can make available, including the effect on price, transaction confidentiality, and counterparty risk;
- The broker’s information and cybersecurity practices;
- The transparency and reasonableness of the broker’s rates, fees, and other compensation;
- The broker’s capability of providing appropriate documentation and control functions to satisfy any requirements the Company’s Finance department may request with respect to FDI reporting or other service features with tax reporting utility (e.g., cost basis tracking);
- The broker’s compliance with applicable laws, including federal money services business laws, state money transmitter laws, and other laws applicable to the broker’s business;
- Any governmental or regulatory investigations involving the broker; and
- The broker’s general reputation, including any history of complaints or lawsuits against the broker and whether the broker has been the subject of negative press.

Criteria for Evaluating Custodians

The following selection criteria are provided for illustrative purposes and may be utilized when selecting custodians, in addition to the broker selection criteria (listed above) where relevant. Some custodians serve as both a custodian and a broker, and the fundamental counterparty risks remain common to both brokers and custodians. Additional custodian-specific criteria include:

- The custodian’s history and experience in BTC custody;
- Whether the custodian is subject to supervision and examination by a prudential regulator (e.g., a bank regulator);
- The custodian’s contractual commitments to high standards of care and performance;
- The custodian’s cybersecurity procedures and audit and resiliency planning, including whether the custodian conducts regular SOC audits and security and penetration testing;
- Whether, and to what extent, a custodian has insurance coverage to cover potential losses of customer assets;
- The custodian’s status as a “qualified custodian” as defined under the federal securities laws;
- The custodian’s willingness to treat BTC under custody as a “financial asset” under Article 8 of the Uniform Commercial Code;
- Whether the custodian’s contract provides for the Company’s BTC to remain the Company’s property at all times and not subject to the custodian’s bankruptcy or receivership estate;

- The custodian’s compliance with applicable capitalization requirements, laws, and regulations, including federal money services business laws, state money transmitter laws, and other laws applicable to the custodian’s business;
- Any governmental or regulatory investigations involving the custodian; and
- The custodian’s general reputation, including any history of complaints or lawsuits against the custodian and whether the custodian has been the subject of negative press.

Criteria for Evaluating OTC Counterparties

Among the factors that may be utilized during the OTC counterparty due diligence process are:

- The OTC counterparty’s compliance with applicable laws, including federal money services business laws, state money transmitter laws, and other laws applicable to the counterparty’s business;
- The OTC counterparty’s financial stability, including ability to fulfill contractual obligations;
- The OTC counterparty’s information and cybersecurity practices with respect to BTC acquired by the Company; and
- Any restrictions on engaging in transactions with OTC counterparties under applicable laws and regulations, including whether such transactions would be in accordance with the Company’s sanctions compliance policy.

