

## ORDER EXECUTION POLICY

dated 19 January 2024

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### GENERAL PROVISIONS

- A. We undertake to act honestly, fairly, professionally and in accordance with the best interests of our Clients. In order to make this obligation effective, we have adopted the Order Execution Policy (hereinafter referred to as the "Policy"), which determines the detailed principles of executing Orders. They are aimed at achieving the best possible results for our Clients.
- B. This Policy is an integral part of the "Regulations on the Provision of Services Consisting in Execution of Orders to Buy or Sell Property Rights, Keeping Property Rights Accounts and Cash Accounts by XTB S.A." (hereinafter referred to as the "GTC"). The policy is available on the XTB Website and must be read and interpreted in conjunction with the specified document.
- C. This Policy applies to Retail Clients (including experienced ones) and Professional Clients. Detailed information on Client classification is available in the Clients' Classification Policy at XTB S.A. on the XTB Website.
- D. We act in the best interests of the Client. Therefore we take all the necessary steps to obtain the best possible results for the Clients. In this regard, we take into account the factors and criteria provided for in the Policy. In performing the Policy, we do not always guarantee obtaining the best results for the Client.
- E. In certain cases, we are not obliged or we may be unable to take actions aimed at obtaining the best possible results. This specifically pertains to situations when you specify the conditions under which an Order is to be executed. We execute the Order according to the special conditions specified in this manner.
- F. When selecting the order execution system, we take into consideration, in particular, such factors as the Price of the Financial Instrument or Underlying Instrument and the Costs of order execution, reliability of a given entity, the scope of services offered by a given entity, perspectives of further cooperation and the course of cooperation to date (if applicable).
- G. We review this Policy at least once a year and whenever a significant change takes place. A significant change is one that has an impact on our ability to obtain the best possible results when executing Clients' Orders. We evaluate if a significant change took place. Then, we consider a correction in relation to the rank of factors influencing the abilities of obtaining the best execution.
- H. We notify the Client about any changes to the Policy, pursuant to the relevant provisions of the GTC.
- I. The Client acknowledges that – due to the specifics of the services we provide – the pending orders:
  - with a specific validity term, or
  - without a specific validity term (the so-called Good Till Cancelled – GTC, active until executed or cancelled by the Client) on OMI, Synthetic Stocks, Stock CFDs and ETF CFDs, upon completion of a given session, do not retain their priority (order) in the order sheet on the Organised Market and Underlying Exchange. This situation can be of special significance in the case of low-volatility Financial Instruments.
- J. The Client acknowledges that between the two Trading Platforms – xStation and Meta Trader – that we provide for servicing Client Orders, technological differences exist influencing the Order execution method. The scope of this influence is described in the Policy.
- K. Upon the Client's request, XTB shall provide them with information stating their order has been executed in accordance with this Policy.

### I. CFD-TYPE FINANCIAL INSTRUMENTS (CONTRACTS FOR DIFFERENCE)

#### 1. SCOPE OF APPLICATION

- 1.1. This chapter of the Policy applies to all Orders executed outside the regulated market or alternative trading system, concerning contracts for difference – CFDs.

#### 2. GENERAL PROVISIONS

- 2.1. We act as the other party to the Transactions concluded in order to execute your Order. We operate in accordance with the relevant legal regulations and the internal procedure for the prevention of conflicts of interest.
- 2.2. Your Orders are executed over-the-counter (OTC), i.e. outside the regulated market or a multilateral trading platform, to which you hereby agree.
- 2.3. Detailed information on the basic rules of conduct in the event of a conflict of interest, including the reception and transmission of incentives, is available in the Information on General Principles of Managing Conflicts of Interest in XTB S.A. available on the XTB Website ([click here](#)).
- 2.4. Prior to the execution of the Clients' orders, we verify the marketability of the offered order execution price through comparison with an independent price source.

#### 3. PLACE OF ORDER EXECUTION

- 3.1. Due to the fact that we act as the other party to the Transactions concluded with the Client on Financial Instruments, the place of execution of Orders for CFD Financial Instruments is XTB.
- 3.2. If we have to hedge our position, the process takes place in the ex-post mode. This means that we first execute the Client's Order, and only then do we execute our own hedging transaction. Therefore, hedging execution does not affect your Order and is not conditional upon it in any way. For the purpose of position hedging, we use the services of liquidity

providers, the current list of which is available on the XTB Website ([click here](#)).

- 3.3. Considering that the place of execution of your Order is XTB as the other party to the transaction, and the Orders are executed outside the trading systems, you are exposed additionally to counterparty credit risk. Therefore our obligation resulting from the transaction prior to the final settlement of cash flows related to this transaction in exceptional situations may not be performed. At your request, we will provide additional information on the consequences of this manner of executing Orders.
- 3.4. Once a year, we publish Information regarding the best order execution systems, available on the XTB Website ([click here](#)).

#### 4. ORDER EXECUTION CRITERIA

- 4.1. We take all reasonable steps to obtain the best possible results for the Client. In that, we take into account the price of the Financial Instrument or Underlying Instrument, the cost of the Order execution, the speed and probability of concluding the Transaction and its settlement, the volume and the nature of the Order, technological stability, and other factors.

- 4.2. We assign the following relative ranks to the above factors in the Order execution process:

**Highest rank:**

- a. Price of the Financial Instrument or Underlying Instrument – prices should to a maximum degree reflect the market prices of Underlying Instruments;
- b. the speed and probability of concluding a Transaction – the time of execution of the Order should be as short as possible and the percentage of completed Orders should be as high as possible.

**High rank:**

- a. Order volume – it may affect the price due to the available liquidity of a given Financial Instrument or Underlying Instrument;
- b. technological stability – we make reasonable efforts to ensure the highest quality and stability of technology, and we apply measures aimed at the best possible execution of your Orders;
- c. Order execution costs – such as: spreads, swap points/overnight financing and commissions – we set them at the most competitive level.

**Medium rank:**

- a. nature of the Order – it may affect the price due to the available liquidity of a given Financial Instrument or Underlying Instrument. We execute Clients' Orders in the sequence they are received, unless otherwise stated in the Agreement, the conditions you specify for an Order, due to the nature of the Order, or if such a sequence of Order execution is not in your interest.

**Low rank:**

- a. other factors.
- 4.3. With regard to retail clients, the best result is determined in general, taking into account the price and costs associated with the execution of an Order (covering all the expenses you incur, directly related to the execution of such an Order).
- 4.4. We shall immediately notify you about all the circumstances preventing execution of an Order.
- 4.5. We may use the services of our contractors to execute some Orders.

#### 5. QUOTATION OF PRICES

- 5.1. On Trading Days, we systematically quote Financial Instruments Prices on the basis of the prices of the corresponding Underlying Instruments.
- 5.2. A detailed description of Trading Days of Financial Instruments is available in the Tables of Conditions available on the XTB Website.
- 5.3. Transaction prices are quoted in the Trading Account on the basis of current prices made available by Reference Institutions indicated on the XTB Website.
- 5.4. A detailed description of the process of forming Financial Instrument Prices for CFD instruments based on cryptocurrencies is available on the XTB Website ([click here](#)).
- 5.5. We use our best efforts to ensure that the transaction prices do not differ materially from the prices of Underlying Instruments published in real time by reputable information services.

#### 6. ORDER EXECUTION

##### 6.1. General provisions

- 6.1.1. The instant Orders are executed at the price indicated by you (subject to any opposing provisions of the GTC). However, we may, but we do not have to, reject your Order. This may be the case with Orders which would be executed at a moment in time, in which the price of the Underlying Instrument provided by a Reference Institution differs from the price of your Order by at least 0.5 of the Standard Transactional Spread value. The Standard Transactional Spread for a particular Financial Instrument is specified in the Table of Conditions.

- 6.1.2. The stop Orders and the limit Orders may be placed only when a given Financial Instrument is traded. However, with the reservation that we may accept these order types on a selected Trading Platform for selected Financial Instruments specified in the Tables of Conditions outside the Trading Days.
- 6.1.3. The stop Orders and the limit Orders at the opening of the market are always executed at the best price we can offer at a given moment without having to obtain additional confirmation from you. In the case of a stop Order, this price can be less beneficial than the one you indicated in the Order. The instant, market, limit and stop Orders opening a new position can be executed only if the total nominal value of the Open Positions including the position that will be opened, expressed in euros, does not exceed the Maximum Nominal Portfolio Value.
- 6.1.4. We can cancel a pending Order if the Balance in your Trading Account equals 0, of which fact you will be informed beforehand, or if the Free margin in your Trading Account is significantly insufficient for the execution of the pending Order.
- 6.1.5. You can conclude a Reverse Transaction to the currently owned Open Position in the Trading Account if, after its conclusion, the Free margin in your Trading Account is non-negative.

## 6.2. Specific rules for CFDs

### Basic Account

- 6.2.1. During Trading Days, the stop Orders and the limit Orders cannot be placed for a Basic Account if the absolute difference between the price of the Order's activation and the current Financial Instrument Price, and in the case of placing a stop Order and a limit Order outside the Trading Days, the last Financial Instrument Price is lower than the minimum limit for a given Financial Instrument. Outside Trading Days, the stop Orders and limit Orders cannot be placed for a Basic Account if the absolute difference between the price of the Order's activation and the last Financial Instrument Price is lower than the minimum limit for a given Financial Instrument. Limit Values are available on the XTB Website. We can raise the limits should it be justified by the publication of economic data (pursuant to the section "Economic Calendar" available on the XTB Website) or significant changes of prices of a given Financial Instrument.
- 6.2.2. Limits may also be increased at market openings, e.g. on Sunday at 11:00 p.m. Standard limit values are restored to fixed values usually within 10 to 20 minutes, however, in cases of limited liquidity and increased volatility, this period can be longer.
- 6.2.3. An Order to execute a Transaction on a CFD for a Basic Account may be placed in the following manner:
  - a) by placing an instant Order at a current price of a CFD published in the Trading Account;
  - b) by placing a limit Order (buy limit; sell limit; take profit "t/p");
  - c) by placing a stop Order (buy stop; sell stop; stop loss "s/l").
- 6.2.4. Limit Orders on a CFDs for a Basic Account are executed at the price indicated by you or at a better price. Buy stop Orders and sell stop Orders are executed at the first available market price available after the market price reaches or exceeds the price indicated by the Client.
- 6.2.5. The highest baseline limits:
  - a) for buy limit Orders – the current Ask price;
  - b) for sell stop Orders – the current Bid price.The lowest baseline limits:
  - c) for sell limit Orders – the current Bid price;
  - d) for buy stop Orders – the current Ask price.

All of the listed baseline limits should be adjusted according to the limit values for Financial Instruments.

- 6.2.6. Stop loss Orders for CFDs for a Basic Account on the open market are guaranteed to be executed at the price indicated by the Client. At the moment of market opening, the stop loss Orders are executed at the first available market price after the activation condition has been met. This price can be less beneficial than that indicated by you in the Order.

### Standard Account

- 6.2.7. An Order to execute a Transaction on a CFD for a Standard Account may be placed in the following manner:
  - a) by placing an instant Order at a current CFD price published in the Trading Account or a market Order at a current CFD price published in the Trading Account – depending on the offer available for the Client, as described on the XTB Website or in the Condition Tables;
  - b) by placing a limit Order (buy limit, sell limit, take profit "t/p");
  - c) by placing a stop Order (buy stop, sell stop, stop loss "s/l").
- 6.2.8. Market Orders on a CFD for a Standard Account are executed at VWAP (Volume Weighted Average Price). The prices shown in the Trading Account before placing a market Order are only indicative and not binding. The final price of executing a Transaction shall be provided after its execution. A market Order shall be rejected if the Order volume exceeds the liquidity available in XTB at the given moment.
- 6.2.9. Limit Orders on a CFD for a Standard Account are executed at the price indicated by the Client or at a better price. For Standard Accounts in the market execution mode, the method is different. If the Order volume possible to be

executed at the price indicated by the Client or better exceeds the liquidity available at the given moment, the Order shall be executed at the maximum available volume. Its remaining part shall be active until the moment of Order execution or cancelling.

6.2.10. **Stop Orders on a CFD for a Standard Account** are executed at market prices binding at the moment of activating the level of these Orders. **Stop Orders (including stop loss Orders) for Standard Accounts in the instant execution mode** are executed at the first market price available after the market has achieved or exceeded the price level indicated by the Client. This price can be less beneficial than the one indicated by the Client in the Order. **Stop Orders for Standard Accounts in the market execution mode** are performed in accordance with the rules of execution of a market Order after the market has achieved or exceeded the price level indicated by the Client. In the case of **market execution mode**, if the Client's Order volume at the moment of activation exceeds the available liquidity, the Order is rejected. The **stop loss Order** after rejection is restored with the parameters determined by the Client and executed at the first available market price after the activation condition has been met.

6.2.11. **The highest possible limits:**

- a) for buy limit Orders – the current Ask price;
- b) for sell stop Orders – the current Bid price.

The lowest possible limits:

- c) for sell limit Orders – the current Bid price;
- d) for buy stop Orders – the current Ask price.

#### **Professional Account**

6.2.12. An Order to execute a Transaction on a CFD for a Professional Account may be placed in the following manner:

- a) by placing a market Order at the current price of a CFD published in the Trading Account;
- b) by placing a limit Order (buy limit, sell limit, take profit "t/p");
- c) by placing a stop Order (buy stop, sell stop, stop loss "s/l").

6.2.13. Market Orders on a CFD for a Professional Account are executed at VWAP (Volume Weighted Average Price). The prices shown in the Trading Account before placing a market Order are only indicative and not binding. The final price of executing a Transaction shall be provided after its execution. A market Order shall be rejected if its volume exceeds the liquidity available in XTB at the given moment.

6.2.14. Limit Orders on a CFD for a Professional Account are executed at the price indicated by the Client or at a better price. If the Order volume possible to be executed at the price indicated by the Client or better exceeds the liquidity available at the given moment, the Order is executed at the maximum available volume. Its remaining part shall be active until the moment of Order execution or cancelling.

6.2.15. **Stop Orders (including stop loss Orders) on a CFD for a Professional Account** are executed at market prices valid at the moment of activating these orders, in accordance with the rules of executing a market Order. If at the moment of activation, the Order volume exceeds the available liquidity, the Order shall be rejected. **The stop loss Order** after rejection is restored with the parameters determined by the Client and executed at the first available market price after the activation condition has been met.

6.2.16. The highest possible limits:

- a) for buy limit Orders – the current Ask price;
- b) for sell stop Orders – the current Bid price.

The lowest possible limits:

- c) for sell limit Orders – the current Bid price;
- d) for buy stop Orders – the current Ask price.

6.3. Detailed rules for Synthetic Stocks, Stock CFDs and ETF CFDs

6.3.1. Due to the characteristics of Synthetic Stocks, Stock CFDs and ETF CFDs, the rules of placing and executing Orders on these Financial Instruments may differ in some aspects from the standard rules for CFDs indicated above. Prior to placing an Order related to Synthetic Stocks, Stock CFDs or ETF CFDs, you should be aware of how different Order types are executed and how it may influence the Transaction execution price.

6.3.2. The available order types for Synthetic Stocks, Stock CFDs and ETF CFDs are:

- a) Market Order, subject to immediate execution at current market price,
- b) Limit Order (buy limit, sell limit, take profit "t/p") subject to execution at an indicated limit price or at a better price,
- c) Stop Order (buy stop, sell stop, stop loss "s/l") subject to execution according to rules applicable to market orders under the condition that the transaction traded price on an Underlying Exchange has reached the indicated stop price level stated in the Order.

6.3.3. The price of instruments categorised as Stock CFDs and ETF CFDs presented in the Account includes a mark-up included in the Spread. The value of mark-up is indicated in the Table of Fees and Commissions. For Limit Orders and Stop Orders, the indicated limit or stop price also includes a mark-up.

- 6.3.4. XTB executes orders on Synthetic Stocks, Stock CFDs and ETF CFDs in the agency model (STP, DMA) – once receiving an Order from a Client, we place with Saxo Bank A/S an order with the same parameters as the Client's Order, provided however that the price indicated in limit and stop Orders does not include the mark-up referred to in clause 6.3.3. Saxo Bank A/S routes such an Order to an appropriate order execution venue, based on the pursuit of the maximum order execution likelihood and obtaining the best price available. Execution venues are regulated markets, multilateral trading facilities (MTFs), organised trading facilities (OTFs), systematic internalisers (SIs), etc.
- 6.3.5. Market Orders on Synthetic Stocks, Stock CFDs and ETF CFDs are executed immediately at the best possible market price. The price of Order execution may differ from the price stated on the Trading Account before the Order was placed. The price presented on the Trading Account is for information purposes only and is not binding. The final price of executing a Transaction shall be provided after its execution.
- If an Underlying Instrument is suspended at the Underlying Exchange, pursuant to the rules binding at a given Underlying Exchange, the market Order placed during the suspensions shall remain active until trading is resumed.
- 6.3.6. Market Orders on Synthetic Stocks, Stock CFDs and ETF CFDs having potentially significant market impact may be rejected or executed in such a way aimed at minimising price impact on the market price, e.g. by dividing such an Order into parts and routing them to an execution venue subsequently once each part is executed.
- 6.3.7. Limit price Orders on Synthetic Stocks, Stock CFDs or ETF CFDs are executed at the indicated price limit or at a better price in a maximum volume possible to be executed. Its remaining part shall be active until the moment of Order execution or cancellation. The price indicated in the Order includes a mark-up specified in the Table of Fees and Commissions. Before passing such Order to an order execution venue in accordance with clause 6.3.4. we adjust the indicated limit price by subtracting the value of the mark-up.
- 6.3.8. Stop Orders for Synthetic Shares, Stocks CFDs or ETF CFDs are executed in accordance with the rules applicable for market Orders under the condition that the last trade price on an Underlying Exchange has reached the level equal to the stop price stated in the Order, adjusted by deducting of a mark-up (purchase orders) or addition of a mark-up (sell orders). Order activation takes place when the transaction price at the Underlying Exchange reaches the value equal to the stop price reduced by the mark-up (purchase orders) or increased by the mark-up (sell orders). The execution price of the Order may differ from the activation price (stop price).
- 6.3.9. The highest possible price limit that can be specified in an Order is:
- for purchase limit Orders – the current Ask price;
  - for sell stop Orders – the current Bid price.
- The lowest possible price limit that can be specified in an Order is:
- for sell limit Orders – the current Bid price;
  - for purchase limit Orders – the current Ask price.
- 6.3.10. For contracts for which the Underlying Instrument is listed on the US market, stop orders placed before the regular trading hours set out in the Condition Tables are subject to additional requirements beyond those set out in clause 6.3.9. The broker to whom we transmit orders verifies correctness of the stop price against the price of the last transaction from the pre-trading phase on the Underlying Exchange. If the stop price indicated in the purchase order is lower than or equal to the price of the last transaction, and for a sell order it is higher than or equal to this price, the Order shall be rejected due to non-compliance with the trading rules
- 6.3.11. Limit Orders and stop Orders on Synthetic Stocks, Stock CFDs or ETF CFDs created without setting a specified expiration time shall remain active until such and Order is fully executed or cancelled by the Client.

## 7. TIME OF ORDER EXECUTION

- 7.1. We execute Clients' Orders in the order they are received, unless stated otherwise in the Agreement, the conditions of the Order specified by the Client, nature of the Order or if such a sequence of Order execution is not in your interest. During market opening, the standard rules regarding the time of executing Orders indicated below do not apply.
- 7.2. Subject to the detailed provisions of the GTC, an Open Position on a CFD shall be closed without the Client's consent 365 days after the date of opening the position, at the first Financial Instrument Price provided by us after that period, unless:
- you close the position yourself;
  - we execute the right to earlier closure of your Transaction in the situations described in the GTC.

### Standard time of Order execution

- 7.3. We calculate the historical standard time of execution of the Clients' Orders for the previous quarter and make it public on the XTB Website for information purposes ([click here](#)).
- 7.4. We are not obliged to execute the Client's Order in a standard time. We are not liable to you either if we do not execute your Order in the standard time determined on the XTB Website.
- 7.5. The standard time of Order execution provided by us is not a guaranteed time, but only a historic time, which we provide

to you only for information purposes.

7.6. There can be delays in executing an Order. An Order may not be executed in the standard time in any of the following situations:

- a) failure of IT systems and teleinformatic networks;
- b) suspension or closure of quotations of the Underlying Instruments or other similar situations;
- c) price gaps;
- d) erroneous quotation provided by the providers of prices or liquidity;
- e) delays in data transmission;
- f) significant volatility of the prices of the Underlying Instrument;
- g) low liquidity on the Underlying Instrument's market;
- h) exceptional market events on the Underlying Instrument's market;
- i) Force Majeure circumstances;
- j) imposing specific conditions of Transaction execution by a particular underlying market;
- k) market opening;
- l) publication of macroeconomic data;
- m) significant market events;
- n) detailed instructions from the Client;
- o) Order execution conditions specific for the given Financial Instrument;
- p) awaiting confirmation or execution of the Transaction by the liquidity provider (regarding orders on Equity CFD and OMI instruments);
- q) execution of a pending Order;
- r) other circumstances specified in the Agreement.

7.7. At the request of the Client, we shall provide information on the time of execution of a given Order and potential reasons for the delay, in the same manner in which we consider complaints (pursuant to the GTC).

#### 8. SPREAD CHANGES

We apply the principle of quoting prices of Financial Instruments using a fixed or variable (floating) Spread. For detailed rules of quoting prices, please refer to the GTC.

#### 9. ORDER VOLUME

We shall reject or cancel your Order if its amount exceeds the maximum value provided in the Condition Tables.

#### 10. DIFFERENCES BETWEEN TRADING PLATFORMS

10.1. Calculation of swap points/overnight financing corresponding to the value and type of an Open Position at the end of the day depends on the Trading Platform servicing the Client's Orders, and is performed according to the following rules:

- a) on xStation Trading Platform: crediting or charging the Trading Account with swap points/overnight financing takes place at midnight every day of the week, according to the daily rate;
- b) on Meta Trader Trading Platform: crediting or charging the Trading Account with swap points/overnight financing takes place:
  - i. at midnight according to the daily rate – Monday to Thursday;
  - ii. at midnight according to the triple daily rate – on Friday;
  - iii. not applicable – on Saturday and Sunday.

Regardless of the Trading Platform used to service the Orders, the above swap point/overnight financing calculation rules do not apply to the Open Position at the end of the day for the selected Financial Instruments, the detailed swap point/overnight financing calculation rules for which are specified in the Condition Tables.

10.2. Any change of the leverage value following the GTC and the Condition Tables, regardless of the cause:

- a) has no effect on the currently blocked Margin value for the Open Position – on the xStation Trading Platform;
- b) adjusts the currently blocked Margin value for the Open Position, which takes place taking into account the new value of the leverage – on the Meta Trader Trading Platform.

10.3. The type of Trading Platform servicing the Client's Orders affects what happens after conclusions of a Reversed Transaction to the currently owned Open Position in the Client's Account:

- a) on the xStation Trading Platform: the Margin calculated for only one of the two Reversed Transactions – for which the amount of the Margin is higher, according to the Condition Tables – is blocked. This mechanism also applies if the Transactions are opened using a different leverage value;
- b) on the Meta Trader Trading Platform: the currently blocked value of the Margin for the Open Position is adjusted to the level of 50% and the remaining 50% of the required Margin is blocked for the newly opened Reversed Transaction.

10.4. On the Meta Trader Trading Platform, the names of individual elements of the account status bar can be different than the definitions provided in the GTC.

#### 11. MONITORING THE ORDER EXECUTION POLICY

We monitor the implementation of this Policy by: verifying the quality of quotations (including the marketability of the quoted

prices), verification of the performed transaction price deviations from the prices on the Trading Platform, monitoring complaints on Orders filed by the Clients, and undertaking an independent assessment of the manner of Order execution as part of an internal control or internal audit.

## II. ORGANISED MARKET INSTRUMENTS (OMI)

### 1. SCOPE OF APPLICATION

- 1.1. This section of the Policy applies to all Orders executed on the designated Organised Markets and regarding Organised Market Instruments (OMI).
- 1.2. We can operate on the market via a Broker executing the Order.

### 2. ORDER EXECUTION FACTORS (ORGANISED MARKET INSTRUMENTS – OMI)

- 2.1. We execute Clients' Orders directly on the relevant market via KBC Bank N.V. To ensure the best possible results of executing a Client's Order, both we and the Brokers we use shall take into account the following factors:
  - a) OMI price;
  - b) the costs related to execution of the Order;
  - c) the Transaction time and speed;
  - d) the probability of concluding a Transaction and how easy it is to settle;
  - e) Order volume;
  - f) specific features of the Order.
- 2.2. We shall make best effort to constantly monitor the method of executing orders directly on the relevant markets and if KBC Bank N.V. executes the Client's Orders correctly, pursuant to clause 2.1. of the Policy. Additionally, we shall immediately inform you of all the circumstances preventing the proper execution of an Order.

### 3. CRITERIA OF ORDER EXECUTION IN THE BEST INTERESTS OF THE CLIENT

- 3.1. The best effect is determined taking into account the price of OMI and the costs related to execution of the Order along with any costs incurred by the Client directly in connection with execution of the Order, including fees charged by the institution performing the Transaction, approval and settlement of the Transaction, and other fees related to execution of the Order.

### 4. PLACE OF ORDER EXECUTION

- 4.1. Clients' orders are executed on a regulated exchange market or on a multilateral trading platform (MTF).
- 4.2. We execute Client's Orders directly on the relevant market or using the services of an executing broker, i.e. KBC Bank N.V., which executes orders in trading systems, including in particular:
  - a) WSE, NYSE, NASDAQ, LONDON SE, Deutsche Börse (Frankfurt), Euronext Amsterdam, Euronext Brussels, Euronext Paris, Euronext Lisbon, Six Swiss Exchange, Borsa Italiana, Bolsa de Madrid Nasdaq OMX (Helsinki, Copenhagen, Stockholm), Oslo Bors – for OMI that are stocks;
  - b) LONDON SE, Deutsche Börse (Frankfurt), Euronext Amsterdam, Euronext Paris, WSE, Bolsa de Madrid – for OMI that are ETFs;
  - c) WSE, NYSE, NYSE ARCA, NASDAQ, LONDON SE, Deutsche Börse (Frankfurt), Euronext Amsterdam, Euronext Brussels, Euronext Paris, Euronext Lisbon, Six Swiss Exchange, Borsa Italiana, Bolsa de Madrid, Nasdaq OMX (Helsinki, Copenhagen, Stockholm), Oslo Bors – for Stocks and ETFs.
- 4.3. We are obliged to take any necessary actions to prevent various order executing institutions charging and collecting fees or commissions from the Client, which would be discriminatory towards them.
- 4.4. We shall inform you if the Brokers through which we execute the Orders on relevant markets change.
- 4.5. Once a year, we publish Information on the best order execution systems. This information is available on the XTB Website ([click here](#)).

### 5. GENERAL RULES OF ORDER EXECUTION

- 5.1. We execute your Orders immediately, reliably and quickly, in the order in which they are received, unless:
  - a) you decide otherwise; or
  - b) the nature of the Order or market conditions make it impossible to apply a given method of execution; or
  - c) according to our data, your best interests require a different approach.

### 6. DETAILED RULES OF ORDER EXECUTION FOR OMI

- 6.1. Due to the characteristics of OMI, the rules of placing and executing Orders on these instruments may differ in some respects from standard CFD rules indicated in the Policy. Prior to entering into any OMI Transaction, you should be aware of how different Order types for these types of Financial Instruments are executed and how it may influence the price of a Transaction.
- 6.2. An Order to execute a Transaction on OMI can be placed in the following manner:
  - a) by placing a market Order at a current price of an OMI published in the Trading Account;
  - b) by placing a limit Order (buy limit, sell limit);

- c) by placing a stop Order (buy stop, sell stop).
- 6.3. When placing market Orders for OMI, the Client decides that the Order shall be executed at the best possible market price at that time. The price of Order execution may differ from the price stated on the Trading Account before the Order was placed. The price presented in the Trading Account is for information purposes only and is not binding. The final price of executing a Transaction shall be provided after its execution. If trading in a particular OMI on a particular market is suspended in accordance with the rules of the relevant Underlying Exchange, a Market Order placed during the suspension will remain active until trading resumes or the Order is cancelled. A Market Order placed outside the trading hours defined for the relevant market after the start of regular trading hours. Such an Order may be cancelled but may not be modified until the start of regular trading hours.
- 6.4. Market Orders for OMI, the influence of which on the market price is potentially significant, can be rejected by us or a Broker executing them or they can be automatically divided into parts sent successively to the market. Order execution in parts is aimed at obtaining potentially the best price of Order execution and limiting the Order's influence on the market price.
- 6.5. For a market order placed by the Client, the partial execution of which results in the suspension of quotations on the exchange, the unrealised part of the order shall remain active or cancelled, depending on the trading rules applicable on the given market.
- 6.6. Limit Orders for OMI are executed at the price indicated by the Client or at a better price. If the Order volume possible to be executed at the price indicated by the Client or better exceeds the liquidity available at the given moment, the Order is executed at the maximum available volume. Its remaining part shall be active until the moment of Order execution or cancellation.
- 6.7. Stop Orders for OMI are executed at market prices binding at the moment of activating a given level of this Order, pursuant to the rules of market Order execution.
- 6.8. The highest possible limits:
  - a) for buy limit Orders – the current Ask price;
  - b) for sell stop Orders – the current Bid price.The lowest possible limits:
  - c) for sell limit Orders – the current Bid price;
  - d) for buy stop Orders – the current Ask price.
- 6.9. For pending Orders placed outside trading hours, the reference price is the last Bid or Ask price visible on the Trading Platform. If on the relevant market during the phase of concluding a transaction, in pre-market conditions, the OMI price changes in relation to the last price visible on the Trading Platform, the pending Order with a price limit determined in accordance with the Policy can be rejected.
- 6.10. Limit Orders and stop Orders for OMI without a specified expiration limit shall remain valid until the Order is fully executed or cancelled by the Client.

### III. FRACTIONAL SHARES

- 1. SCOPE OF APPLICATION
  - 1.1. This part of the Policy applies to all Orders regarding Transactions in Fractional Shares.
- 2. GENERAL PROVISIONS
  - 2.1. Transactions in Fractional Shares consist in the creation or expiry of the Client's fiduciary right to a fraction of the given OMI. Whenever you hold Fractional Shares, XTB shall hold the corresponding OMI to the fraction of which you have the fiduciary right.
  - 2.2. If you **order the purchase** of Fractional Shares, we can either buy an instrument from the OMI category (single share, ETF unit, etc.) in the Organised Market to which the Fractional Shares relate or use the OMI instrument that we already hold. Consequently, when we receive an Order to buy Fractional Shares, we have the right to exercise it either (i) by granting the Client a fiduciary right to a fractional part of the OMI already held by us or (ii) by placing an order by us of purchase OMI on the Organised Market and granting you a fiduciary right to the fractional part of such OMI on the date of transfer of full ownership of the shares to XTB (the date of settlement of the transaction, which is generally the second business day from the conclusion of the transaction on the regulated market). The purchase price of the Fractional Shares corresponds to the best current offer to sell OMI on the selected Organised Market at the time of placing the Order. In the event that, after placing the Order, there is a suspension of trading on the Regulated Market, the moment of determining the Purchase Price is determined in accordance with clause 2.4. below.
  - 2.3. If you **order the sale** of Fractional Shares, we may either sell the OMI unit to which the Fractional Share relates on the Organised Market or leave it in our possession (e.g. in connection with the right of another Client from the Fractional Share to such total OMI unit). Consequently, when we receive a Fractional Share sale Order, we may remain the owner of OMI. The sale price of the Fractional Shares corresponds to the best current OMI purchase offer on the selected Organised Market at the time the Order was placed. In the event that after placing the Order there is a suspension of trading on the Regulated Market, the moment of determining the Sale Price is determined in accordance with clause



- 2.4. below.
- 2.4. If you place an Order to buy or sell Fractional Shares during the suspension of trading of a given OMI on the selected Regulated Market, it shall not be executed at the price from the time of placing the Order. Execution shall take place after trading resumes and the execution price shall be the current best offer to sell (in the case of a buy Order for Fractional Shares) or the best bid offer (in the case of a sale Order for Fractional Shares) on the selected Regulated Market at the time of resumption of trading.
- 2.5. If you place an Order to buy or sell Fractional Shares outside the trading hours specified for the relevant Regulated Market, such Order will be executed after the suspension of trading hours and the execution price will be the best bid (in the case of an Order to buy Fractional Shares) or best offer (in the case of an Order to sell Fractional Shares) on the selected Regulated Market. The execution price may differ from the price quoted on the Investment Account before the Order was placed. Such an Order may be cancelled but cannot be modified until the start of trading hours.
- 2.6. If you purchase a Fractional Shares the value of which results in exceeding the integer number of an OMI (including fractions acquired earlier) then, on the second business day after the transaction, your right to Fractional Shares equal to integer number expires and the whole instrument is recorded in your Trading Account. Similarly, if you have OMI (total unit of an OMI instrument) recorded in your Trading Account, you can sell a fraction of such OMI; in this case the OMI instrument shall cease to be recorded in your Trading Account on the second day after the transaction, while your right to the Fractional Share shall be registered therein.
- 2.7. We act as the other party to the Transactions concluded to execute your Order. We act in compliance with both applicable regulations and the internal procedure regarding counteracting conflicts of interest. Detailed information on the basic rules of conduct in case of a conflict of interest is available in the Information on general terms of management of conflicts of interest in XTB S.A. available on the XTB Website ([click here](#)).
- 2.8. Your Orders are executed on the over-the-counter (OTC) basis, i.e. outside the regulated market or multilateral trading facilities (MTF).
- 2.9. Trading in Fractional Shares is executed without use of financial leverage.
- 2.10. We will notify you immediately of any circumstances precluding proper Order execution. If trading on the regulated market is suspended, the Client Order shall remain active until trading is resumed.
- 2.11. Certain OMI may not be available for trading in Fractional Shares. Execution of Orders regarding Fractional Shares applies only to the OMI instruments eligible for such transactions in the Condition Tables and for which the function of trade in fractional parts of such instruments is made available on the Trading Platform.
3. PLACE OF ORDER EXECUTION
- 3.1. The place of Order execution for Fractional Shares is XTB, which means that the Orders are executed on the OTC (over-the-counter) market to which you agree.
- 3.2. Transactions in Fractional Shares resulting in trade in the whole instrument held by XTB are executed outside the Organised Market, as part of internal transactions between XTB and the Client.
4. QUOTATION OF PRICES
- 4.1. The purchase and sale price of the Fractional Share is equal to multiplication of the relevant OMI Price at the time the Order is executed by XTB and the to the fraction of this OMI that the Client wishes to buy or sell.
- 4.2. We quote the OMI prices based on which the Fractional Share prices are determined systematically on Trading Days.
- 4.3. A detailed description of Trading Days is available in the Condition Tables on the XTB Website.
5. ORDER EXECUTION
- 5.1. In relation to Fractional Shares, we execute market orders. The current buy and sell prices of OMI based on which the price of Fractional Shares is determined are available on the Trading Platform.
- 5.2. The buy and sell Orders can be placed specifying the fractional number of a given OMI or a value expressed in the Account currency. Orders where the value is expressed as a currency shall be converted into the number of Fractional Shares to be executed with the accuracy specified in the Conditions Table concerning OMI. When converting the value specified in the currency into the number of Fractional Shares, the number of OMI shall be rounded down. In the case of the Transactions referred to in clauses 8.9 and 8.11 of the General Conditions, when converting the value specified in a currency into the number of Fractional Shares, the number of Fractional Shares may be rounded up to reflect the value of the assets you wish to withdraw from the relevant portfolio.
- 5.3. The Order to buy Fractional Shares is executed through creation of Fractional Shares. This means origination of your fiduciary right to a fraction of OMI in the number determined in the Order and charging your Trading Account with the amount equal to your liabilities resulting from the Transaction. The date of creation of the fiduciary right over the Fractional Shares is (i) the date of execution of purchase of Fractional Shares (when we use an OMI unit that we already hold) or (ii) the settlement date of the total OMI acquisition on a regulated market (when we execute orders to purchase Fractional Shares and place an order to purchase the entire OMI unit on a regulated market), which falls on the second business day after the transaction on the regulated market.

- 5.4. The Order to buy Fractional Shares is executed using Free Margin in the Client's Trading Account, provided that it is sufficient to execute the Order.
- 5.5. The Order to sell Fractional Shares is executed through redemption of Fractional Shares. This means redemption of your fiduciary right to a fraction of OMI in the number determined in the Order and crediting your Trading Account with the amount equal to the receivables resulting from the Transaction.
- 5.6. The minimum value of Order is the same as for OMI and is given in the Condition Tables concerning OMI.
- 5.7. Orders regarding Fractional Shares are executed at the price of the best offer to sell (buy order) or purchase order (sell order) available on CBOE Europe, CBOE US, WSE or other Regulated Markets.

If you place an Order to buy or sell Fractional Shares outside the trading hours specified for the relevant Regulated Market, such Order will be executed after the commencement of trading hours and the execution price will be the best bid (in the case of an Order to buy Fractional Shares) or best offer (in the case of an Order to sell Fractional Shares) on the selected Regulated Market. The execution price may differ from the price quoted on the Investment Account before the Order was placed. Such an Order may be cancelled but cannot be modified until the start of trading hours.