

ORDER EXECUTION POLICY, dated January 29th, 2020

1. General provisions

- 1.1. XTB is required to act honestly, fairly, professionally and in accordance with the best interest of its Clients. XTB has therefore adopted this Order Execution Policy (hereinafter the "**the Policy**"), which determines the detailed principles of executing Orders in order to achieve the best possible results for the Clients.
- 1.2. The Policy is an integral part and should be read and understood in conjunction with the XTB's "Regulations on the provision of services" (hereinafter "**Regulations**").
- 1.3. This Policy applies to retail Clients only.
- 1.4. XTB reviews the Policy at least once a year. Furthermore, XTB reviews it also each time a significant change takes place, which has a permanent effect on the XTB's ability to continue obtaining the best possible result in performance of the clients' orders in the systems provided for in the Policy. XTB evaluates if a significant change took place in relation to the rank of factors of best execution in the scope of fulfilment of the superior requirement of best execution.
- 1.5. Any changes to the Policy are notified to the Client in accordance with the relevant Regulations.
- 1.6. XTB acts as the second party to Transactions concluded in order to execute Client's Order. XTB acts in accordance with the relevant provisions of law concerning the prevention of conflicts of interests.
- 1.7. Clients' Orders are executed over-the-counter, which means that Orders are executed outside the regulated market or multilateral trading facility, for what Client hereby agrees.
- 1.8. XTB acts in the best interest of the Client which means that XTB takes all steps necessary to obtain the best possible results for the Clients, taking into account the factors and criteria provided for in the Policy. Performing the Policy, XTB does not guarantee always obtaining the best results for the Client.
- 1.9. In certain cases, XTB is not obliged or may be unable to take actions aiming at obtaining the best possible results, including but not limited to the situation when the Client specifies conditions under which the Order is to be executed and XTB executes the Order according to such specified special conditions.
- 1.10. Selecting the order execution system, XTB takes into consideration, in particular, such factors as the Price of the Financial Instrument or Underlying Instrument and the Costs of order execution, reliability of the given entity, scope of services offered by the given entity, perspectives of further cooperation and course of cooperation to date.
- 1.11. The Client acknowledges that due to the specifics of the services provided by XTB, the awaiting orders with a specific validity term or without a specific validity date (the so-called Good Till Canceled – GTC, active until canceled by the Client) on, Stocks CFD and ETF CFD, upon completion of the given session, do not retain their priority (order) on the Organized Market and Underlying Exchange in the order sheet. The situation described in this point may be of special significance in the case of low-volatility Financial Instruments.
- 1.12. The Client acknowledges that there are technological differences between both Trading Platforms provided by XTB for Client's Order service – xStation and Meta Trader, which affect the method of Order execution in the scope specified in the Policy.

2. Area of application

- 2.1. The Policy applies to all Orders executed outside the regulated market or alternative trading system, concerning CFDs.

3. Place of execution of orders

- 3.1. Due to the fact that XTB acts as the other party to the Transactions concluded with the Client on Financial Instruments, the place of execution of Orders is XTB for CFD Financial Instruments.
- 3.2. If XTB hedge its position, the process takes place in the ex-post mode, which is to be understood as a situation in which XTB first performs the Client's Order and only then executes its own hedging transaction. This means that hedging execution does not affect the Client's Order and is not conditional upon it in any manner. For the purpose of position hedging
- 3.3. Considering that the place of execution of Client's order is XTB as the other party to the transaction and Client's orders are executed outside the trading venues, the Client is exposed additionally to the counterparty credit risk, which means the risk of default by XTB resulting from the transaction prior to the final settlement of cash flows related to this transaction. At the Client's request, XTB will provide additional information on the consequences of such a way of executing Orders.

4. Execution criteria (as regards CFDs)

- 4.1. XTB takes all reasonable steps to obtain the best possible results for the Client, taking into account the price of the Financial Instrument or Underlying Instrument, the cost of the Order execution, speed and probability of concluding of the Transaction, the size and character of the Order, technological stability, and other factors.
- 4.2. XTB gives the following relative ranks to the above factors in the Orders execution:
 - a) Price of the Financial Instrument or Underlying Instrument – high rank. Prices should maximally reflect the market prices of Underlying Instruments.
 - b) Speed and probability of concluding a Transaction – high rank. 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.
 - c) Order size – high rank. The size of the Order may affect the price due to the available liquidity of a given Financial Instrument or Underlying Instrument.
 - d) Technological stability – high rank, XTB makes reasonable effort to ensure the highest quality of technology and applies measures aimed at the best possible execution of Clients orders.
 - e) Order execution costs – high rank. The execution costs, such as spreads, swap points and commissions, are set by XTB at the lowest possible level.
 - f) Character of the Order – average rank. An Order may affect the price due to the available liquidity of a given Financial Instrument or Underlying Instrument. XTB executes Client Orders in the order in which they are received, unless something else results from the Agreement, the terms of the Order set by the Client, the character of the Order or if such sequence of Order's execution is not in Client's interest.
 - g) Other factors – low rank.

- 4.3. With regard to the retail client, the best result is determined in general, taking into account the price and costs associated with the execution of the Order, covering all expenses incurred by the Client in direct connection with the execution of such an Order.
- 4.4. XTB immediately notifies the Client about all circumstances that prevent the execution of the Order.
- 4.5. XTB may rely on its counterparties to execute certain Orders.

5. Quotation of prices

- 5.1. On Trading Days XTB systematically quotes Financial Instruments Prices on the basis of prices of corresponding Underlying Instruments.
- 5.2. Detailed description of Trading Days of Financial Instruments is available in Condition Tables available on XTB's Website.
- 5.3. Transaction prices are quoted in the Trading Account on the basis of current prices made available by Reference Institutions indicated on XTB's Website.
- 5.4. Detailed description of Financial Instrument Prices formation for cryptocurrencies based CFD instruments is available on XTB's Website.
- 5.5. XTB uses its best efforts to ensure that transaction prices do not differ materially from the prices of Underlying Instruments published in real time by the most reputable information services.

6. Order's Execution

6.1. General provision

- 6.1.1. Subject to provisions of the Agreement, the instant Orders are executed at the price indicated by the Client. XTB reserves the right, but not the obligation, to reject the Client's Order, if at the moment of its execution the price of the Underlying Instrument provided by the Reference Institution differs from the price of the Client's Order of at least 0,5 Spread value quoted by XTB for a particular Financial Instrument at the moment in which the Client's Order ought to be executed.
- 6.1.2. The stop Orders and limit Orders may be placed only when a given Financial Instrument is traded, with the reservation that XTB may accept stop and limit Orders on selected trading platform for selected Financial Instruments specified in the Condition Tables outside of the Trading Day.
- 6.1.3. The stop Orders and limit Orders at the opening of the market are executed always on the market opening price.
- 6.1.4. Market, limit and stop Orders, which open new position, shall be executed only if the total nominal value of Open Positions including position that is going to be opened, expressed in Euro, does not exceed the Maximum Nominal Portfolio Value.

6.2. Specific rules for CFDs.

Standard Account

- 6.2.1. An Order to execute a Transaction on CFD on the Standard Account may be placed in the following manner:
 - a) depending on the offer available for the Client, as described on XTB's Website or in the Condition Tables, by placing an instant Order at a current price of a CFD published in the Trading Account or by placing a market Order at a current price of a CFD published in the Trading Account;
 - b) by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
 - c) by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- 6.2.2. Market Orders (market execution) on Standard Account on CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction.
- 6.2.3. Limit Orders on Standard Account on CFD are executed at the price indicated by the Client or better. In case of market execution, when the Order's 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, and the remaining part of the Order remains active until its execution or cancellation.
- 6.2.4. Stop Orders on Standard Account on CFD are executed at market prices at the moment of a given stop level activation. In case of market execution, stop Orders are executed according to the rules specified for market Orders, if the market price reaches or exceeds the price level indicated by the Client. In case of market execution, when, at the moment of activation, the Order's volume exceeds the available liquidity, the Order is rejected, and stop loss "s/l" Order, after being rejected, is restored with all parameters indicated by the Client and executed at the first market price available after its activation.

Professional Account (PRO)

- An Order to execute a Transaction on CFD on the Professional Account may be placed in the following manner:
- a) by placing a market Order at a current price of a CFD published in the Trading Account;
 - b) by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
 - c) by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- 6.2.5. Market Orders on Professional Account on CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction.
 - 6.2.6. Limit Orders on Professional Account on CFD are executed at the price indicated by the Client or better. In case of market execution, when the Order's 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, and the remaining part of the Order remains active until its execution or cancellation.
 - 6.2.7. Stop Orders (including stop loss "s/l" Orders) on Professional Account on CFD are executed at market prices valid at the moment of stop level activation, according to the rules specified for market Orders. In case of market execution, when, at the moment of activation, the Order's volume exceeds the available liquidity, the Order is

rejected, and stop loss "s/l" Order, after being rejected, is restored with all parameters indicated by the Client and executed at the first market price available after its activation.

Islamic Account

- 6.2.8. An Order to execute a Transaction on CFD on the Islamic Account may be placed in the following manner:
 - a) depending on the offer available for the Client, as described on XTB's Website or in the Condition Tables by placing a market Order at a current price of a CFD published in the Trading Account;
 - b) by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
 - c) by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- 6.2.9. Market Orders on Islamic Account on CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction.
- 6.2.10. Limit Orders on Islamic Account on CFD are executed at the price indicated by the Client or better. In case of market execution, when the Order's 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, and the remaining part of the Order remains active until its execution or cancellation.
- 6.2.11. Stop Orders (including stop loss "s/l" Orders) on Islamic Accounts on CFD are executed at market prices valid at the moment of stop level activation, according to the rules specified for market Orders. In case of market execution, when, at the moment of activation, the Order's volume exceeds the available liquidity, the Order is rejected, and stop loss "s/l" Order, after being rejected, is restored with all parameters indicated by the Client and executed at the first market price available after its activation.
- 6.2.12. In case of Islamic Accounts, swap points are not charged. However, there can be charge related to rollover or other fees available under Swap column in the Condition Tables on Client Account and statement. Those charges are not related to swap points.

Specific rules for Stock CFDs and ETF CFDs.

- 6.2.13. Due to its characteristics rules of placing and executing Orders for Stock CFD and ETF CFD may differ in some aspects from normal CFD rules as specified above. Prior to entering into any Stock CFD or ETF CFD Transaction the Client should become aware of how different Order types are executed for these Financial Instruments and how it may influence the price of a Transaction.
- 6.2.14. An Order to execute a Transaction on Stock CFD or ETF CFD may be placed in the following manner:
 - a) by placing a market Order at a current price of an Stock CFD or ETF CFD, published in the Trading Account;
 - b) by placing a limit Order to execute a Transaction (buy limit; sell limit; take profit "t/p");
 - c) by placing a stop Order to execute a Transaction (buy stop; sell stop; stop loss "s/l").
- 6.2.15. Market Orders on Stock CFD and ETF CFD are executed at VWAP (Volume Weighted Average Price). Prices shown in the Trading Account before placing an Order for market execution are only indicative and are not a binding execution price which will be shown after the effective execution of the Transaction. If relevant Underlying Instrument is currently suspended from trading (frozen) for any reason, then Client's Order will be rejected by the Underlying Exchange or remains active in accordance with the trading rules of the Underlying Exchange.
- 6.2.15.1. Market orders on Stock CFDs and ETF CFDs having potentially significant impact on market price may be automatically divided into parts before sending to Underlying Exchange for the purpose of achieving best execution price and minimizing impact on the market price.
- 6.2.16. Limit Orders on Stock CFDs or ETF CFDs are executed at the price indicated by the Client or better. In case of market execution, when the Order's 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, and the remaining part of the Order remains active until its execution or cancellation.
- 6.2.17. Stop Orders on Stock CFD or ETF CFDs are executed as market Orders in the moment of a given stop level activation.
- 6.2.18. For buy limit Orders the highest possible limit is the current Ask price. For sell limit Orders the lowest possible limit is the current Bid price. For buy stop Orders the lowest possible limit is the current Ask price. For sell stop Orders the highest possible limit is the current Bid price.
- 6.2.19. Stop Orders and limit Orders on Stock CFD or ETF CFD, placed without the specified time limit, remains valid until fully executed or cancelled by the Client.

7. Orders' time of execution

- 7.2. XTB executes Clients' Orders in the sequence they are received, unless something different results from Agreement, the conditions of an Order specified by the Client, character of an Order or if such sequence of Order's execution is not in Client's interest. In the period when market opens standard times of Order's executions as set out below do not apply.
- 7.3. With the reservation of specific provisions of the Regulations, an Open Position on CFD shall be closed without Client's consent after 365 days from the date of opening the position for all types of the accounts available in XTB offer excluding Islamic Accounts unless:
 - a) the Client closes the position;
 - b) XTB exercises the right to close Client's Transaction beforehand in situations specified in the Regulations.
- 7.4. Closing specified above shall be executed at the first Financial Instrument Price provided by XTB on the first Trading Day after 365 days from the date of position's opening.
- 7.5. In case of Islamic Accounts Open Position shall be closed after 14 days unless
 - a) the Client closes the position;
 - b) XTB exercises the right to close Client's Transaction beforehand in situations specified in the Regulations.
- 7.6. Closing of an Open Position in the Islamic Account shall be executed at the first Financial Instrument Price provided by XTB on the first Trading Day after 14 days from the date of position's opening.

Standard Time of the Execution of the Order

7.7 Delays in the execution of the Client's Order may occur and the Order may not be executed in the standard time in any of the following situations:

- a) breakdown of the IT systems and networks;
- b) suspension or closure of the quotations of the Underlying Instruments or other similar situations;
- c) prices gaps;
- d) erroneous quotation provided by the suppliers of prices or liquidity;
- e) delays in data transmission;
- f) significant volatility of the price of Underlying Instrument;
- g) low liquidity on the Underlying Instrument's market;
- h) exceptional market occurrences on the Underlying Instrument's market;
- i) in the event of the Force Majeure;
- j) imposing the specific conditions of execution of the transactions by a particular basic market;
- k) market opening;
- l) publication of the macroeconomic data;
- m) significant market events;
- n) specific instructions from the Client;
- o) particular for the Financial Instrument conditions of Order's execution;
- p) waiting for a confirmation or execution of the transaction by the liquidity provider;
- q) execution of the pending Order;
- r) rejection of the Order;
- s) the other circumstances described in the Agreement.

7.6. On the Client demand XTB delivers to the Client the information with regard to the time of the execution of a particular Order and the reason for any delays in accordance with the provisions of Regulations regarding procedure of filing a complaint.

8. Changes to the Spread

XTB applies a principle of quoting prices of Financial Instruments using variable (floating) Spreads. For detailed rules of quoting prices please refer to the Regulations.

9. Order's size

Client's Order may be rejected or cancelled if it exceeds the maximal value of Order specified in Condition Tables.

10. Place of execution

Due to fact that XTB shall serve as Client's counterparty in relation to Transactions involving Financial Instruments, XTB shall be the place of execution of all such Transactions, unless the specific rules of the Policy or Regulations do not provide otherwise.

11. Technology

XTB shall use its best efforts to provide the highest quality of technology and will use adequate means aimed at ensuring the best execution of Client's Order.

12. Differences between Transaction Platforms

12.1 If the Equity to Margin percentage ratio (the so-called Margin Level) is below 100% and there is at least one Open Position in the Client's Account, depending on the Trading Platform servicing the Client's Order:

- a) opening a new Order is not possible – on the xStation Trading Platform;
- b) conclusion only of a Reverse Transaction is possible if the Free Margin remains negative upon its conclusion – on the Meta Trader Trading Platform.

12.2 Calculation of the swap points, corresponding values and type of the Open Position at the end of the day, depending on the Trading Platform servicing the Client's Order, shall be carried out as follows:

- a) if the xStation Trading Platform is used for Order service, the swap points shall be credited or debited in the Investment Account at midnight of each day of the week, according to the daily rate;
- b) if the Meta Trade Trading Platform is used for Order service, the swap points shall be credited or debited in the Investment Account:
 - i. at midnight according to the daily rate – from Monday to Thursday;
 - ii. at midnight according to the triple daily rate – on Fridays;
 - iii. not applicable – on Saturdays and Sundays.

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

12.3 Any change of the leverage value, following the provisions of GTC and Conditions Tables, depending on its cause:

- a) has no effect on the currently blocked Margin value for the Open Position, if using the xStation Trading Platform;
- b) adjusts the currently blocked Margin value for the Open Position, if using the Meta Trader Trading Platform, which adjustment is carried out taking into account the new leverage value.

12.4 In the case of conclusion of a Reverse Trading in relation to the current Open Position in the Client's Account, depending on the Trading Platform servicing the Client's Order:

- a) if the xStation Trading Platform is used for Order service, the Margin calculated only for one out of both Transactions with reversed direction is blocked – the one for which the Margin presents a higher value according to the Conditions Table. The mechanism applies also if the trades are opened using a different leverage value;
- b) if the Meta Trader Trading Platform is used for Order service, 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.