

BEST EXECUTION POLICY

Introduction

Introduction We are XTB Limited ("XTB Limited", "XTB" "we", "us" or "our") a company registered in England and Wales (Company Number 07227848) and authorised and regulated by the Financial Conduct Authority ("FCA") (Firm reference number 522157)

General provisions

- A. XTB Limited (XTB) is required to act honestly, fairly, professionally and in accordance with the best interest of its Clients. XTB has therefore adopted this Best Execution Policy (hereinafter the "Policy"), which determines the detailed principles of executing Orders in order to achieve the best possible results for the Clients.
- B. The Policy is an integral part and should be read and understood in conjunction with the "Regulations on the provision of services consisting in the execution of orders to buy or sell property rights, keeping property rights accounts and cash accounts by XTB." (hereinafter "GTC").
- C. This Policy applies to retail and professional Clients only. Detailed information on Client classification is in the Clients' classification policy available on the XTB's Website.
- D. XTB reviews the Policy at least once a year.
- E. Any changes to the Policy are notified to the Client in accordance with the relevant GTC.

I. Financial Instruments CFD type (contracts for difference)

1. General provisions regarding Financial Instruments CFD type

- 1.1. XTB acts as the second party to the Transactions concluded in order to execute the Client's Order. XTB operates in accordance with the relevant provisions of law on the prevention of conflicts of interest and has adopted an internal procedure for the prevention of conflicts of interest.
- 1.2. Clients' orders are executed over-the-counter (OTC), which means that Orders are executed outside the regulated market or a multilateral trading platform, to which the Client hereby agrees.
- 1.3. Detailed information on the basic rules of conduct of XTB 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 X-Trade Brokers Dom Maklerski S.A. available on the XTB's Website.

2. Area of application

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

3. The Consumer Duty

- 3.1. The consumer duty comes into force on the 31st July 2023. XTB must ensure that clients receive good outcomes and that XTB's pricing is deemed to provide fair value to the firm's clients. Best execution will be essential to clients receiving a good outcome, as poor execution is likely to result in a greater loss when opening and closing positions. Bad execution will also result in the client receiving less value from the overall service/product and hence failing the fair value assessment.

4. Place of execution of orders

- 4.1. 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 CFDs.
- 4.2. 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.

5. Execution criteria (as regards CFDs)

- 5.1. XTB takes all sufficient 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.
- 5.2. 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 Client's 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.
- 5.3. 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.
- 5.4. XTB immediately notifies the Client about all circumstances that prevent the execution of the Order.
- 5.5. XTB may rely on its counterparties to execute certain Orders.

6. Quotation of prices

- 6.1. On Trading Days XTB systematically quotes Financial Instruments Prices on the basis of prices of corresponding Underlying Instruments.
- 6.2. Detailed description of Trading Days of Financial Instruments is available in Condition Tables available on XTB's Website.
- 6.3. Transaction prices are quoted in the Trading Account on the basis of current prices made available by Reference Institutions indicated on XTB's Website.
- 6.4. Detailed description of Financial Instrument Prices formation for cryptocurrencies based in CFD instruments is available on XTB's website.

6.5. 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.

7. Order's Execution

7.1. General provisions

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 an Order.

2. Order Execution Factors (OMI)

- 2.1. We execute Clients' Orders directly on the relevant market via KBC Bank N.V or Saxo Bank A/S. 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 the 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 an Order.
- 2.2. We shall make best effort to constantly monitor method of executing orders directly on the relevant markets and if KBC Bank N.V. or Saxo Bank A/S executes the

Client's Orders correctly, pursuant to section 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 the execution of the Order along with any costs incurred by the Client directly in connection with the execution of the Order, including fees charged by the institution performing the Transaction, approval and settlement of the Transaction, and other fees related to the 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 Brokers, i.e. KBC Bank N.V., which executes orders in trading systems, in particular:
 - a. GPW, NYSE, NASDAQ, LONDON SE, Deutsche Börse (Frankfurt), Euronext Amsterdam, Euronext Brussels, Euronext Paris, Euronext Lisbona, Six Swiss Exchange, Borsa Italiana, Bolsa de Madrid Nasdaq OMX (Helsinki, Copenhagen, Stockholm), Oslo Bors – for OMI that are shares;
 - b. LONDON SE, Deutsche Börse (Frankfurt), Euronext Amsterdam, Euronext Paris, GPW, Bolsa de Madrid – for OMI that are ETF;
 - c. GPW, NYSE, NYSE ARCA, NASDAQ, LONDON SE, Deutsche Börse (Frankfurt), Euronext Amsterdam, Euronext Brussels, Euronext Paris, Euronext Lisbona, Six Swiss Exchange, Borsa Italiana, Bolsa de Madrid, Nasdaq OMX (Helsinki, Copenhagen, Stockholm), Oslo Bors – for shares 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 have decided 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 for the 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 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, the Client decides that the OMI will 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 on the Trading Account is for information purposes only and is not binding. The final price of executing a Transaction will 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 the market Order placed during the suspension shall remain active until trading is resumed or the Order is rejected.
- 6.4. Market Orders on 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 will result in the suspension of quotations on the exchange, the unrealized part of the order will remain active or canceled, depending on the trading rules applicable on the given market.
- 6.6. Limit Orders on 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 shall be executed at the maximum available volume. Its remaining part shall be active until the moment of Order execution or cancelling.
- 6.7. Stop Orders on 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 in 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 in 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 on OMI without a specified time limit, shall remain valid until an Order is fully executed or cancelled by the Client. Subject to the other 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 Standard Transactional Spread value specified by XTB for a particular Financial Instrument in the Condition Tables.
- 6.11. 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.
- 6.12. The stop Orders and limit Orders at the opening of the market are executed always on the market opening price.
- 6.13. Instant, 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.

7.2. Specific rules for CFDs.

Basic Account

- 6.2.1. For Basic Account the stop Orders and limit Orders cannot be placed if the absolute value of the difference between the price of the Order's activation and the current Financial Instrument Price, and in case of placing stop Orders and limit Orders outside of the Trading Day the last Financial Instrument Price is lower than the minimum limit for a given Financial Instrument. Limit Values are available on the XTB's Website. The limits can be raised in case of the economic data publication (defined in the section Calendar available on the XTB's website) or in case of a high market volatility on a given Financial Instrument.
- 6.2.2. Limits may be increased at market openings e.g. on Sunday at 11 pm. Standard limit values are restored to fixed values usually within 10 to 20 minutes, however, in cases of limited liquidity and enlarged volatility, this period may last longer.
- 6.2.3. An Order to execute a Transaction on CFD on the 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 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").
- 6.2.4. Limit Orders on Basic Account on CFD are executed at the price indicated by the Client or better. Buy stop Orders and sell stop Orders are executed at the first available market price if the market price reaches or exceeds the price indicated by the Client.
- 6.2.5. 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. All above mentioned limits should be adjusted according to the limit values for Financial Instruments.
- 6.2.6. Stop loss "s/l" Orders on the open market on Basic Account for CFDs are guaranteed to be executed at the price indicated by the Client. At the moment of market opening stop loss "s/l" Orders are executed at the first available market price, that may be worse than the price indicated by the Client, if the activation level was reached.
- 6.2.7. Margin close out for all 'Basic Accounts' is set at 50% on an account level basis. XTB will close your largest losing position first in order to increase your margin level back to above 50%.

Standard Account

- 6.2.8. 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").
- 6.2.9. Market Orders on, Stock CFDs and ETF CFDs are executed 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 will be provided after its execution. If an Underlying Instrument on the Underlying Exchange is suspended, pursuant to the rules binding at a given Underlying Exchange, the market Order placed during the suspension shall remain active until trading is resumed or the Order is rejected.
- 6.2.10. 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.
- 6.2.11. Stop Orders on Standard Account on CFD are executed at market prices at the moment of a given stop level activation. In case of instant execution, stop Orders (including stop loss "s/l" Orders) are executed at the first available market price, that may be worse than the price indicated by the Client, if the activation level was reached. 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.
- 6.2.12. 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.
- 6.2.13. Margin close out for all 'Standard Accounts' is set at 50% on an account level basis. XTB will close your largest losing position first in order to increase your margin level back to above 50%.
- 6.2.14.

Professional Account

- 6.2.15. 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").
- 6.2.16. 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. Market Order shall be rejected, if the Order's volume exceeds the liquidity available in XTb at the moment of its execution.

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.

- 6.2.17. 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.
- 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. Margin close out for all 'Professional Accounts' is set at 50% on an account level basis. XTb will close your largest losing position first in order to increase your margin level back to above 50%.
- 6.2.20.

7.3. Specific rules for Stock CFDs and ETF CFDs.

- 6.3.1. 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.
- 6.3.2. 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").
- 6.3.3. 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.
- 6.3.4. 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.
- 6.3.5. 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.
- 6.3.6. Stop Orders on Stock CFDs or ETF CFDs are executed as market Orders in the moment of a given stop level activation.
- 6.3.7. 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.
- 6.3.8. Stop Orders and limit Orders on Stock CFD or ETF CFD, placed without the specified time limit, remains valid until the end of a given session.

8. Orders' time of execution

- 8.1. 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.
- 8.2. With the reservation of specific provisions of the GTC, an Open Position on CFD shall be closed without Client's consent after 365 days from the date of opening the position, at the first Financial Instrument Price provided by XTb after that period, unless:
 - a) the Client closes the position;
 - b) XTb exercises the right to close Client's Transaction beforehand in situations specified in the GTC.

Standard Time of the Execution of the Order

- 8.3. XTb calculates historical standard time of the execution of the Client's Orders for the previous quarter and makes it public on the XTb's Website for information purposes. The Client acknowledges that the standard time of the execution of the Order published by XTb is not a guaranteed time (XTb shall not be obliged to execute the Client's Order in the given standard time nor shall not be liable to the Client for failure to execute the Client's Order in the standard time published on the XTb's Website), but only a historic time, which shall be disclosed to the Client only for information purposes.
- 8.4. 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.
- 8.5. 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 GTC regarding procedure of filing a complaint.

7.6 XTB shall not be liable for damages caused by situations described in clause 7.4. In such cases XTB shall proceed in accordance with the Orders 'Execution Policy as to gain the best result for the client.

9. Changes to the Spread

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

10. Order's size

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

11. Warning

In the event that the Client provided detailed instructions regarding the execution of the Order, XTB may not be able to act in a manner that would allow obtaining the best possible result when executing such an Order with respect to the factors to which such instructions relate.

12. Monitoring of the Best Execution Policy

XTB monitors the implementation of this Policy by verifying the quality of quotations, including the marketability of quoted prices, verification of realized deviations of transaction prices from prices on the transaction platform, monitoring complaints about Orders placed by Clients, and undertaking an independent assessment of the way of Order execution as part of internal control or internal audit.

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 of origination or expiry of the Client's **trust** (fiduciary) right to a fraction of the given OMI. Whenever you hold Fractional Shares, XTB will hold the corresponding OMI to the fraction of which you have the **trust** right (fiduciary).
- 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 Organized 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 trust (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 trust (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 Organized 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 point 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 Organized 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 Organized 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 point 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 will not be executed at the price at the time of placing the Order. Execution will take place after trading resumes and the execution price will 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 acquire a fraction of Fractional Shares that results in exceeding the whole number (including fractions acquired earlier) on the second business day after the transaction, your right to Fractional Shares equal to whole number expires and the whole instrument is recorded on 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 will not be credited to your Trading Account, while your right to the Fractional Share will be registered.
- 2.6. **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](#)).
- 2.7. Your Orders are executed on the over-the-counter (OTC) basis, i.e. outside the regulated market or multilateral trading facilities (MTF).
- 2.8. Trade in Fractional Shares is executed without use of financial leverage.
- 2.9. 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 working until the trade is resumed.
- 2.10. Certain OMI may not be available for trading in Fractional Shares. Execution of Orders regarding Fractional Stocks applies only to the OMI instruments eligible for such transactions in the Table of Conditions 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 shall be 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 international transactions between XTB and the Client.

4. Price Quoting

- 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.
- 4.2. We quote the OMI prices based on which the Fractional Share prices are determined systematically on Trading Days.
- 4.3. The detailed description of Trading Days is available in the Table of Conditions of 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 number of fractions of a given OMI with exactness of or a value expressed in an Account currency. The Orders where the value is expressed as a currency shall be converted into the number of OMI to be executed with the accuracy specified in the Table of conditions concerning OMI. In all cases, when converting the value specified in the currency into the number of OMI, the number of OMI will be rounded down.
- 5.3. The Order to buy Fractional Shares is executed through creation of Fractional Shares. This means origination of your trust (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 day of creation of trust right to Fractional Shares is (i) the date of execution of the Acquisition 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 shall be executed using Free Margin in the Client's Trading Account, provided that they are 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 trust (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 Table of Conditions 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 organized markets.