PXBT TRADING LTD

Order Execution Policy

Version 2.

1. Introduction

1.1. PXBT TRADING LTD (hereinafter "the Company" or "PXBT") is a Securities Dealer Licensee, regulated and authorized by the Financial Services Authority ("FSA") in Seychelles under license number SD162. By agreeing to the terms of our "Client Agreement," you are also agreeing to the terms of this Policy, which forms part of the Client Agreement.

1.2. This Order Execution Policy (hereinafter "the Policy") applies to all Clients of PXBT, whether retail or professional, when executing transactions in the financial instruments provided by us, including Contracts for Differences ("CFDs") and any other financial instruments offered by the Company.

1.3. The Policy forms part of the Client's Agreement that is always available in the Company's official website.

1.4. The Company reserves the right to amend the current version of this Policy at any time if such amendment is needed as a result of any amendments of the law, any regulations, execution practices utilized by the Company or for any reason the Company considers as a proper reason to amend the Policy.

1.5. In case of material amendment of the current Policy, the Clients will receive a notification regarding such amendment.

2. Regulatory Framework

2.1. The Policy has been prepared based on the following regulatory framework:

- Securities Act 2007, as amended from time to time;
- Securities (Conduct of Business) Regulations, 2008 (Collectively, the "Best Execution Requirements").

3. Execution Venues

3.1. PXBT TRADING LTD acts as the sole execution venue for all client orders. As the principal counterparty to all transactions, the Company is responsible for executing client orders directly through its own systems and liquidity providers. However, in certain circumstances, the Company reserves the right to utilize other execution venues, including but not limited to third-party liquidity providers or regulated markets, to ensure the best possible execution outcome for its clients.

4. Order Execution Practices

4.1. The Company executes most client orders automatically, but reserves the right, under specific circumstances, to manually intervene and execute any order or apply Volume-Weighted Average Price (VWAP) execution, without prior notice to the client. This discretionary intervention may occur during periods of market volatility, liquidity constraints, irregularities in price updates, substantial order volumes, or when the Company identifies potential trading patterns indicative of manipulative or abusive behavior, including but not limited to multiple client accounts displaying identical trading characteristics. The Company retains sole discretion in determining what constitutes a significant order volume or suspicious trading activity.

4.2. **Pricing**: The Company may, at its discretion, utilize liquidity price providers ("LPs") to ensure that competitive "bid" and "ask" prices are made available to clients.

4.3. **Re-quoting**: In instances where the originally requested price is no longer available at the time of order submission, the Company's system may issue a revised quote. This updated quote is derived from real-time market data provided by our LPs. The client must expressly agree to the new quote prior to the execution of the order. Re-quoting is not applicable to pending orders.

4.4. **Slippage**: Slippage may occur when the price at which an order is executed differs from the price specified in the order due to market movements. This is most likely to happen during periods of volatility or when liquidity is limited. Slippage may result in either a better or worse price than requested.

4.5. **Partial Execution**: In circumstances where there is insufficient liquidity to fulfill an entire order at the requested price, the order may be executed in smaller parts at different prices. This is more commonly observed in larger orders or during periods of low market liquidity. The Company will aim to ensure that any outstanding portions of the order are executed as soon as prevailing market conditions permit.

4.6. **Fees**: Fees may be applied for the trading of specific financial instruments. The full schedule of fees applicable to trading on the MT5 platform is clearly presented on the Company's official website.

4.7. **Spread**: The Company applies a spread, which represents the difference between the "bid" and "ask" prices for any given instrument. Spreads may vary depending on market conditions and the type of financial instrument being traded.

4.8. **Mark-up**: In addition to the spread, the Company may apply a mark-up to trades executed on the MT5 platform. The mark-up is an additional charge that may affect the total cost of the trade. Further details regarding the calculation and application of such mark-ups are provided in this Policy.

4.9. **Trade Rejections**: Orders may be rejected if the price initially submitted is deemed invalid or outdated. In such cases, the client will be notified accordingly.

5. Types of Orders

5.1. **Market Order**:
A market order constitutes an instruction to purchase or sell a specific volume of a financial instrument at the current available market price. The system aggregates liquidity from third-party liquidity providers (LPs) and executes the order at the Volume-Weighted Average Price (VWAP), reflecting the weighted average of execution prices based on available liquidity at different price levels.

5.2. **Pending Orders**:
The Company offers the following types of pending orders, each subject to the specific conditions outlined below:

Note: Stop orders consist of buy stop, sell stop, stop loss, and stop-outs. Limit orders consist of buy limit, sell limit, and take profit.

- **Buy Stop Order**: A buy stop order is an instruction to purchase a specified quantity of the underlying instrument when its price reaches a pre-defined level (the "stop price"), which is higher than the current market price. Once the stop price is triggered, the order is executed as a market order.
- **Sell Stop Order**: A sell stop order is an instruction to sell a specified quantity of the underlying instrument when its price reaches a pre-defined level (the "stop price"), which is lower than the current market price. Once the stop price is triggered, the order is executed as a market order.
- **Buy Limit Order**: A buy limit order is an instruction to purchase an instrument at a specified price ("limit price") that is lower than the current market price. This order will only be executed at the declared price or a more favorable price.

- **Sell Limit Order**: A sell limit order is an instruction to sell an instrument at a specified price ("limit price") that is higher than the current market price. This order will only be executed at the declared price or a more favorable price.

- **Stop Orders**: This type of order is activated when the market reaches a predetermined stop level (the "stop price"). Upon triggering, the stop order is treated as a market order and executed accordingly. If the stop price is not reached, the order remains active until it is triggered or canceled. Stop orders must be placed at a specified minimum distance from the current market price to be considered valid.

- **Take Profit**: A take-profit order is used to secure profits by closing an open position when the market moves favorably and reaches a target price. This order is executed at the target price or better.

- **Stop-Limit Orders**: A stop-limit order is a combination of a stop order and a limit order. Once the stop price is reached, the stop-limit order becomes a limit order to either buy or sell at the limit price or better.

- **Stop Loss**: A stop-loss order is used to limit potential losses by closing an open position when the market moves against the client's interest, reaching a pre-set level. The stop-loss order becomes a market order once the stop price is triggered.

- **Limit Orders**: Limit orders are instructions to execute a transaction when the market reaches a pre-set price level (the "limit price"). These orders are used to enter the market at a preferred price rather than the available market price. Once triggered, the limit order will be executed at the specified limit price or a more favorable price.

5.3. **Order Validity Settings**:

- **Good 'til Cancelled (GTC)**: A GTC order remains active in the system until it is executed or canceled by the client. However, GTC orders may become void if the underlying contract, such as a CFD on futures, reaches its expiration date.

- **Good 'til Date (GTD)**: A GTD order allows the client to specify a particular expiration date for the order. If the order is not triggered by the specified date, it will be automatically canceled by the system. Like GTC orders, GTD orders may become invalid if the underlying instrument reaches its maturity date.

5.4. **Modification or Cancellation of Pending Orders**:

Clients retain the right to modify or cancel a pending order, provided that the market has not reached the specified price. An order will be canceled under the following circumstances:

- The client manually cancels the order before the market reaches the designated price.
- The expiration timeframe set by the client has been reached.
- The order is triggered, but there is insufficient margin in the client's account to fulfill the trade, resulting in automatic cancellation.

5.5. **Deletion of Pending Orders**:

The Company reserves the right to delete any pending orders that have not been triggered within a period of three (3) months from the date of entry into the system.

Order Type	MetaTrader 5 (Market Orders)	MetaTrader 5 (Limit Orders - Stop Orders)
Execution Method	Market orders are executed at the current market price.	Triggered at the set stop price and then executed as market orders.
Slippage	Slippage may occur, meaning the executed price could differ from the requested price.	Slippage may also happen, either positively or negatively, or no slippage may occur.
Requoting	No requoting is applied for market orders.	Requoting does not apply.

Partial Fills	Market orders may be filled partially.	May be filled partially based on available liquidity.
Stop & Limit Order Restrictions	Restrictions apply to the placement of stop and limit orders.	Restrictions apply.
Spread Mark-up	A mark-up is applied to the spread for market orders.	A mark-up is applied to the spread.
Commission	No commission is charged.	No commission is charged.

6. Negative Balance Protection

6.1 The Company provides Negative Balance Protection (NBP) to safeguard clients from incurring losses that exceed their account balance. In the event that market conditions cause a client's account to enter a negative balance, the Company will take immediate corrective action to ensure that the balance is reset to zero, thereby preventing the client from owing additional funds beyond their deposited capital.

7. Leverage

7.1 The Company offers clients the ability to trade with leverage, allowing them to control larger positions with a smaller initial investment. Leverage amplifies both potential gains and potential losses, making it a powerful tool that should be used with caution.

7.2 The leverage ratios offered by the Company are clearly outlined on the Company's official website and vary depending on the financial instrument and the client's classification (Retail or Professional). Leverage is automatically applied to all trades, and the margin required to open a position is calculated based on the selected leverage ratio.

7.3 Clients are responsible for ensuring that sufficient margin is maintained in their account to support open positions. Should the margin level fall below the required threshold, the Company may initiate margin calls or automatically close positions to prevent further losses, in accordance with the Company's margin and liquidation policies.

7.4 Clients should fully understand the risks associated with leveraged trading, as both profits and losses are magnified, and the use of leverage may result in the rapid depletion of account balances. The Company reserves the right to adjust leverage levels at its discretion, particularly during periods of heightened market volatility or in response to regulatory requirements.

8. Margin Requirements and Margin Level

8.1 The Company may apply margin requirements to ensure that clients maintain sufficient capital to cover their open positions. Margin represents a percentage of the full value of the position and serves as collateral for trading with leverage. Clients are required to deposit and maintain the necessary margin in their account before opening any leveraged positions, as specified on the Company's official website.

8.2 Margin requirements vary depending on the financial instrument being traded and the client's classification (Retail or Professional). The Company may adjust margin requirements based on market conditions, liquidity, or other factors, particularly during periods of high volatility or in accordance with regulatory obligations.

8.3 Clients are responsible for monitoring their margin levels and should be aware that failure to meet margin requirements may result in the liquidation of positions. In the event that the Margin Level on the MetaTrader 5 platform falls to or below the required level as specified in the Company's website, the Company reserves the right to initiate the closure of client positions. The process will commence with the closure of the position generating the largest loss, as measured by absolute value.

8.4 Should the Margin Level decline further, the MetaTrader 5 platform will automatically cancel pending orders, beginning with those requiring the highest margin. Orders for which no margin has been reserved will not be affected.

8.5 If the Margin Level remains at or below the required margin level as specified in our website, the platform will proceed to close additional open positions, starting with the position incurring the largest loss.

This process will continue until the Margin Level exceeds the minimum required. The Company retains the discretion to apply this process without prior notice to the client, in accordance with its margin policies and the provisions set forth in the Client Agreement.

9. Corporate Actions

9.1 **Dividends:**

Clients holding long positions in shares or spot indices on the ex-dividend date will receive a dividend credit in the form of a cash adjustment to their trading account. Conversely, clients holding short positions will incur a corresponding debit for the applicable dividend amount. PXBT reserves the unilateral right to increase margin requirements in advance of dividend payments in order to manage associated market risks and fluctuations.

9.2 **Fractional Share Adjustments:**

In instances where corporate actions result in fractional shareholdings, PXBT may implement cash adjustments to reflect such fractional holdings. These adjustments will be calculated based on the fraction of the share multiplied by the adjusted closing price of the underlying asset on the day preceding the ex-date.

9.3 **Other Corporate Actions:**

For corporate events such as stock splits, rights issues, or other comparable corporate actions, PXBT shall make the necessary and appropriate adjustments to client positions to ensure the economic consequences of the corporate action are accurately accounted for.

9.4 **De-listing:**

In the event of a de-listing of a security, PXBT shall close all affected client positions at the last available market price prior to the de-listing. The client will be notified of the closure as set forth in the relevant provisions of the Client Agreement.

9.5 **Earnings Announcements:**

PXBT reserves the absolute right to increase margin requirements and limit exposure to relevant instruments prior to earnings announcements to mitigate the potential for significant market volatility.

9.6 **Significant Corporate Actions:**

In the event of material corporate actions, including but not limited to mergers, acquisitions, or leveraged buyouts, PXBT may take protective measures deemed necessary, which may include:

- Suspending or halting trading on the affected instrument.
- Adjusting margin requirements at its discretion.
- Limiting the client's exposure to the relevant financial instruments.
- Closing positions if the instrument ceases to be traded on its original venue or exchange.

10. Best Execution Policy

10.1 General

When executing Client Orders, the Company takes all sufficient steps to ensure the best possible outcome for its Clients. This involves considering various factors such as price, costs, speed, likelihood of execution and settlement, order size, and the nature of the transaction, as well as any other relevant aspects. However, if the Client provides specific instructions regarding the execution of an order, the Company will follow those instructions accordingly.

10.2 Best Execution Factors

The Company takes into account the following criteria when carrying out Clients' orders or acting on behalf of Clients:

- The characteristics of the Client, including their classification as Retail or Professional.
- The characteristics of the Client order.
- The characteristics of the financial instruments involved.
- The characteristics of the execution venues to which the order may be directed.

10.3 Price

The Company shall quote two prices for any given instrument: a higher price (ASK) for purchasing (going long) and a lower price (BID) for selling (going short). The difference between these prices is known as the spread. The Company obtains these prices from its liquidity providers/ price feed providers, which reference prices from underlying assets sourced from reputable third-party providers.

10.3.1 Price Comparison

Clients are advised that the prices displayed on the Company's platform may differ from those quoted by exchanges, other brokers, or market participants. These variations may arise from differences in liquidity, execution models, spreads, or mark-ups applied by the Company. Any comparison of the Company's prices with those from other sources should not be regarded as directly equivalent or comparable.

The Company's pricing is specific to its execution framework, and clients should understand that attempting to match or compare these prices with those from other brokers, exchanges, or data providers may not accurately reflect the market or execution dynamics applicable to the Company. The Company disclaims any responsibility for discrepancies between its prices and those from external sources, and clients are encouraged to base their trading decisions on the Company's pricing and execution policies as outlined in this Policy.

10.3.2 Pending Orders

Pending orders, such as Buy Limit, Stop Loss, and Take Profit for long and short positions, are executed based on the ASK and BID prices respectively. If the price reaches an order set by the Client, these orders are executed automatically. However, under certain market conditions, it may be impossible to execute such orders at the exact price requested by the Client. In these cases, the Company reserves the right to execute the order at the next available price. This may occur during periods of rapid price fluctuations, such as when trading is suspended or restricted by the relevant exchange, or during the opening of trading sessions.

10.4 Costs

For some financial instruments, opening a position may require the payment of commissions or financing fees, as disclosed on the Company's website.

- **Commissions:** These may be charged as a percentage of the trade value or as a fixed amount, as indicated on the Company's website.
- **Financing Fee:** Financing fees, often referred to as "swap rates," are charged for positions held overnight and are based on prevailing market interest rates. These fees may fluctuate over time and are applied daily. The financing fee increases or decreases the value of open positions in specific financial instruments.

Commissions and financing fees are not included in the Company's quoted prices and are charged separately to the Client's account. If the Company decides not to charge such fees at any time, this should not be taken as a waiver of its right to apply them in the future, with prior notice to the Client as per the Client Agreement. Such notifications may be posted on the Company's website or sent directly to the Client.

10.5 Speed of Execution

The Company prioritizes fast execution of Client Orders but recognizes that execution speed can be impacted by the limitations of technology and communication networks. For example, poor internet connections, such as wireless or dial-up connections, may cause delayed execution or result in orders being filled at prices different from those requested.

Additional factors that may affect execution speed include the number of orders received by the server, especially during news releases or periods of high market volatility. In such cases, the Company may impose limits on the number of requests per second to maintain system performance and avoid impacting the execution of other Client orders.

10.6 Likelihood of Execution

There may be situations where it is not possible to execute an order, including but not limited to:

- High market volatility
- Insufficient liquidity to meet the requested volume
- Rapid price movements
- Events such as news releases or trading session openings
- Force majeure events

In such cases, the Company may not be able to execute the order. The Company also reserves the right, at its discretion and without prior notice to the Client, to decline or refuse to execute any order or instruction. When orders are transmitted to a third-party execution venue, the likelihood of execution will depend on the liquidity and pricing available at that venue.

10.7 Likelihood of settlement

The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Securities offered by the Company do not involve the physical delivery of the underlying asset, so they are not settled physically.

10.8 Market Impact

Some factors may rapidly affect the price of the underlying securities/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all sufficient steps to obtain the best possible result for its Clients.

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor.

10.9 Best Execution Criteria

When executing Client orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred above:

    a. The characteristics of the Client including the categorization of the Client as retail or institutional;

    b. The characteristics of the Client Order;

    c. The characteristics of the Securities that are the subject of that Order;

    d. The characteristics of the Execution Venue to which that Order is directed;

The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience in light of the information available on the market and taking into account the remarks included in paragraph 4.3. The Company assigns the following importance level to the Best Execution Factors:

FACTOR	IMPORTANCE LEVEL	REMARKS
Price	High	The Company places strong emphasis on the quality and level of the price data that it receives from external sources in order to provide Clients with competitive price quotes.

Costs	High	The Company takes all *sufficient steps* to keep the costs of Client transactions as low and competitive, to the extent possible.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and the Company repeatedly monitors on an ongoing basis this factor to ensure it maintains high execution standards.
Likelihood of Execution	Medium - High	Even though the Company may decline a Client order the main aim is to execute all Client Orders, to the extent possible.
Likelihood of Settlement	Medium	See relevant description in Best Execution Section of this Policy
Size of Order	Medium	See relevant description in Best Execution Section of this Policy
Market Impact	Medium	See relevant description in Best Execution Section of this Policy

Where the Company executes an order on behalf of a Client, the best possible result shall be determined in terms of the total consideration, representing the price of the securities and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of that Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

For the purposes of delivering best execution of Clients orders through Company's various competing Execution Venues, in order to assess and compare the results for the Client that would be achieved by executing the Order on each of the execution venue that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venue shall be taken

into account in that assessment. The Company shall not structure or charge commissions in such a way as to discriminate unfairly between execution venues.

The Company has in place procedures and processes to analyze the quality of execution, as well as to monitor best execution.

The Best Execution shall apply also in relation to the Company's arrangements when providing brokerage services on CFDs on Virtual Currencies.

10.10 Client's Specific Instruction

Whenever there is a specific instruction from or on behalf of a Client (e.g. fills in the required parts on the Company's trading platform when placing an Order), relating to the Order or the specific aspect of the Order the Company shall arrange – to the extent possible – for the execution of the Client Order strictly in accordance with the specific instruction.

10.11 Client's Consent

By entering into and accepting the Client Agreement with PXBT, you acknowledge and consent to the terms and conditions outlined in this Order Execution Policy. You agree that all transactions executed through the Company's trading platform are conducted off-exchange, which may expose you to additional risks compared to transactions on regulated exchanges.

By placing orders with PXBT, you consent to the Company acting as the sole counterparty to your trades and executing orders in accordance with this Policy, including the discretion to execute orders manually or at the Volume-Weighted Average Price (VWAP), as applicable. You accept that PXBT may modify execution methods under certain circumstances without prior notice.

11. Risk Disclosure

Trading on the Company's platform is inherently subject to risks, including but not limited to slippage, market volatility, and market gaps. Such risks may result in orders being executed at prices that differ materially from those requested by clients, particularly during periods of heightened market volatility, limited liquidity, or significant news events. Clients are hereby notified that the prices displayed on the platform are indicative and may not necessarily represent the final execution price. Furthermore, stop-loss

orders and other similar mechanisms may not fully protect against adverse market movements. Clients are strongly advised to consider these risks before engaging in trading activities. The Company expressly disclaims any liability for losses incurred due to market conditions or events outside of its control.

12. Technology and System Outages

The Company utilizes advanced technological infrastructure to facilitate the seamless operation of its trading platform. However, there may be instances of technological disruptions, including but not limited to server failures, network outages, and system malfunctions. In the event of such technical issues, the Company will undertake all reasonable efforts to resolve the disruption promptly. This may involve, where necessary, the temporary suspension of trading or the execution of alternative arrangements. The Company shall not be held liable for any losses, missed trading opportunities, or damages arising from such disruptions, as these occurrences are often beyond the Company's reasonable control.

13. Limitation of Liability

The Company shall not be held liable for any delays, interruptions, failures, or disruptions in the execution of client orders that arise from circumstances beyond its reasonable control. Such circumstances may include, but are not limited to, acts of God, force majeure events, governmental or regulatory actions, war, civil unrest, terrorist acts, pandemics, natural disasters, technical or communication failures, including but not limited to server breakdowns, internet and network outages, power failures, or disruptions in data feeds from third-party providers.

Additionally, unforeseen market events such as extreme volatility, rapid price movements, or trading halts imposed by exchanges or liquidity providers may also affect the Company's ability to execute orders as intended. In these instances, the Company shall make all reasonable efforts to mitigate the effects of such disruptions on clients' trading activities, including by seeking alternative execution methods or venues where feasible.

Notwithstanding such efforts, the Company expressly disclaims any liability for losses, damages, missed trading opportunities, or any other adverse effects experienced by clients as a result of such events. This disclaimer includes, but is not limited to, situations where client orders are

delayed, executed at prices different from those expected, or not executed at all due to external circumstances that prevent the normal functioning of the Company's systems or processes. The Company's liability in such situations is fully excluded to the maximum extent permitted by la

14. Policy Review and Monitoring

This Order Execution Policy is subject to periodic review, with a formal review being conducted at least annually by the Company's Compliance Department. The purpose of this review is to ensure that the policy remains aligned with applicable regulatory standards and industry best practices, and that it continues to serve the best interests of the Company's clients.

15. Contact Us

If you have any questions or require further clarification regarding this Order Execution Policy or any other aspect of your account, please do not hesitate to contact our support team.