

Order Execution Policy

DaoFinity Digital Trading Platform Email: support@daofinity.com

Effective Date: August 15, 2024 **Last Updated:** January 22, 2026

1. Purpose

This policy explains how DaoFinity (hereinafter "DaoFinity" or "Company") executes client orders in its digital trading environment, ensuring that all operations are conducted fairly, transparently and in compliance with the law.

This policy is governed by applicable international jurisdiction and should be read in conjunction with DaoFinity's General Terms and Conditions and Privacy Policy, available at daofinity.com.

2. Price Formation and Data Sources

DaoFinity determines asset prices through API integrations that provide real-time global market data from multiple verified institutional sources.

Due to market dynamics and liquidity conditions, quotes displayed on the DaoFinity platform may differ from external markets, especially for Over-the-Counter (OTC) assets. In these cases, prices may be influenced by internal demand and system liquidity, always in accordance with international market integrity standards and without deliberate manipulation.

The Client acknowledges that charts displayed on the platform are indicative, and DaoFinity does not guarantee that transactions will be executed at the same prices shown in the charts at the time of order submission.

3. Execution Environment

Orders are executed within DaoFinity's proprietary electronic system, designed for low latency, precision and stability.

3.1 Acting as Counterparty

DaoFinity acts as a market maker and executes orders as the principal counterparty to the transaction, not as an agent on behalf of the Client. Under conditions of reduced liquidity or imbalance between orders, DaoFinity may — fairly and transparently — act as counterparty to ensure operational continuity and efficient execution.

This intervention does not represent a conflict of interest, as it is strictly governed by this policy and internal compliance rules. The Client acknowledges and accepts that potential conflicts of interest may arise due to this execution model.

3.2 Financial Instruments

DaoFinity offers the following financial instruments:

- Digital Options
- Binary Options
- Turbo Options (Blitz)

Trading these instruments does not grant the Client any rights, voting rights, title or interest in the underlying instrument of the transaction.

4. Execution Criteria

DaoFinity applies the following key factors when executing client orders:

- **Price:** priority in order execution
- **Execution Speed:** response time optimization
- **Execution and Settlement Probability:** liquidity availability and platform stability
- **Order Size and Type:** suitability to market conditions
- **Market Conditions:** volatility, liquidity and system load

All executions are carried out with the objective of achieving the best possible result for the client at the time of order placement.

5. Slippage and Price Variation

Due to rapid market fluctuations, a difference may occur between the quoted price and the actual execution price (slippage). This variation is a normal aspect of high-speed digital trading environments and does not constitute an error or manipulation.

DaoFinity continuously monitors and synchronizes its price feeds to minimize the impact of slippage. The Client acknowledges and accepts that the only reliable source of quote flow information is DaoFinity's main server for client requests.

6. Order Rejection and Limitation

For reasons of risk management, operational fairness and legal compliance, DaoFinity reserves the right to reject, delay or limit orders under certain conditions.

6.1 General Grounds for Rejection

DaoFinity may reject orders under the following circumstances:

- a) Multiple simultaneous orders on the same asset and period
- b) Technical irregularities or attempts to manipulate price data
- c) Violation of platform rules or Terms and Conditions
- d) Market manipulation or attempt to manipulate financial instrument prices
- e) Insider trading
- f) Money laundering activities or suspicion of illicit origin of funds
- g) Insufficient funds to cover the purchase of financial instruments

- h) Internal exposure limits on the financial instrument or its underlying asset reached
- i) Client becomes a resident of a restricted country as specified by the Company

6.2 Prohibition of Automated Trading Systems (ZERO TOLERANCE)

THE USE OF ANY AUTOMATED TRADING SYSTEMS, BOTS, ROBOTS, ALGORITHMS, ARTIFICIAL INTELLIGENCE, SCRIPTS, MACROS OR HIGH-FREQUENCY TRADING (HFT) STRATEGIES IS STRICTLY PROHIBITED AND WILL RESULT IN IMMEDIATE ACCOUNT SUSPENSION AND FORFEITURE OF ALL PROFITS.

DaoFinity maintains automated detection systems that monitor in real-time and identify patterns indicative of automated trading, including:

Automation Detection Criteria:

- **Abnormal Success Rates:** Success rates exceeding 70% over extended periods (more than 100 trades)
- **Inconsistent Execution Speed:** Operations executed at intervals of less than 2-3 seconds consistently
- **Repetitive Patterns:** Identical or algorithmic operational sequences
- **Excessive Volume:** Number of operations incompatible with manual trading (more than 500 operations in 24 hours)
- **Robotic Timing:** Activity concentrated at specific times in a robotic manner
- **Lack of Human Variation:** Investment values always identical or in mathematical progression
- **Abnormal Latency:** Response times between clicks and executions inconsistent with human operation
- **Mouse Patterns:** Absence of natural mouse movements or repetitive patterns

Monitoring Technologies:

- Latency analysis between clicks and executions
- Mouse movement pattern monitoring
- Analysis of intervals between consecutive operations
- Temporal correlation between opening/closing
- Advanced behavioral analysis
- Digital fingerprinting system

6.3 Prohibition of Multiple Accounts (ZERO TOLERANCE)

EACH CLIENT IS STRICTLY LIMITED TO ONE (1) ACCOUNT ONLY. CREATING MULTIPLE ACCOUNTS, WHETHER DIRECTLY OR THROUGH FAMILY MEMBERS, RELATIVES OR ANY THIRD PARTIES, IS STRICTLY PROHIBITED AND WILL RESULT IN IMMEDIATE SUSPENSION OF ALL RELATED ACCOUNTS AND FORFEITURE OF PROFITS.

DaoFinity uses advanced detection systems to identify related accounts through:

Related Account Detection Methods:

- **Personal Information:** Same or similar ID numbers, documents or personal data
- **Network Connections:** Shared IP addresses or network connections
- **Geographic Location:** Same residence or residential/commercial address
- **Payment Methods:** Related banking information or shared payment methods
- **Family Relationships:** Shared surnames with same IP address without adequate justification
- **Behavioral Patterns:** Coordinated trading activities between accounts
- **Device Sharing:** Use of the same devices or digital fingerprints

Specific Protocol - Same Surname + Same IP:

When the same surname combined with the same IP address is detected, a relative presumption of irregularity will be established, especially if there is:

- Operations at identical times
- Similar operational strategies
- Absence of plausible justification for cohabitation and simultaneous trading

In these cases, DaoFinity may request proof of relationship, cohabitation feasibility analysis, financial independence verification, or require in-person or video conference verification.

6.4 Suspicious Activities and Coordination

DaoFinity will monitor and reject orders related to:

- Abnormal trading patterns inconsistent with manual trading
- Coordination between related accounts (synchronized timing, identical strategies)
- Exploitation of system vulnerabilities
- Attempts to circumvent platform restrictions
- Behavior indicating control or coordinated operation between multiple accounts

7. Penalty System

Accounts suspected of irregular behavior may be suspended, reviewed or closed by DaoFinity's Compliance Department.

7.1 Penalty Levels

DaoFinity applies a penalty system proportional to the severity of the violation:

LEVEL 1 - WARNING

- For minor violations or first occurrence
- Formal written notification

- Enhanced monitoring

LEVEL 2 - TEMPORARY SUSPENSION

- For 30 to 90 days
- Blocking of new operations
- Balance maintenance

LEVEL 3 - WITHDRAWAL SUSPENSION

- Withdrawal blocking for up to 180 days
- In-depth investigation
- Possibility of regularization

LEVEL 4 - CLOSURE WITH RETURN

- Contract termination
- Return of deposited balance
- Retention of irregular profits only

LEVEL 5 - CLOSURE WITH RETENTION

- For serious cases or recurrence
- Complete retention of values
- Permanent ban

7.2 Penalty Application

For Multiple Accounts:

- 1st detection: Level 4 (closure with return)
- Clear evidence of coordination: Level 5 (complete retention)

For HFT/Automation:

- Proven use: Immediate Level 5
- Substantiated suspicion: Level 3 with investigation

Aggravating Factors:

- Recurrence
- High value involved
- Use of false documentation
- Resistance to cooperation with investigations

7.3 Investigation Process

PHASE 1 - AUTOMATIC DETECTION

- System identifies suspicious activity
- Account is automatically flagged
- Intensive monitoring begins

PHASE 2 - TECHNICAL ANALYSIS

- Specialized team analyzes evidence
- Timeframe: up to 48 hours for clear cases
- Collection of additional evidence

PHASE 3 - ADMINISTRATIVE DECISION

- Application of measure proportional to the violation
- Client notification via ticket system
- Immediate implementation of penalties

PHASE 4 - DEFENSE PERIOD

- Client may present counter-evidence within 15 days
- Analysis of additional documentation
- Final decision within 30 days

Total Investigation Period: Up to 90 days for complete conclusion.

During the investigation period, withdrawal suspension may be applied, and DaoFinity may request additional documents or require in-person verification. The burden of proof is on the suspected Client, who must provide satisfactory evidence of compliance.

8. Integrity and Transparency

DaoFinity is committed to fair and transparent execution practices. All order data and prices are obtained automatically from verified sources, without manual interference.

The company maintains complete auditable records of all transactions for regulatory and compliance purposes, in accordance with applicable international jurisdiction.

9. Monitoring and Audit

All executions are securely recorded with:

- Date/time stamp
- Execution price
- IP address

- Device identifiers
- Behavioral data
- Digital fingerprints

This data is used to:

- Ensure compliance with this policy
- Detect multiple accounts and related accounts
- Identify automated trading and HFT strategies
- Prevent fraud and market manipulation
- Protect system integrity

Internal and automated audits are conducted regularly to ensure full compliance with this policy and protect market integrity.

10. Trade Review Requests

Clients may request a trade review if they believe a technical discrepancy has occurred.

10.1 Request Procedure

- **Channel:** Internal ticket support system available on the DaoFinity trading platform
- **Client Timeframe:** Within 24 hours after order execution
- **Required Documentation:** Detailed evidence of the alleged discrepancy

10.2 Review Process

- Review will be conducted impartially by the Compliance Department
- DaoFinity response time: Up to 30 days for initial analysis
- In complex cases: Up to 90 days for complete conclusion
- Result will be communicated directly to the Client through the ticket system

10.3 Important

For issues specifically related to the DaoFinity trading platform, Clients MUST contact DaoFinity support directly through the internal ticket support system available within the trading platform.

The email support@daofinity.com is reserved for corporate, legal and compliance matters that cannot be resolved through the ticket system.

11. Legal Compliance and Disclaimer

11.1 Jurisdiction

DaoFinity operates under applicable international jurisdiction. This policy and all order execution operations are governed by applicable international jurisdiction.

11.2 Compliance Standards

DaoFinity operates in accordance with:

- International market fairness standards
- Consumer protection principles
- Anti-market manipulation practices
- KYC/AML (Know Your Customer / Anti-Money Laundering) regulations
- Anti-terrorism financing standards

11.3 Operational Transparency

Differences in quotes or execution results are legal and transparent, arising from the operational processes described in this policy. DaoFinity's role as market maker and counterparty is clearly disclosed and accepted by the Client when agreeing to the Terms and Conditions.

11.4 Risk Warning

Trading digital derivatives, binary options and similar financial instruments involves a high level of financial risk, including the possibility of total loss of invested funds.

Clients should:

- Fully understand the nature of the product
- Assess their financial capacity to sustain losses
- Operate responsibly
- Read and understand the complete Risk Disclosure available on DaoFinity's website

11.5 Limitation of Liability

DaoFinity will not be liable for:

- Losses arising from Client trading decisions
- Damage caused by force majeure or events beyond the Company's control
- Third-party service interruptions
- Client errors in order submission
- Losses resulting from Client violation of Terms and Conditions

11.6 Prohibition of Advisory

Unless otherwise agreed in writing, DaoFinity does not provide investment advice, tax advice or personalized trading recommendations. Order execution is performed on an "execution only" basis, and the Client is solely responsible for their investment decisions.

12. Cancellation and Buyback Rights

12.1 Cancellation (3 seconds)

The Client has the right to cancel their order placed with DaoFinity within 3 seconds after the order is placed, subject to:

- Price remaining unchanged
- Conditions specified on the platform
- Applicable fees as specified on the platform

12.2 Buyback (After 3 seconds)

After the three-second period, DaoFinity may (but is not obligated to) offer to buy back the Client's option. The Client has the right to agree to such offer, subject to:

- Market conditions
- Applicable fees as specified on the platform
- Feature availability

12.3 Risks

The Client acknowledges and agrees that:

- The use of Cancellation or Buyback is risky
- The cost depends on market conditions
- The Client bears all associated risks
- DaoFinity will provide all necessary information about costs on the platform

13. Amendments and Updates

13.1 Right to Amend

DaoFinity reserves the right to modify, alter or reformulate unilaterally the terms and conditions of this Order Execution Policy at any time.

13.2 Amendment Notification

Significant changes will be communicated through:

- Notification on the trading platform
- Client's registered email
- Publication of updated version at daofinity.com

13.3 Acceptance of Amendments

Continued use of the platform after notification of changes constitutes acceptance of the modifications. If the Client does not agree with the changes, they must cease using the platform, request account closure and withdraw any remaining funds (subject to compliance with withdrawal policies).

14. Related Documents

This Order Execution Policy should be read in conjunction with:

- DaoFinity's General Terms and Conditions
- DaoFinity's Privacy Policy
- Payment Policy
- Withdrawal Policy
- Code of Conduct
- Anti-Money Laundering (AML) Policy
- Risk Disclosure

All documents are available at: daofinity.com

15. Contact Information

For operational matters, order execution, deposits, withdrawals and technical support: Use the internal ticket support system available in your trading account on the DaoFinity platform.

For corporate, legal and compliance matters:

- Email: support@daofinity.com
- Website: daofinity.com

FINAL STATEMENT OF ACCEPTANCE

By using DaoFinity's services, the Client expressly declares having read, understood and fully accepted all terms of this Order Execution Policy, especially:

- ✓ Prohibitions related to multiple accounts (ZERO TOLERANCE)
- ✓ Prohibitions related to automated trading/bots/HFT (ZERO TOLERANCE)
- ✓ The detection system and applicable penalties
- ✓ DaoFinity's role as market maker and counterparty
- ✓ The risks inherent in trading digital derivatives
- ✓ Review and complaint procedures

The Client acknowledges that DaoFinity has advanced detection systems and that any attempt to circumvent these rules will result in severe penalties, including value retention and permanent ban.

This document was prepared in compliance with applicable international jurisdiction.

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