

KOSHAYOJAN SERVICES DMCC

BEST EXECUTION POLICY

This Best Execution Policy contains standards, responsibilities, and procedures adopted by the Koshayojan Services DMCC (“**Policy**”) that constitute a legally binding agreement by and between **Koshayojan Services DMCC**, a company duly incorporated under the Dubai Multi Commodities Centre (DMCC) Free Trade Zone OF United Arab of Emirates (“**Company**” or “**we**” or “**Koshayojan**”).

1. PURPOSE AND SCOPE

- 1.1 This Best Execution Policy outlines the framework by which the company ensures it consistently takes all sufficient and appropriate steps to achieve the best possible outcome for its clients when executing, placing, or transmitting orders involving Virtual Assets (VAs). We are committed to best execution involves a multi-factor assessment balancing price, cost, speed, execution likelihood, settlement certainty, and order size based on the nature of the asset, client profile, market conditions, and specific instructions. This policy reflects our regulatory obligations to act honestly, fairly, and professionally in the best interests of our clients and promotes market integrity across centralized and decentralized execution environments.
- 1.2 The procedures described herein are designed not only to comply with VARA’s regulatory requirements for Virtual Asset Service Providers (VASPs), but also to provide transparency and confidence in our execution standards as part of a robust and client-centric operational model.
- 1.3 **Applicability of Order Handling Controls:** This Policy applies to the handling of all client orders to buy or sell one or more Virtual Assets. The obligation to exercise reasonable diligence to obtain the most favourable price for the client under prevailing market conditions, while giving due consideration to costs, speed, likelihood of execution and settlement, size and nature of the order, applies to the handling of all client orders to buy or sell one or more Virtual Assets. The two specific scenarios in which the best execution standard under Rule II.A.1 does not apply are recognised and administered through this Policy’s procedures for specific client instructions. Those scenarios are:
 - (i) where the client is a VARA-licensed VASP that specifically requests a quote and authorises execution at the Company’s professional discretion and the Company does not satisfy the order by dealing as principal; and
 - (ii) where the client is a Qualified Investor or an Institutional Investor that specifically requests a quote and authorises execution at the Company’s professional discretion and the Company does not satisfy the order by dealing as principal.

(Client-directed routing, where applicable, is handled in accordance with Section 16.)

2. GENERAL EXECUTION OBLIGATIONS

- 2.1 The Company exercises reasonable diligence and professional judgment to obtain the most favourable price for the client under prevailing market conditions. This includes due consideration of other relevant factors such as:

- (i) Costs (including commissions and fees)
- (ii) Speed of Execution
- (iii) Likelihood of Execution and Settlement
- (iv) Order Size and Type
- (v) Nature of the Transaction
- (vi) Market Impact
- (vii) Client-Specific Instructions

The Company does not use, hold, or otherwise deal in Client Money or Client Virtual Assets. Settlement occurs through licensed third-party venues/custodians as per client instruction.

3. LIMITED EXCEPTIONS - Not used by the Company

This Best Execution Policy does not apply where:

3.1 VASP-to-VASP Discretionary Quote Execution.

- (i) The client is another VASP licensed by VARA (“VASP-A”).
- (ii) VASP-A requests a quote from Koshayojan Services DMCC (“VASP-B”) to execute at VASP-B’s discretion.
- (iii) VASP-B does not deal as principal to satisfy the order.

3.2 Qualified/Institutional Investor Discretionary Quote Execution

- (i) The client is a Qualified Investor or Institutional Investor.
- (ii) The client requests a quote and authorizes Koshayojan to execute at its discretion.
- (iii) Koshayojan does not deal as principal to fulfil the order.

In these scenarios, best execution obligations under Rule II.A.1 do not apply beyond the provided quote.

4. Best Execution Procedures, Governance and MI

To ensure full compliance with the best execution obligations under Rule II.A of the VARA Broker-Dealer Services Rulebook, Koshayojan has established the following structured execution control framework:

4.1 Document Procedures and Governance Structures: The Company maintains a Best Execution Procedures Manual (the “Manual”) that sets out step-by-step processes for: order intake and classification; routing/venue-selection logic; price discovery and fair-value determination in low-liquidity or unpriced markets; handling client-directed orders; exception handling and escalation; recordkeeping artefacts (including the Fair Value Determination memo and the order-file checklist); periodic execution-quality review; and change management.

Governance: A Best Execution Oversight Committee (BERC)—chaired by Compliance and comprising Trading, Risk, Operations and Technology—provides independent oversight of best

execution. The BERC meets at least quarterly and ad-hoc after any material incident or market disruption. Quorum requires at least three functions, including Compliance and Trading.

Monitoring & review: At each meeting the BERC reviews execution-quality MI (including slippage vs benchmarks, time-to-fill, reject/fail rates, venue outages/latency), exceptions and client complaints, conflicts of interest items, systems capacity/stress-test results, and the approved venues/counterparties list.

Actions & records: Minutes must capture decisions, action items, named owners and target due dates; remediation is tracked to closure. BERC packs and minutes are retained for at least seven (7) years.

Reporting & approvals: The BERC issues a quarterly report to senior management; material issues are escalated promptly. Any material changes to execution arrangements or this Policy require BERC approval and are notified to clients in accordance with Section 13.3.

- 4.2 **Conflict of Interest Management:** Koshayojan has implemented a formal conflict identification and mitigation framework. This includes measures to prevent and manage conflicts arising between competing client orders, between client orders and proprietary interests, or from potential execution venue preferences. Information barriers, order handling neutrality protocols, and fair allocation rules are in place to eliminate biased treatment or undue influence. When providing Licensed Distribution Services, written controls specifically address (a) pricing of any initial placement/distribution and (b) the conditions under which the Company or its Affiliates may receive an allocation of, or purchase, such Virtual Assets. The Company does not deal as principal or make a market. No inducements may influence order routing.

When providing Licensed Distribution Services, the Company shall also apply written controls required by Part IV.C.2 regarding (a) pricing of any initial placement/distribution and (b) the conditions under which the Company or its Affiliates may receive an allocation or purchase of such VAs.

- 4.3 **Execution Rationale and Recordkeeping:** For each executed client order, the Firm retains detailed documentation capturing the rationale for execution decisions. This includes relevant market conditions, order attributes, quotes or price discovery sources considered, selected venues or counterparties, execution time and cost, and justification for pricing in the absence of active market data. All such records are retained for a minimum of seven (7) years.
- 4.4 **Order Routing Logic and Venue Selection Criteria:** Execution venues and counterparties are selected using objective and pre-defined criteria including liquidity depth, trading costs, settlement risk, operational capacity, and historical execution quality. The Firm maintains a list of approved venues and counterparties subject to periodic review. Venue performance is benchmarked to ensure continued competitiveness and reliability.
- 4.5 **Real-Time Monitoring and Post-Trade Surveillance:** The Firm utilizes automated systems and manual oversight to monitor execution quality on a real-time and post-trade basis. These systems track slippage, fill ratios, latency, and execution failures. Trade exceptions and anomalies are

escalated to the Compliance team and Execution Committee for investigation and corrective action.

- 4.6 **Execution in Illiquid or Unpriced Markets:** Where market conditions are such that reliable pricing data is unavailable, the Firm follows documented fallback procedures. This may include the use of peer-VASP quotes, decentralized exchange data, internally calibrated valuation models, or reference to comparable asset benchmarks. Each such pricing decision is substantiated with supporting data and recorded for audit.
- 4.7 **Periodic Review and Quality Assurance:** The Firm conducts a quarterly review of the execution quality received by clients. This includes evaluating actual trade outcomes against expected benchmarks, analysing alternative routing strategies, and assessing execution performance across venues and asset types. Where material differences are identified, the Firm will either modify its execution arrangements or document the rationale for maintaining the existing setup.
- 4.8 **Training and Competence Requirements:** Employees involved in the execution process are provided with regular training to ensure familiarity with execution obligations, conflict mitigation strategies, and best market practices. Competence assessments are conducted at least annually, and procedural updates are communicated promptly...
- 4.9 **Best Market Selection and Documentation:** The Company (Koshayojan Services DMCC) has developed and implemented this Best Execution Policy to obtain the best possible outcome for clients when executing orders as agent. In determining the execution strategy, the Company considers price, costs, speed, likelihood of execution and settlement, order size/nature, and other relevant factors (see Section 5). Per-order file—minimum records:
- (a) the venues/liquidity sources reviewed (and the number reviewed) and why each was relevant;
 - (b) the executability of displayed prices at the time (top-of-book, depth, trading status), any venue outages/access constraints, and the reasonable steps taken where some sources were unavailable;
 - (c) the execution factors applied (per Section 5) and how they were weighed for the order;
 - (d) any independent price references used to validate reasonableness (e.g., other VARA-licensed venues' order books, consolidated/composite feeds, or DEX trade prints);
 - (e) any internal analytical checks used only to validate external executable prices (inputs/assumptions/outlier handling) - not to set a proprietary price; and
 - (f) the rationale for the selected venue/route versus alternatives, including expected vs realised slippage or market impact.

Special procedures when pricing is thin/absent or quotes diverge:

- No/limited quotes: use historical executed prints, composite/benchmark references, and peer-venue indicative data to validate whether any current external executable price is fair; if best execution cannot be assured, stage, pause, or do not execute until adequate price discovery resumes.
- No clear price drivers/valuation factors: perform additional validation checks (e.g., recent prints on comparable venues, depth analysis, cross-venue dispersion tests). Escalate to Compliance where appropriate.
- Multiple quotations: assess total consideration (price plus all costs/fees/latency/impact) and select the best available external executable quote/venue.

Heightened documentation. Where prices are scarce or materially divergent, add a brief Best

Market Determination note (~1 page) with a simple venue comparison table (BBO, depth, costs/latency). Record any escalation/approval prior to execution.

Agency only; no principal pricing. The Company does not deal as principal, does not internalise orders, and does not set its own execution price. Internal tools (including “fair value” checks) are used solely to sanity-check external executable prices and to decide whether to route, stage, or pause an order.

5. EXECUTION FACTORS CONSIDERED

5.1 In discharging its obligation to achieve best execution under Rule II.A.1, Koshayojan evaluates a comprehensive range of qualitative and quantitative factors when handling client orders for Virtual Assets. These factors are applied in a consistent and structured manner, with due regard to the specific characteristics of the order, the client classification (e.g., retail, professional, or institutional), and the prevailing market conditions.

5.2 The primary factor considered is the total consideration, which includes the price of the Virtual Asset and the costs related to the execution, such as fees, commissions, and any settlement charges. However, Koshayojan recognises that achieving the most favourable price may not always equate to best execution in every circumstance, especially when other critical elements such as speed, likelihood of execution, or market impact play a more dominant role given the client's objectives or the nature of the asset.

Additional factors that are systematically taken into account include:

- (i) **Market characteristics**, such as price volatility, order book depth, bid-ask spreads, available liquidity, and the level of fragmentation across venues or trading protocols. The firm also assesses technical considerations such as latency, protocol compatibility, and historical order fill reliability in the chosen market.
- (ii) **Size and nature of the order**, including whether it is a market, limit, or algorithmic order, and whether the execution of the trade could materially impact the market. Large or sensitive trades may require special handling to minimise slippage and preserve client confidentiality.
- (iii) **Accessibility of quotes under prevailing conditions**, especially in periods of high market volatility or low liquidity. Even if certain liquidity venues are technically inaccessible or unavailable, the firm retains an obligation to leverage its expertise, historical pricing intelligence, and routing protocols to achieve best execution.
- (iv) **Client-specific instructions**, which may limit or override certain execution factors, are duly considered and respected. The firm ensures any specific direction by the client is followed precisely and documented appropriately.

6. FEE TRANSPARENCY

For every trade (unless exempted under Rule II.A.2), the Koshayojan must disclose to the client, prior to execution and in the confirmation, the portion of fees or commissions it retains. The fee structure must be:

- (i) Transparent;

- (ii) Consistent with the pre-agreed schedule;
- (iii) Free from hidden inducements.

The Company discloses to clients, both prior to execution and in the trade confirmation, the portion of the amount payable that is retained by the Company as fees or commission, except where Rule II.A.2 applies (which the Company does not use).

7. PROHIBITION OF PAYMENT FOR ORDER FLOW

Koshayojan shall not accept or offer any monetary or non-monetary benefits (such as discounts or reciprocal business) in exchange for routing client orders to a specific venue or counterparty. Execution fees paid to third parties must not result in conflicts of interest or impair fair execution.

8. ORDER EXECUTION CAPACITY

- 8.1 Koshayojan acknowledges that a lack of operational, technological, or human resources within the execution desk shall never constitute a valid justification for non-compliance with its best execution obligations as set out under Rule II.A.1 of the VARA Broker-Dealer Services Rulebook. The responsibility to execute client orders to the highest standard is fundamental and non-delegable, irrespective of any internal resource constraints or organisational challenges.
- 8.2 To this end, the Koshayojan commits to maintaining a well-resourced, competently staffed, and operationally robust execution function, with adequate infrastructure to support real-time order handling, market access, and execution quality assurance across all Virtual Assets and trading venues. The execution desk shall be composed of trained personnel with appropriate qualifications, market expertise, and technological support to assess execution factors and handle client orders effectively under varying market conditions, including periods of heightened volatility or illiquidity.
- 8.3 Furthermore, the Koshayojan conducts periodic reviews of its execution capacity, including workload assessments, trade volume forecasts, and stress testing under simulated high-demand scenarios. This ensures sufficient redundancy, scalability, and business continuity in execution services. Where necessary, contingency plans, including backup personnel, failover systems, and third-party service support, shall be in place to ensure uninterrupted fulfilment of client orders in accordance with best execution standards.
- 8.4 Dedicated execution function. The Company maintains an adequately resourced department dedicated to executing client orders, supported by real-time monitoring, contingency protocols and stress-tested capacity. The Company develops, implements and maintains systems to ensure sufficient capacity and capability to execute client orders received through such systems or other agreed means.

9. SHARED RESPONSIBILITY FOR ORDER ROUTING VIOLATIONS

- 9.1 Koshayojan recognises that the responsibility to uphold best execution standards extends beyond its direct handling of client orders to include any intermediary arrangements or third-party routing practices that may impact client outcomes. Under Rule II.A.9, a Koshayojan that knowingly

participates in an order-routing arrangement in which another initiating Koshayojan fails to meet its best execution obligations shall be deemed jointly accountable for the regulatory breach.

- 9.2 Accordingly, Koshayojan shall exercise robust due diligence when accepting routed orders from other Koshayojan, particularly where those Koshayojan act as initiating brokers or agents of the end client. This includes requiring confirmation of the initiating Koshayojan's licensing status with VARA, its execution procedures, and its internal best execution framework. Any order routing agreement must be underpinned by clear contractual terms, data-sharing protocols, and mutual acknowledgements of respective best execution responsibilities.
- 9.3 The Koshayojan also commits to actively monitoring and identifying any patterns of execution requests that may indicate potential circumvention of best execution rules. Where evidence suggests that another Koshayojan is systematically failing to fulfil its duties under Part II of the Broker-Dealer Services Rulebook, the Firm shall take corrective steps, which may include escalating the matter to Compliance, suspending the routing arrangement, or notifying the relevant regulatory authorities..
- 9.4 Koshayojan maintains a zero-tolerance policy for arrangements intended to obscure execution quality, divert client orders away from competitive venues, or internalise order flows in a way that compromises transparency and client outcomes. All employees involved in order intake and routing are trained to recognise and report suspect routing behaviour, and to document all routed order flows in accordance with the Firm's execution oversight and audit protocols.

10. EXECUTION IN LOW-LIQUIDITY OR UNPRICED MARKETS

In the absence of market quotes or established pricing, Koshayojan shall document:

- How the best available market was selected;
- The rationale for pricing decisions;
- Any valuation methodologies used;
- Why alternative venues were not selected.

11. DELEGATION AND EXECUTION QUALITY REVIEW

Koshayojan does not delegate its best execution obligations. Where client orders are routed non-discretionarily (e.g., via automated routing), or executed internally, the firm shall:

- Review execution quality quarterly;
- Compare execution performance across venues or liquidity sources;
- Modify or justify retention of routing strategies based on material differences in performance.

Where the Company routes order flow to another Entity that has agreed to handle that flow as agent for the client, the Company may rely on that Entity's regular and rigorous execution-quality review provided the rationale for that review is fully disclosed to the Company.

12. GOVERNANCE AND OVERSIGHT

Koshayojan is committed to ensuring that the principles of best execution are deeply embedded within its corporate governance structure. The implementation, maintenance, and continuous improvement of this Best Execution Policy is overseen by the Compliance Department, which holds primary responsibility for monitoring adherence to regulatory obligations under the VARA Broker-Dealer Services Rulebook and ensuring operational alignment with internal execution procedures. The Compliance Department is tasked with conducting independent reviews of execution practices, maintaining accurate documentation, and facilitating regular audits to assess the integrity, effectiveness, and consistency of execution-related controls. It also ensures that any changes in regulatory requirements, market practices, or trading technologies are promptly reflected in the Firm's execution framework.

To reinforce oversight and strategic accountability, the Koshayojan has established a Best Execution Review Committee "**BERC**". This cross-functional committee, chaired by a senior compliance or risk executive, convenes at a defined frequency (at minimum quarterly) and includes representation from trading, risk, operations, legal, and technology. The Committee's mandate includes:

- Reviewing execution quality reports and transaction data analytics;
- Assessing venue performance, counterparties, and routing logic;
- Evaluating exceptions, slippage events, and client complaints;
- Recommending enhancements to systems, staffing, or policies.

The BERC also ensures that any material findings or persistent performance gaps are documented, assigned to relevant owners, and resolved through tracked action plans.

Furthermore, the Koshayojan ensures that key performance indicators (KPIs) related to execution quality and compliance performance are reported regularly to executive leadership as part of the Koshayojan's overall compliance dashboard.

13. CLIENT COMMUNICATION AND DISCLOSURES

13.1 Provision at Onboarding: Koshayojan provides all clients retail, professional, and institutional with a copy of this Best Execution Policy at the time of onboarding. Clients must acknowledge receipt of the policy as part of the account opening documentation.

13.2 Availability Upon Request: clients may request the most current version of this policy at any time. Upon such request, the Firm will ensure prompt and unrestricted access, either through digital delivery or secure client portals. The policy is also accessible via the Firm's website or client dashboard, where applicable.

13.3 Notifications of Material Changes: The Koshayojan will notify clients in advance of any material changes to the Best Execution Policy. Notifications will detail the nature of the change, reasons for the update, how it may impact clients, and the effective date of the revised provisions.

13.4 Method of Notification: Notifications regarding Policy changes or execution arrangements may be communicated via email, in-app or portal notifications, or other secure digital channels. For institutional clients, updates may also be communicated through designated relationship managers.

- 13.5 Execution Reports and Trade Confirmations:** Clients are entitled to receive detailed execution reports or trade confirmations upon request or as required by applicable regulations. These reports will include information sufficient to assess the quality of execution and the treatment of their order.
- 13.6 Enhanced Disclosures for Retail Clients:** For retail clients, execution disclosures will include all required metrics under VARA rules, including execution venue, price, time, fees, and any relevant slippage or delays.
- 13.7 Institutional and Professional Client Reports:** For qualified institutional or professional clients, the Firm may provide enhanced execution analytics or reporting upon request or where contractually agreed.
- 13.8 Publication of Execution Venues:** Where required by law, the Koshayojan shall publish annual or periodic summaries of the top execution venues, counterparties, and routing strategies used across asset classes. This includes metrics on execution quality and frequency of use.
- 13.9 Commitment to Transparency:** These client communication and disclosure practices are intended to ensure ongoing transparency, regulatory compliance, and client confidence in the Firm's order handling procedures and execution standards

14. RECORDKEEPING

- 14.1 Retention obligation:** Koshayojan shall maintain comprehensive records of all activities relating to the execution of client orders. This includes, but is not limited to, trade data, order instructions, routing decisions, execution timestamps, fees charged, and all supporting rationale behind execution paths and venue selections.
- 14.2 Minimum Retention Period:** In line with the requirements of the VARA Broker-Dealer Services Rulebook, all such records shall be retained for a minimum period of seven (7) years from the date of creation or last amendment, unless a longer retention period is mandated under applicable laws or internal compliance policies.
- 14.3 Scope of Records Maintained:** Koshayojan's recordkeeping system shall capture and preserve the following key categories of data:
- Client order details (e.g. asset, size, type, time of order)
 - Execution venue(s) used and rationale for selection;
 - All routing decisions and logic applied;
 - Execution prices, time, cost breakdown, and slippage (if any);
 - Internal communications and client instructions relating to the order;
 - Transaction confirmation reports;
 - Any deviations from standard execution protocols and corresponding justifications.
- 14.4 Retrievability and Auditability**
- All records must be maintained in a readily retrievable, tamper-evident, and auditable format. Records shall be stored electronically in secure databases with access controls, encryption, and backup protocols to ensure integrity and confidentiality.

14.5 Real-Time and Retrospective Access

The Firm shall ensure that its Compliance, Audit, and Risk teams have real-time and retrospective access to execution records for monitoring, review, and regulatory audit purposes. This includes the ability to generate time-stamped logs and order trail visualisations as needed.

14.6 Support for Regulatory Inquiries

Upon request from the Virtual Assets Regulatory Authority (VARA) or any other competent regulatory body, the Firm shall promptly furnish any execution-related records, audit logs, or communications, in the prescribed format and timeframe.

14.7 Monitoring and Quality Assurance

The recordkeeping function is subject to ongoing oversight by the Firm's Compliance and Internal Audit functions, which conduct periodic reviews and tests to ensure data accuracy, completeness, and policy adherence. Any gaps or weaknesses in recordkeeping systems are escalated to senior management and addressed through corrective action plans.

14.8 Training and Accountability

All personnel involved in order execution, compliance, and client servicing shall receive periodic training on recordkeeping obligations, data entry standards, and their roles in preserving the audit trail. Failure to maintain records in accordance with policy may result in disciplinary action.

14.9 Policy Review and System Updates

The Firm shall review its recordkeeping policy and systems at least annually, or in response to material regulatory changes or internal incidents. Any upgrades to systems (e.g., order management or archiving platforms) must preserve continuity and ensure that historical data remains accessible.

15. CLIENT-DIRECTED ORDERS

Where the client gives an unsolicited instruction to route to a particular market or counterparty, the Company promptly processes the order in accordance with that instruction and is not required to make an additional best-execution determination beyond the client's direction.

16. LICENSED DISTRIBUTION SERVICES

16.1 Applicability: Where the Company provides Licensed Distribution Services, it complies at all times with Part IV of the Broker-Dealer Services Rulebook, in addition to this Policy.

16.2 Due diligence: Before any placing/distribution, the Company performs comprehensive due diligence on each relevant Virtual Asset and Issuer, including: VA Standards; Whitepaper and Risk Disclosure; investor classifications; and confirmation that all smart contracts have undergone comprehensive audits with findings remediated.

16.3 Submissions & stand-down: The Company will make all required submissions to VARA (Whitepaper, Risk Disclosure, declaration of compliance and due-diligence reports) and will not distribute or place any Virtual Asset before completion of the Submission Period. If the Issuer/VA ceases to meet standards or VARA comments/objects, services are suspended until issues are remedied.

16.4 **Conflicts:** The Company applies written controls to prevent, monitor, manage and disclose conflicts specific to (a) pricing of the initial placement/distribution and (b) any allocation/purchase by the Company or its Affiliates.