



## ANNOUNCEMENT

ERX Company Limited

### IMPROPER TRADING PRACTICES

This is an announcement regarding ERX's basic guidelines related to improper trading practices. The types of improper trading practices and criteria for determining each type are outlined in this announcement. ERX aims to prevent improper trading within its exchange environment.

TYPE OF IMPROPER TRADING	EXAMPLE
<p><b>Wash Sale / Matched Order</b></p> <p>A trade where matching buy and sell orders are made by the same investor.</p>	<ul style="list-style-type: none"><li>- The investor places buy and sell orders, which potentially match or match his own order or among a group of individuals for mutual benefit.</li></ul>
<p><b>Spoofing / Layering</b></p> <ul style="list-style-type: none"><li>• <b>Timing</b> Placing a new order and canceling the order immediately.</li><li>• <b>Price</b> The price of the new buy / sell order is the same as the price of the buy / sell order that has been cancelled.</li><li>• <b>Frequency</b> Multiple times within a short period of time.</li></ul>	<ul style="list-style-type: none"><li>- The investor places a buy / sell order, followed by immediate cancellation of the order. The investor places more of the same order (which was previously cancelled) multiple times within a short period of time.</li></ul>
<p><b>Price Manipulation and Acceleration</b></p> <ul style="list-style-type: none"><li>• <b>Price</b> Placing a buy / sell orders that are significantly higher or lower than the price of the most recent executed order</li><li>• <b>Frequency</b> Multiple times within a short period of time.</li></ul>	<ul style="list-style-type: none"><li>- Place buy or sell orders at the price significantly higher or lower, from the recent execution price.</li><li>- Place aggressive buy or sell orders that consistently match the total of best bid or ask volume on either side of the order book, significantly changing the last execution price.</li></ul>



<p><b>Split Ordering</b></p> <ul style="list-style-type: none"><li>• <b>Price and Volume</b> Placing buy / sell orders at the approximately value, multiple times at a time.</li><li>• <b>Frequency</b> Multiple times within a short period of time.</li></ul>	<p>Splitting order with the intention to control the price of the digital asset. For example, aggressive buy with a small order once the last executed price reduced.</p>
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**If ERX has considered that the investor has violated the Improper Trading Practices, the following disciplinary actions will be taken:**

1<sup>st</sup> Violation: Investor will receive a warning from ERX to refrain from improper trading.

2<sup>nd</sup> Violation: Investor will receive a 2nd warning from ERX to refrain from improper trading. And be informed that Investor's account will be temporary suspended from trading for up to 7 days if 3rd improper trading is violated.

3<sup>rd</sup> Violation: Investor's account will be temporary suspended from trading for up to 7 days. And be informed that Investor's account will be temporary suspended from trading for up to 30 days if 4th improper trading is violated.

4<sup>th</sup> Violation: Investor's account will be temporary suspended from trading for up to 30 days.

5<sup>th</sup> Violation: Investor's account will be terminated by ERX (Account close).

ERX reserves the right to deny or cancel any orders which may be deemed improper trading practices or that have the potential to affect or destabilize the exchange environment.

Sincerely,

ERX Company Limited.