

TRADE CAPITAL

— UK —

ORDER EXECUTION POLICY

TRADE CAPITAL UK (TCUK) LTD



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1. INTRODUCTION

Trade Capital UK (TCUK) Ltd (referred to as "we", "us", "our", "ours", "ourselves" and "the Company"), is committed to treating clients honestly, transacting with them in a professional and transparent manner, and to act in the clients' best interests when buying or selling financial instruments on the clients' behalf through the clients' trading accounts.

More specifically, when we execute clients' orders, we have a duty to provide clients with 'Best Execution'. Best Execution means that we must take all sufficient steps to obtain the best possible result for the client when executing an order with the client or on the client's behalf, considering various 'Execution Criteria'.

2. SCOPE

This document applies to the Company's retail and professional clients, as defined by the FCA when executing transactions in MiFID II financial instruments provided by the Company, when executing transactions in financial instruments provided by us via Contracts for Difference and Spread Betting Instruments. Upon acceptance of a client order and when there is no specific client instruction regarding the execution method, the Company will execute an order in accordance with this Policy.

We have a general duty to act honestly, fairly and professionally, considering the client's best interest. In relation to Order Execution, the Company is required to take all sufficient steps to obtain the best possible result when executing clients' orders or when placing orders with, or transmitting orders to, other entities to execute. The definition of best possible result will vary and the Company must consider a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that we receive and the markets in which we operate. These factors are further described in this Policy.

3. OUR APPROACH TO BEST EXECUTION

When executing orders, the Company will take all sufficient steps to obtain the best possible result under the circumstances for the client considering price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

When considering the best executing factors, the Company considers:

- i. The characteristics of the client's order;
- ii. The characteristics of the financial instruments that are subject to that order (in particular in relation to Over-the-Counter "OTC" financial instruments);
- iii. The characteristics of the execution venues to which that order can be directed; and
- iv. The prevailing level of liquidity at the time of execution.

When the Company executes orders on behalf of retail clients, Best Execution is determined on the basis of the total consideration paid by the client, unless the objective of execution of the order dictates otherwise. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

This Policy applies when the Company executes client's orders provided that the following criteria are satisfied:

- i. The client has not been categorized as "eligible counterparty" for the related service / transaction;
- ii. The client is dealing in financial instruments covered by Company's license;
- iii. Specific instructions given by the client do not prevent the Company from providing to the client this Policy;
- iv. The Company did not provide the client with direct market access through an electronic interface which links only to an execution venue.

The Company's commitment to provide best execution does not mean that it owes the client any fiduciary or other responsibilities over and above the specific regulatory obligations placed upon the Company or as may be otherwise contracted between the client and the Company.

3.1. ELEMENTS OF BEST EXECUTION

To determine the best way to execute an order for a client, the Company takes into consideration the following matters:

3.1.1. SPEED AND LIKELIHOOD OF THE EXECUTION

The Company acts as principal and not as agent on the Client's behalf; therefore, the Company is the sole Execution Venue for the execution of the client's orders for the Financial Instruments provided by the Company. The Company is making all sufficient efforts to offer a high speed of execution within the technological and telecommunication limitations and it is not responsible for the poor performance of clients' technology, internet connection or any other resources that might result in clients' delay in the transmission of data between the client and the Company. This delay may result in sending to the Company out of date "market orders" which might be declined by the Company.

The Company seeks to provide clients' orders with the fastest execution reasonably possible. The Company strives to execute clients' orders at the requested price. However the Company reserves the right to decline an order of any type or to offer the client a new price for "market order" under certain market conditions such as volatile market conditions, opening gaps on trading session start moments, during news announcements, on gaps where the underline instrument has been suspended or restricted on a particular market, if there is insufficient liquidity for the execution of the specific volume at the requested price. Upon execution of the transactions the Company shall proceed to a settlement of such transactions.

3.1.2. PRICE IMPROVEMENT AND OVERALL CONSIDERATION OF COSTS

3.1.2.1. PRICE OF THE FINANCIAL INSTRUMENT

The Company calculates its prices by reference to the price of the relevant underlying financial instrument, which it obtains from third party external reference sources. The Company reviews its third -party external reference sources at least once a year, to ensure that the data obtained continue to be competitive. The Company updates its prices as frequently as the limitations of technology and communications links allow. For any given Financial Instrument, the Company will quote both the higher price (ASK) at which the client can buy (go long) that Financial Instrument and the lower price (BID) at which the client can sell (go short) that Financial Instrument. The difference between the lower and the higher price of a given Financial Instrument is the spread. "Buy Limit", "Buy Stop" and "Stop Loss", "Take profit for opened short positions" orders will be executed at the ASK price, and "Sell Limit", "Sell Stop" and Stop Loss", "Take profit for opened long positions" will be executed at the BID price. The Company will do all sufficient efforts to ensure that the client receives the best spread and that its calculation is made with reference to a wide range of data sources and underlining price providers / liquidity providers. The Company will not quote any price outside Company's operations time (see execution venue below) therefore no orders can be placed by the client during that time.

3.1.2.2. COSTS

The Company does not incorporate commissions or fees into its quoted price; nevertheless, for opening positions in some financial instruments a commission or a financing fee might be applied. The fees and commissions shall be available in the contract specifications on the Company's website. (a) Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount and (b) In the case of financing fees, the value of opened positions in some types of Financial Instruments is increased or reduced by a daily financing fee "swap" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available in the Contracts specifications in the Company's website. Further information can be found in the Company's website.

3.1.2.3. SIZE IMPROVEMENT

In routing orders, the Company seeks markets that provide the greatest liquidity and thus potential for execution of large orders. The Company also seeks opportunities for client orders to benefit from order-size commitments offered by third parties. The Company reserves the right to decline a Client's order if it is too large and cannot be filled by the Company.

3.1.2.4. OVERALL EXECUTION QUALITY

When determining how and where to route or execute an order, the Company draws on extensive day-to-day experience with various markets, focusing on prompt, sequential, high quality and reliable execution.

If the client is a retail client, the best possible result will be determined in terms of the total consideration, which is determined by the price of the Financial Instrument and the costs related to execution incurred by the client.

Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other considerations will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the client.

If the client is a professional client, price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, Orders, Financial Instruments or markets, we may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result.

4. RANKING OF EXECUTION FACTORS

The relative ranking of the different execution factors will be dependent upon, for example, the nature of the asset class traded, the liquidity of the relevant market and the time of the trade. This ranking reflects the nuances and differences between markets and exchanges, notably when looking at trading on exchange versus OTC products.

The ranking of execution factors is as follows:

- i. Price;
- ii. Expected impact of execution;
- iii. Likelihood of execution and settlement;
- iv. Size and nature of the order;
- v. Order size & type;
- vi. Costs;
- vii. Speed; and
- viii. Other factors.

We have determined, that the order of importance of the execution factors is the same across all products and markets; therefore, for all retail clients the best possible result will be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution.

In determining the importance given to the other factors (speed, likelihood of execution and settlement, the size and nature of the order) we will exercise our discretion in assessing the criteria that we need to consider in order to provide clients with the best result.

The relative importance of these criteria will be judged in line with our commercial experience and regarding market conditions including the need for timely execution, availability of price improvement, the liquidity of the market and size of the client's order (which may make it difficult to execute an order) and the potential impact on total consideration.

In certain circumstances, therefore, we may determine that the speed, and likelihood of execution and settlement for example may take precedence over immediate price and cost factors if they are instrumental in delivering the best possible result. This may be the case for example for large client orders or when a stop has been triggered.

In relation to Contracts for Difference, we seek to ensure that the client obtains best execution by ensuring that in the calculation of our bid/offer prices, we pay due regard to the market price for the underlying reference product to which the client's Contract for Difference relates to. We have access to a different data sources in order to ascertain the market price, which is our objective view of the bids and offers available in the market.

4.1. MARKET EXECUTION

With a market order the client instructs us to execute a trade of a certain size as promptly as possible at the prevailing market price. We are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to execute a client's order, the order will most likely be exposed to the risk of execution at a different price from the price when the order was entered (i.e. slippage).

Market Orders in the Mobile/Web Trader are subject to a slippage limitation as described below.

4.1.1. SLIPPAGE LIMITATION

A Slippage Limitation is a trigger event, determined by us as a percentage of the underlying instrument's spread, upon occurrence of which the Market order will be rejected. This limitation is placed for the clients and the Company's protection so as, in cases of high volatility, to avoid the execution of an order at a price significantly different than the price specified in the order.

If the difference of the price requested and the current market price is within the limitation, the client will always receive the market price. If the difference is more than the limitation, the order will be rejected. Slippage limitation will always apply symmetrically.

5. EXECUTION VENUES

Execution Venues means a regulated market or a multilateral trading facility (MTF) or a Systematic Internaliser or a market maker or another liquidity provider or an entity performing in a third country a function similar to any of the abovementioned, with which the Company places client's orders for execution or to which it transmits orders for execution.

For the purposes of orders for the financial instrument provided by the Company, the Company acts as principal and not as agent on the client's behalf; therefore, the Company is the sole Execution Venue for the execution of the client's orders.

The client acknowledges that the transactions entered into with the Company for the financial instrument provided by the Company are undertaken through the trading platform of the Company. The Orders will be executed on an 'over the counter' basis rather than on a regulated market or a Multilateral Trading Facility and the client is exposed to a greater risk of a possible default of the counterparty (i.e. the Company). The Company reserves the right to decline the execution of an order, or to change the opening or closing price of an order in case of any technical failure of the trading platform, quote feed or any other unforeseen event. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. The client is obliged to close an open position of any given Financial Instruments during the opening hours of the Company's Electronic Trading Platform. The client also has to close any position with the same counterparty with whom it was originally entered into, thus the Company.

6. MIFID II / UK MIFID II FRAMEWORK REQUIREMENTS

The Company shall take 'all sufficient steps' to obtain best execution.

In respect of clients with whom the Company has an ongoing client relationship, the Company should notify the clients of material changes in relevance to the Company's execution policy.

The Company should be able to demonstrate best execution not only (as is currently the case) to its clients, but also to the Regulator upon request.

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8. MONITORING & REVIEW

The Company monitors the effectiveness of our order execution policy on an ongoing basis. More specifically, it assesses on a regular basis whether the price feeds and hedging venues relied on in pricing our products allow it to achieve best execution on a consistent basis or whether it needs to make changes to its execution arrangements.

It shall also review its order execution arrangements and order execution policies regularly whenever a material change occurs either in respect of one of the chosen pricing venues or otherwise that affect its ability to continue to achieve best execution.

Should there be any material changes to the Company's order execution arrangements or order execution policy, it shall notify the client of such change.

For the purpose of this Policy, the Company shall maintain records of the prices for individual financial instruments shown on its Electronic Trading Platform, including details about costs, speed and likelihood of execution, for a minimum period of five (5) years. It shall also keep records which evidence its ongoing monitoring of best execution and which demonstrate its compliance with best execution obligations to any Competent Authority.

9. CLIENT CONSENT

When establishing a business relationship with the client the Company is required to obtain the client's prior consent to this Policy. Furthermore, it is required to obtain the client's consent before executing or transmitting the client's orders for execution outside a regulated market or a Multilateral Trading Facility.

The Company also requires clients' express prior consent in the event that their orders will be executed or transmitted for execution outside of a regulated market or multilateral trading facility ("MTF"). The Company's Order Execution Policy provides for the possibility that client's orders may be executed or transmitted for execution outside a regulated market or an MTF. The client is informed that the Company always acts as principal (counterparty) and is the sole execution venue, which is not a regulated market or a multilateral trading facility ("MTF").

10. NEGATIVE BALANCE PROTECTION POLICY

The Company offers a "Negative Balance Protection Policy" to all clients as part of its Terms & Conditions, meaning that a client account cannot lose more funds than total deposits i.e. a client may lose all deposited funds but not more.

The Negative Balance Protection Policy is applied to all clients as long as it is not abused and is accepted in good faith. In case of any manipulation of this policy the Company reserves the right to exclude any client from the program in its sole discretion.

11. REVIEW

The Policy shall be reviewed annually or where there has been any material change that could impact the parameters of best execution. The Policy was last reviewed and updated on April 5, 2022.