

Order Execution Policy

Effective date: 08 May 2019

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1 INTRODUCTION

- 1.1. **Purpose and objective.** This **policy** sets out our approach for carrying out Orders from origination to execution, the venues we use and an explanation of how the different factors influence our execution approach, so that we can obtain the best possible result when executing your Orders.
- 1.2. **Scope of policy.** The Policy forms part of our Agreement, and shall govern your relationship with LMAX Digital, including any Orders you place with us in respect of Deliverable Digital Currency Contracts we offer. It is intended to be read alongside our Terms of Business and the other documents that form our Agreement. If there is any inconsistency between this Policy and our Terms of Business, this Policy will prevail. Unless separately defined in this document, words and expressions have the meanings given to them in our Terms of Business.

The Deliverable Digital Currency Contracts we offer carry a high degree of risk. They are not suitable for everyone. You should not trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You must satisfy yourself that it is suitable for you in the light of your circumstances, financial resources and investment objectives. If you are in any doubt you should seek independent advice. You trade entirely at your own risk.

2 EXECUTION VENUES

- 2.1. We execute each Order you place with us by placing an order identical in all respects on to LMAX Digital or in another Liquidity Pool. Our general approach is to place your orders on LMAX Digital.

LMAX Digital Broker Limited provides exchange quality execution to both buy-side and sell-side trading members. We have selected LMAX Digital as the primary execution venue.

3 LIQUIDITY POOLS

We may execute a Back to Back Order on other Liquidity Pools in order to facilitate fair and orderly trading when it is not possible to do so on LMAX Digital.

We will only execute a Back to Back Order with a single Liquidity Provider who has provided consistent and reliable historic pricing. All trading will be executed on a firm liquidity basis with no last look.

4 EXECUTION OF ORDERS

4.1. Execution of orders. We execute each Order you place with us by placing an order identical in all respects (a **Back to Back Order**) on LMAX Digital or another Liquidity Pool.

We place Orders as principal and not as an agent on your behalf; we are the sole counterparty to your trades. When our Back to Back Order is matched, we will open or close a trade on your Account at the same price and size.

4.2. Prices. The prices on which you trade with us will be the prices available to us on LMAX Digital or another Liquidity Pool. Notwithstanding, the prices of such Back to Back Orders may differ from the prices that are displayed at the time that you place your Order to trade with us due to factors such as quantities on the order book, speed of execution and your choice of connectivity.

4.3 Specific Instructions. If you give us specific instructions on how to execute your Orders, our resulting compliance with these instructions may prevent us from following the execution factors set out below. Where there is a specific instruction from you to execute a particular Order, we shall execute the Order following such specific instruction. Accordingly, this Policy shall not apply. We will deem Orders received via API as specific instructions.

5 EXECUTION FACTORS

The execution factors which we take into account when we execute your Orders and their relative importance are as follows:

5.1 Price – highest importance

The prices you receive are set by participants with the best Buy and Sell Orders determining the bid and ask prices.

Our prices mirror those of LMAX Digital and may differ from those on other exchanges.

An Order placed with us for a specific size can result in a number of trades being executed on LMAX Digital (or a Liquidity Pool) to fill that Order in whole or in part. If that occurs, the prices you receive from us will depend on the liquidity on LMAX Digital (or offered by Liquidity Pools) at the time that the corresponding part of our trade is executed and the prices may differ for each of the trades executed.

In the case of Limit Orders the price you receive at execution will be the price in your instruction or better.

In the case of Market Orders, Stop Market Orders the price you receive at execution will be the best price available at the time our Back to Back Order is executed in whole or part on LMAX Digital (or another Liquidity Pool). This could be better or worse than the price on LMAX Digital (or a Liquidity Pool) at the time your Order is placed with us.

5.2 Speed, consistency and likelihood of execution – high importance

You may place Orders with us online via the GUI, a Software Bridge, Software Trading Tools or over the telephone during our Helpdesk Hours. We are under no obligation to accept an Order from you. However, we shall normally do so if you have sufficient funds in your Account with us, you are not otherwise in breach of the

Terms of Business and it is possible to execute such Order. Factors such as the size of your Order and liquidity available in the Deliverable Digital Currency Contracts you wish to trade will impact whether and when it is possible to execute your Order.

The times at which you are able to submit Orders to us are restricted. Please see the GUI for further details. It is important that you familiarise yourself with the restrictions on the submission of Orders before you commence trading with us, for these restrictions may affect your trading strategy.

In order to provide protection against the potential adverse consequences of erroneous Orders with LMAX Digital, we may reject any Orders that lie outside of a defined range. The ranges are, through necessity, constantly changing due to the volatile nature of financial markets. Details of the restrictions that LMAX Digital imposes on Limit Orders are set out in the Instrument Information (click on the 'i' icon on the top right hand corner of the instrument quick ticket on the GUI).

In the event that the bid and ask prices of an Instrument you are trading widen beyond the "trusted range" prescribed by LMAX Digital, we may not accept any new Orders until the affected bid and ask prices fall back within the "trusted range". Such

measures are deployed by LMAX Digital with the aim of maintaining an orderly trading market.

We may be unable to execute all or part of your Order if there is insufficient liquidity in the Deliverable Digital Currency Contracts you wish to trade. If this occurs, the following will apply:

In the case of Limit Orders, the remaining quantity will stay on the Order Book until:

- the end of the day for "GFD" Limit Orders
- cancelled for "GTC" Limit Orders and

5.3 Quantity available to trade – medium importance

We have restrictions in place in terms of the minimum size of order you may hold in a Deliverable Digital Currency Contracts at any one time. Any opening Order you place with us will be subject to these restrictions. Our minimum order sizes are set by us for each Deliverable Digital Currency Contract and may vary depending on current market conditions. Our minimum order sizes as they apply from time to time can be found in the Instrument Information on the GUI.

In addition, please note our ability to fill your Order is dependent on our ability to fill our Back to Back Order.

5.4 Cost – low importance

We will levy a separate commission charge for each trade that is opened or closed on your Account. You do not incur an additional 'spread' charge with us as your trade is executed by us at the same price as we obtain from LMAX Digital (or a Liquidity Pool).

You will pay the same commission whether we fill your order via LMAX Digital or via another Liquidity Pool. As such, commission is not a factor for choosing whether to fill Orders using LMAX Digital or another Liquidity Pool.

We shall wherever possible seek to comply with this Policy when we are required to exercise our judgement in obtaining the best outcome for the execution of your Orders.

6 REVIEW, ONGOING MONITORING AND RECORDS

6.1 Customer Communications. We will notify you of any material changes to our order execution arrangements or this Policy in a durable medium or by updating our website.

By trading with us, you will be taken as having agreed to the contents of this Policy.