



ORDER EXECUTION POLICY

1. INTRODUCTION

Trading.com Markets Inc. (“Trading.com”, “we”, “our” or “us”) is committed to treating our retail clients (“you”, “your”, “yours”), in connection with margined over-the-counter retail foreign exchange contracts, honestly, transacting with you in a professional and transparent manner, and acting in your best interest. This applies to price quotes provided through our Online Trading Facility to open or close a transaction (“Transaction”) on an Over-the-Counter (“OTC”) Forex Contract (each, a “Contract”), or when managing your trading Account.

More specifically, when we enter into a Transaction on a Contract with you as a counterparty, through our execution-only dealing desk, we will provide you with a competitive execution price. Competitive execution means that we will take all reasonable steps to obtain the best result for you when executing an order (“Order”) with you or on your behalf, taking into account various execution factors.

This document provides a summary of our Order Execution Policy which applies to the execution of your Orders in all types of financial instruments offered by Trading.com.

This Order Execution Policy forms part of our terms of business. Therefore, by agreeing to the terms of the applicable Customer Agreement, you are also providing consent to the terms of the Order Execution Policy, as summarized, and detailed in this document.

Any capitalized terms not defined within this Order Execution Policy have the meaning attributed to them in the Customer Agreement.

2. ORDER EXECUTION

We will attempt to execute all Orders that we may, in our sole discretion, accept from you in accordance with your instructions received through our Online Trading Facility (i.e., trading platform). In the event of a technical issue causing the Online Trading Facility to become unavailable, you may liquidate your open Orders by calling us at 1-833-FX1-0250. Trading.com only accepts liquidation of complete Orders over the phone and will not accept any new Orders or partial fills.

In cases where the prevailing market represents prices different from the prices, we have posted on our Online Trading Facility, we will make best-efforts to execute trades on or close to the prevailing market prices (i.e., the next best available prices).

3. COMPETITIVENESS OF EXECUTION PRICE

When we enter into Contracts with you, or execute Transactions on your behalf, we will take all reasonable steps to achieve the best results for you by executing those Contracts or Transactions according to this Order Execution Policy and subject to any specific instructions received from you. This Order Execution Policy comprises a set of procedures that are designed to obtain the best execution results for you subject to (a) the nature of your Contracts or

Transactions, (b) the priorities you have identified to us in relation to entering into those Contracts or Transactions, and (c) the practices relating to the market in question, with the aim of producing a result which provides, in our view, the best balance across a range of sometimes conflicting factors.

We have determined that the order of importance of the execution factors is the same across all of our products; that for all retail clients the best 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 take to provide you with the best results. The relative importance of these criteria will be judged in line with reference to market conditions including the need for timely execution, availability of price improvement, the liquidity of the market and size of your 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, with large client orders in illiquid currencies or when a Stop-out Order has been triggered.

We seek to manage our risk as market maker and may choose whether to hedge part or all of your Transactions in the underlying market. We believe this approach is likely to result in reduced execution costs and market price impact for all our clients. Where hedging in the underlying market is required, this may affect the price of the Contract that we enter into with you, taking into account the prevailing market prices available to us.

4. SLIPPAGE

We will make available to you, via our Online Trading Facility, the over-the counter leveraged retail foreign exchange contract prices at which we are offering to enter into Transactions with you. Each price is valid only on the exact date and at the exact time that the price is presented to you. In a rapidly changing market and/or in the event of order transmission delays, the price presented to you may no longer remain in effect at the time your Order is executed on our server(s). Slippage is a term referring to the difference between the requested price and the price at which an Order is actually filled. Slippage typically occurs around times of news or economic announcements and extreme market volatility and can be either positive or negative. Notwithstanding the provisions of this section, you acknowledge, understand, and agree that all non-market Orders are accepted by Trading.com and undertaken on a “best-efforts basis.”

We apply symmetrical settings uniformly, regardless of the direction in which the market has moved. This means that your Order will be executed at the level you request if the market stays within the specific range for that market when we receive your Order. If you submit a Market Order, it will be filled at the price available, for the Order size, when we receive your Order. If the price reflected on our Online Trading Facility at the time your Order reaches our Online Trading Facility is different from the price at the time you placed your Order, we will ensure you receive the next best available price whether the market moves in your favour or against you. We use

in-house tools to monitor slippages on a regular basis to maintain symmetry and fairness of slippage.

5. ADJUSTMENTS

We may cancel or change the price of your executed Order where technical problems with our Online Trading Facility or similar circumstances occur beyond our control and are unrelated to market price movements.

Should a quoting error occur due to a mistype of a quote or a misquote given by telephone and/or electronic means (including responses to Client requests), we are not liable for any resulting errors in Account balances and reserve the right to make necessary corrections or adjustments on the Account involved. Any dispute arising from such quoting errors will be resolved based on the fair market value, as determined by us, in our sole discretion, of the relevant currency at the time such an error occurred. In cases where the prevailing market represents prices different from the prices, we have posted on our Online Trading Facility, we will make best-efforts to execute Orders on or close to prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on your statements. This may or may not adversely affect your realized and unrealized gains and losses.

6. TRADING.COM ACTS AS PRINCIPAL

In relation to Contracts that you enter into with us, we act as principal and not as agent on your behalf and we therefore act as the sole execution venue for the execution of your Contracts. This means that we will act as market maker and you will be trading with us and not within the underlying market (i.e., should you decide to open an Order in a financial instrument with us, then that open position may only be closed with us). The main way in which we ensure that you obtain a competitive execution is by ensuring that in the calculation of our bid/offer prices used to execute your Contracts, we closely analyse the market price for the underlying reference product to which your Contract relates.

7. SPECIFIC INSTRUCTIONS

Where you give us specific instructions, such instructions take precedence over other aspects of this Order Execution Policy. We will continue to apply this Order Execution Policy for the aspects of an Order not affected by the specific instructions.

8. MONITORING AND REVIEW

We will monitor the effectiveness of this Order Execution Policy. We will assess on a regular basis whether the price feeds and hedging venues relied on in pricing our products allow us to achieve competitive execution on a consistent basis, or whether we need to make changes to our execution arrangements. We will also review our order execution arrangements and order execution policies regularly whenever a material change that affects our ability to continue to achieve best execution occurs. Should there be any material changes to our order execution arrangements or this Order Execution Policy, we will notify you of such change.

9. NO FIDUCIARY DUTY IS OWED TO YOU

Our commitment to provide you with a competitive execution price does not mean that we owe you any fiduciary duties regarding order execution beyond any specific regulatory or legal obligations placed upon us.

10. SYSTEM PERFORMANCE

While there is always a risk that unanticipated events and activity on a trading system may occur, we make best efforts to certify, predict and monitor our systems to provide the best possible client experience. Our systems are continuously adjusted to be scalable and largely exceed current demand and usage. A performance baseline is identified and there is a continuous and periodic review of order and trade placement and execution times. There are also risks associated with trading over the internet, including but not limited to hardware, software, and the failure of the internet connection itself. Trading.com is not responsible for delays or failures outside of its system(s). Trading.com has contingency systems and plans in place, to minimize operational difficulties and disruptions as part of a defined process outlined in our BC/DR plan. In case of Trading.com system failures, trading via telephone is available for liquidation transactions only.

11. ACKNOWLEDGEMENTS

In consideration of us agreeing to enter into Contracts with you as our client, you acknowledge, understand and agree that:

- a) Foreign Exchange trading is highly speculative and is suitable only for those clients who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume losses significantly in excess of Margin or deposits. Foreign Exchange trading may not be an appropriate investment for retirement funds. You represent, warrant, and agree that you understand these risks; that you are willing and able, financially, or otherwise, to assume the risks of Foreign Exchange trading and that loss of your entire Account balance will not impact your standard of living or quality of life.
- b) The high leverage and low Margin associated with Foreign Exchange trading can result in significant losses due to price changes in Foreign Exchange Contracts and cross currency Contracts. You must always maintain the minimum Margin requirement on your open Orders. It is your responsibility to always monitor your Account balance. We have the right to liquidate any or all open Orders whenever the minimum Margin requirement is not maintained. Increasing leverage increases risk. Trading on a leveraged basis means a small market movement will have a proportionally larger impact on your position and could result in a total loss of your deposit(s).
- c) You acknowledge that **TRADING IN LEVERAGED, OVER-THE-COUNTER CONTRACTS FOR FOREIGN CURRENCY MAY BE TOO RISKY** for you. You could sustain a total loss

of initial margin funds and any additional deposits made. You should only trade in Forex Contracts if you understand the Contracts (and contractual relationship) into which you are entering and the extent of your exposure to risk. DO NOT INVEST MONEY THAT YOU ARE NOT IN A POSITION TO LOSE ENTIRELY.

- d) Our hours of operation coincide with the global financial markets. Trading is available from Sunday approximately 5 p.m. to Friday 5 p.m., New York time. During weekends you will not be able to close existing Orders or open new Orders. Also, spreads (the difference between the bid price and the ask price) typically widen at 4:15 p.m. Friday, to reflect decreased liquidity in the global markets. And it is possible for market prices to significantly change or “gap” when trading resumes on Sunday. Therefore, you must ensure that you always maintain sufficient Margin in your Account to avoid a Stop-out. To reduce the risk of a Stop-out, reduce or close your overall Orders or add more funds to your Account and to prevent unwanted order execution, consider widening your Take Profit or Stop Loss levels prior to the weekend.
- e) We provide prices to be used in trading, valuation of client Orders and determination of Margin requirements. Although we expect that these prices will be reasonably related to prices available in the interbank market, prices reported by us may vary from prices available to banks and other participants in what is known as the interbank market. We exercise considerable discretion in setting and collecting Margin. We are authorized to convert funds in your Accounts for Margin into and from such foreign currency at a rate of exchange determined by us in our sole discretion based on then-prevailing money market rates.
- f) Our one-click trading functionality on our Online Trading Facility provides immediate transmission of your Order once you enter the notional amount and click “Buy/Sell.” There is no “second look” before transmission, and Market Orders cannot be cancelled. This feature may be different from other trading systems. Although not required, we recommend that you open a practice Account to become familiar with the Order entry process before trading online with us. You agree that by using our Order-entry system, you agree to the one-click system and accept the risk of this immediate transmission feature.
- g) The market recommendations provided by us do not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, any Foreign Exchange Contracts. Each decision by you to enter into a Contract or other Transaction with us and each decision whether a Contract or other Transaction is appropriate or proper for you is your independent decision. We do not act in the capacity of your financial advisor or fiduciary and only execute Orders based on your instructions. You are solely responsible for determining whether a particular Transaction is suitable for you or meets your financial objectives and is within the limits of your risk appetite. You should not regard any Transaction proposal, suggested hedging strategies or other written materials or oral communications from us as investment recommendations or advice.
- h) Due to market conditions or other circumstances, we may be unable to close out your Order at the level specified by you, and you agree that we bear no liability for our failure to do so.

- i) There are no guarantees of profit or against losses. You acknowledge that you have received no such guarantees from us or from any of our representatives. There are also no guarantees that, when executing a Transaction, your price will be more favourable than one which can be obtained somewhere else.
- j) We, our personnel, our Affiliated Companies and various other parties may execute orders at the same or better prices ahead of your Order.
- k) In the event that you grant trading authority or control over your Account to a third party, we shall in no way be responsible for reviewing your choice of such third party or for making any recommendations with respect thereto. We make no representations or warranties concerning any third party; we shall not be responsible for any loss to you occasioned by the actions of any third party; and we do not, by implication or otherwise, endorse or approve of the operating methods of any third party. If you give a third-party authority to exercise any of its rights over your Account, you do so at your own risk. We provide online Account access to you to view the status and activity of your Account(s).
- l) Since we do not control signal power, our reception or routing via Internet, configuration of your equipment or reliability of our connection, we shall not be liable for any claims, losses, damages, costs or expenses, including attorneys' fees, caused, directly or indirectly, by any breakdown or failure of any transmission or communication system or computer facility or trading software, whether belonging to you, us, any market, or any settlement or clearing system when you trade online.
- m) FOREX IS AN OVER THE COUNTER (OTC) MARKET, MEANING THE FOREIGN CURRENCY TRADING YOU ARE ENTERING INTO IS NOT CONDUCTED ON AN EXCHANGE. AS A MARKET MAKER, TRADING.COM IS THE COUNTERPARTY IN THESE TRANSACTIONS AND, THEREFORE, ACTS AS THE BUYER WHEN YOU SELL AND THE SELLER WHEN YOU BUY. AS A RESULT, OUR INTERESTS MAY BE IN CONFLICT WITH YOURS. UNLESS OTHERWISE SPECIFIED IN YOUR WRITTEN AGREEMENT OR OTHER WRITTEN DOCUMENTS WE ESTABLISH THE PRICES AND WHICH WE OFFER TO TRADE WITH YOU. THE PRICES OFFERED MIGHT NOT BE THE BEST PRICES AVAILABLE AND DIFFERENT PRICES MAY BE OFFERED TO DIFFERENT CLIENTS.
- n) IF WE ELECT NOT TO COVER OUR OWN TRADING EXPOSURE, THEN YOU SHOULD BE AWARE THAT WE MAY MAKE MORE MONEY IF THE MARKET GOES AGAINST YOU. ADDITIONALLY, SINCE WE ACT AS THE BUYER OR SELLER IN THE TRANSACTION, YOU SHOULD CAREFULLY EVALUATE ANY INFORMATION YOU RECEIVE FROM US OR OUR AGENTS.