

SUMMARY ORDER EXECUTION POLICY

EQUITI CAPITAL UK LIMITED

Effective: February 2019

1. General Information

Equiti Capital is a trading name of Equiti Capital UK Limited (Company Registered No. 07216039), authorised and regulated by the Financial Conduct Authority (firm reference no. 528328), with its head office registered address at 69 Wilson Street, London EC2A 2BB, UK.

Equiti Capital has established this **Summary Order Execution Policy** along with other arrangements to meet our overarching obligation to take all sufficient steps to obtain the best possible result for our retail and professional clients in accordance with Directive 2014/65/EU (“MiFID II Directive”) and the FCA rules on best execution (FCA Handbook, COBS 2A).

Equiti Capital offers clients contracts in Rolling Spot FX and Precious Metals as well as Contracts for Difference (CFDs) across a range of asset classes: Indices and Commodities.

2. Agreement to this Policy

Equiti Capital is required to obtain your prior consent to our order execution policy. You will be deemed to provide such prior consent when you give us an order. Equiti Capital reserves the right to amend or supplement this policy at any time. This policy does not replace the Client Agreement which you are required to read carefully before entering into any trading. Any changes to this agreement will be communicated to clients in advance.

3. Scope of Order Execution Policy

The Summary Order Execution Policy provides an overview of how Equiti Capital executes orders on behalf of clients, the factors that can affect both the cost and timing of execution as well as the capacity in which Equiti Capital deals with the clients so that clients can make an informed decision as to whether to use, or continue to use our services.

4. Best Execution Obligations

When dealing with clients, Equiti Capital has a general obligation to act honestly, fairly and professional in the best interest of its clients. Equiti Capital will take all sufficient steps to achieve the best possible results on a consistent basis, for its clients when executing orders on the clients’ behalf.

Based on the parameters of your order, Equiti Capital will select one or more execution venues to execute your trade, which includes banks and non-bank liquidity providers based on the best execution arrangements in place. Bloom Capital LP may be the single Liquidity Provider (LP) we use for particular instruments.

Equiti Capital shall only select this venue where Equiti Capital (i) reasonably expects that the venue will enable it to obtain results for clients that are at least as good as the results you could reasonably experience from using alternative LPs, and (ii) are able to show that it allows you to obtain best execution on a consistent basis.

Under the SLP (Special Liquidity Provider) model, Equiti Capital clients are able to provide liquidity in aggregation with the pool of

interbank pricing or as a single execution venue. Such clients hold collateral directly with Equiti Capital (and not vice versa) to ensure that funds are protected under strict client funds procedures. Such clients include financial institutions that have the capital and technological means to provide streaming pricing, which may include Bloom Capital LP.

5. Execution Characteristics and Factors

Equiti Capital takes all sufficient steps in order to ensure that it obtains the best possible result when executing clients’ orders and in doing so, Equiti Capital is required to take into consideration several factors:

1. Price formation;
2. Costs paid by customers;
3. Speed and likelihood of execution;
4. Transaction size; and
5. Nature of the trade order.

In assessing the relative importance of the execution factors, the following criteria are taken into account:

- The characteristics of the clients (including the client’s categorisation);
- The characteristics of the client order (including, the size and nature of the order);
- The characteristics of the financial instruments that are the subject of that order; and
- The characteristics of the execution venues to which that order can be directed.

5.1. Price Formation

For any given financial instrument, Equiti Capital will quote a two-way price which consists of the ASK and BID price. The ASK price is the higher price at which the client can buy (long) of that financial instrument and the BID price is the lower price at which the client can sell (short) it. The price feed is provided by various banks and non-bank liquidity providers (LPs) or under Equiti Capital’s SLP model to maintain tighter spreads and/or greater liquidity to ensure best execution possible for the client. Under the SLP (Special Liquidity Provider) model, Equiti Capital’s clients are able to provide liquidity in aggregation with the pool of interbank pricing or as a single execution venue.

Our market price will often be different to the underlying as it may also include commissions, spread or financing costs. While Equiti Capital will seek to ensure that the prices we display are competitive we are not able to give warranty, expressed or implied, that the bid and ask prices displayed on our trading systems always represent the best prevailing market prices for investors. Our quoted prices may reflect market volatility or additional costs and charges which may result in an increase in the spread as well as per transaction.

5.2. Costs

The difference between the BID and ASK price is known as SPREAD and it should be noted that the spread includes our cost for the services provided to the client. Our spreads are published on our website and may differ depending on the product. We apply a variable spread, which means that the spread varies during the day due to the market volatility or liquidity. Equiti Capital has the right to

alter the spreads in order to reflect the market conditions and other political or economic events.

Our market price will often be different to the underlying as it may also include charges such as:

- **Mark-ups** – this is a pre-transaction cost that is incorporated to the executed price. These costs are not compared for the purpose of achieving best execution
- **Commissions** – this is a post-transaction cost that is added to the cost of trading. This charge is detailed separately from the executed price
- **Financing Charges** – this is a charge incurred for rolling a position overnight. A cash adjustment is made on your account to cover the difference in interest rates for the currencies being held by you. A further charge shall be added for managing these adjustments. The method of calculation of the overnight rollover fee varies according to the type of underlying asset and the product. For examples of how these prices are calculated, please visit our website where these are published daily.

5.3. Speed and Likelihood of Execution

The speed of execution may depend on which data center the client is trading on, the type of order and the underlying liquidity providers' trading parameters. Maximum deal size is applied to ensure that we are confident to accept without referral to speed up execution. Fast Execution is crucial to ensure that orders are executed precisely. Latency which is any delay between the time of request and a response in regard to an order may result in delays and consequently lead to orders being executed at the next available price. In such a case, the price may be either in favour or against the client depending on the price at that time.

Some of our underlying liquidity providers will provide more competitive pricing at the expense of higher rejection rates. We aim to manage these relationships to achieve best execution for the underlying clients.

5.4. Transaction size

The price quoted by Equiti Capital is usually correct up to a certain transaction size. Attempting to execute larger order sizes may impact the likelihood of attaining the quoted price. It should be noted that for each product, Equiti Capital makes available a minimum and maximum trade size. The size of each transaction is dependent on the market conditions and the risk management procedure set by Equiti Capital. Equiti Capital reserves the right to decline large order sizes that would result in exposing the firm or client to significant risk.

5.5. Nature of the Trade Order

Price for electronic orders are shown on the trading platform. Prices for worked orders are generally based on the average price Equiti Capital received when executing the transaction on a third-party execution venue. In such circumstances the trade with the customer may be subject to any applicable third-party costs, as well as Equiti Capital's standard spread/mark-up. This also applies to trades

executed on behalf of Professional Customers and Eligible Counterparties.

5.6. Other

While the above factors are considered by Equiti Capital to be the most important, there are many other situations which can arise leading to price variations, such as: Some markets which are quoted by Equiti Capital are done so outside of normal market hours, and as such are known as 'grey markets'. In these situations, while every effort is made to keep prices and spreads consistent, this may not always be possible during particular volatile periods or during periods of illiquidity in corresponding markets.

6. Execution Venue

Equiti Capital will act as the counterparty to all your executed orders. Therefore, Equiti Capital will be your "Execution Venue". Subject to any specific instructions that may be given by you, we may transmit an order to a third-party broker or dealer, for execution at one or more of the following Execution Venues: a Regulated Market, a Multilateral Trading Facility, Systematic Internalisers, Organised Trading Facility, third party investment firms or other liquidity providers, credit institutions or non-EU entities performing similar functions.

- "Multilateral Trading Facility" or "MTF" means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules in a way that results in a contract in accordance with the provisions of MiFID II.
- "Regulated Market" means a multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of MiFID II.
- "Systematic Internaliser" means an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a regulated market or an MTF or an OTF without operating a multilateral trading system.
- "Organised Trading Facility" or "OTF" means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with the provisions of MiFID II.

When selecting our LPs, Equiti Capital must act in your best interests taking into account the execution factors and criteria described above. By accepting this policy, the client consents that the orders placed with Equiti Capital are not undertaken or executed on a regulated market or MTF or OTF but are executed on an Over the Counter ("OTC") Basis through the trading platform and the client may be exposed in return to higher risks. It is further noted that

Equiti Capital may not be in a position to execute the order or change the opening/closing price of an order in cases of technical failure of the trading platform or the prices quoted/received.

7. Specific Instructions

Clients may ask Equiti Capital to execute their orders in accordance with specific instructions, either generally or on a case by case basis. To the extent that Equiti Capital is able to accommodate such requests, it will do so. Nevertheless:

- Where the specific instructions will result in higher costs, Equiti Capital may reflect those additional costs in its charges to the client. In this case, Equiti Capital will notify the client of its revised charges before accepting the order(s).
- Where the specific instructions conflict with its normal processes, Equiti Capital will give the specific instructions priority. This may result in a different outcome for the transaction. Where there is no conflict, Equiti Capital will continue to follow its usual Order Execution Policy.

8. Professional Clients

If we have expressly categorised you as a Professional client in accordance with the meaning given to this term in the Financial Conduct Authority ('FCA') Rules, we will consider relevant FCA and European Securities and Markets Authority ('ESMA') guidance to determine whether we are acting on your behalf and whether you are legitimately relying on us to deliver best execution in relation to your order.

This includes our consideration of:

- i) who initiates the transaction;
- ii) questions of market practice and the existence of a convention to 'shop around';
- iii) the relative levels of price transparency within a market; and
- iv) the information provided by Equiti Capital and any agreement reached;

We recognise that you will be relying on us to provide best execution and we will therefore execute your order in line with this policy. In certain circumstances our determination of the relative importance of the execution factors may differ from retail clients including for example where the likelihood of execution may take precedence over price.

9. Monitoring & Review

Equiti Capital will monitor compliance with our policy and maintain records of the data which is used to set Our Price.

Equiti Capital will review our policy at appropriate intervals. As part of the process, we will review:

- The sources of external pricing in underlying instruments;
- Our Price in relation to the external pricing of an Underlying Instrument; and
- Any fees or charges;

If we make any material changes to our policy, we will notify you by email or by posting such information on our Website or the Trading Platform.

10. Fiduciary Duty

Although we aim to operate in accordance with this Policy, this Policy does not create any legal obligation or duty, fiduciary or otherwise, over and above our duties to you under the Terms and Conditions Agreement or any regulatory obligations placed on us by the FCA.