

SUMMARY ORDER EXECUTION POLICY EQUITI CAPITAL UK LIMITED

Effective: March 2021

This document provides a summary of our Order Execution Policy (“**Order Execution Policy**”) which applies to Equiti Capital UK Ltd (“**Equiti Capital**”, “**we**”, “**our**” or “**us**”) and **its execution-only dealing services** in relation to FX and CFDs **on a non-advised basis** (defined as Services, CFDs, FX and Financial Instruments, in our Terms of Business) on behalf of Retail and Professional Clients. This document forms part of our Terms of Business. Capitalised terms not defined in this document have the same meaning as ascribed to such terms in the Terms of Business.

1. What are the UK’s Financial Conduct Authority (the “FCA”) best execution requirements?

Best execution is the requirement for investment firms, such as Equiti Capital carrying on investment business to obtain the best possible result for their clients when executing client orders or passing them to other firms for execution.

The FCA’s rules on best execution are set out in the Conduct of Business sourcebook (COBS) in the FCA Handbook, primarily in COBS 11.2A (Best Execution – MiFID provisions). These rules are derived from the MiFID II Directive(2014/65/EU) and Commission Delegated Regulation (EU) 2017/565 (referred to by the FCA as the MiFID Org Regulation).

In addition, there are two sets of regulatory technical standards (RTS 27 and RTS 28) that are relevant to the FCA’s best execution requirements, and we are required, as a result, to report and publish on our website or by other means:

- *RTS 27 reports* – on *quarterly* basis the data relevant to the quality of execution of transactions by execution venues; and
- *RTS 28 reports* – on *annual* basis information on the identity of top five execution venues and on the quality of execution.

2. What are the best execution obligations for execution only services?

Equiti Capital must when it executes order:

- Comply with the overarching requirement to take all sufficient steps to obtain the best possible result for their clients on consistent basis.
- Consider various execution factors and execution criteria.

- Act honestly, fairly, and professionally in the best interest of its clients.
- Follow client’s specific instructions (this will by itself satisfy our best execution obligations).
- Establish and maintain execution arrangements and execution policies.
- Provide disclosures on its execution policies to clients.
- Obtain clients’ prior consent to use the execution policies.
- Provide information to its clients on where their order was executed.
- Monitor the effectiveness of its execution arrangements and policies.
- Conduct reviews of its execution arrangements and policies.
- Be capable of demonstrating to its clients that they have executed orders in accordance with the execution policies.
- Publish information annually on the top five (5) execution venues for the execution of client orders in the preceding year (accessible on our website as RTS 28 Report).

3. Which clients the best execution obligation applies to?

Equiti Capital deals with eligible counterparties, (per se and elective) professional clients and retail clients as such terms are defined in the FCA Handbook.

Eligible counterparties. The best execution obligation does not apply in respect of eligible counterparties.

Professional clients. When dealing with professional clients Equiti Capital will owe best execution obligations where the client is legitimately relying on Equiti Capital to execute the transaction.

Equiti Capital will apply the following considerations to help determine if clients do generally place legitimate reliance on Equiti Capital within the legal framework referred above:

- which party has initiated the transaction i.e. where you initiate the transaction it is less likely that you are placing legitimate reliance on us;
- whether there is a market convention to “shop around” i.e. where market practice for a particular asset class or product suggests that you will have

access to various providers who may provide quotes and you have the ability to shop around, it is less likely that you will be placing legitimate reliance on us;

- the relative levels of transparency within a market i.e. where pricing information is transparent and it is reasonable to consider that you will have access to such information, it is less likely that you will be placing legitimate reliance on us; and
- the information provided by Equiti Capital and any agreement reached i.e., where any agreements or arrangements with you (including the provisions within this Order Execution Policy) do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on us or we have agreed to provide you with best execution.

Retail clients. It is assumed that, unless otherwise proven, a retail client legitimately relies on Equiti Capital to protect its interest and therefore best execution will apply.

Where Equiti Capital executes an order on behalf of a retail client the best possible result shall be determined in terms of the total consideration, representing the price of the Contract and the costs relating to execution, which shall include all expenses incurred by our client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Where Equiti Capital follows a specific instruction (see below) we will be regarded as fulfilling our best execution requirement.

Note that our commitment to provide you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

3. Agreement to the Order Execution Policy and its Amendments

As this document forms part of our Terms of Business with each client, regardless of the client categorization, by agreeing to the Terms of Business, you are also providing consent to the terms of our Order Execution Policy, as summarized in this document, as such may be amended or supplemented from time to time.

4. Order Handling and Trading Details for Execution only Services

The Terms of Business provides details on how we handle orders with you. The *'Product Details'* section on our website

and within our trading platforms set out full details of the trading conditions for types of CFDs and products available through trading account(s).

4. Delivering Best Execution

Equiti Capital will be trading in a (riskless) principal capacity agreed otherwise.

When executing orders on your behalf, Equiti Capital will take all sufficient steps to obtain the best possible result. We take into account the execution factors (as listed below), execution criteria and determine their relative importance by using our commercial judgment and experience in light of available market information.

Based on the parameters of your order, Equiti Capital will select execution venues from the pool of **Liquidity Providers** (i.e. banks or other financial institutions that provide executable BID and ASK prices of Financial Instrument on a continuous or regular basis, including our own two (2) execution venues, Equiti Capital and Bloom Capital LP) based on the best execution arrangements in place.

5. Execution Factors and their relative importance

Equiti Capital is required to take into consideration several execution factors when it comes to the execution of an order:

1. Price formation;
2. Costs paid by customers;
3. Speed
4. Likelihood of execution and settlement;
4. Size; and
5. Nature of the trade order; or
6. Any other relevant consideration.

The relative importance of the execution factors varies, and 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.

The significance and the order of priority we assign to the execution factors when executing orders at or below the displayed market size is as follows:

Execution Factor	Relative Importance
Price	1
Costs of execution	2
Likelihood of execution	3
Speed	3
Size	4
Nature of the trade order	5
Other consideration	6

5.1. Price Formation

For any given Financial Instrument, Equiti Capital will quote Spread, the difference between the lower (BID price to sell (go short)) and higher (ASK price to buy (go long)) figures of a quoted two-way price for a Financial Instrument.

The price feed quoted is provided by the aggregated pool of LPs (consisting of various banks and non-bank LPs) to provide competitive pricing, tighter spreads and/or greater liquidity. The LPs in the pool are regularly reviewed against Equiti Capital's internal execution criteria and removed and replaced as and when failing to comply with the set parameters.

Our ASK and BID prices as displayed may differ from the prices quoted by other providers, as they will factor in our commission, spread, market volatility or other financing costs and charges, as applicable. Our costs and charges may be different to other providers costs and charges or their assessment of market volatility.

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.

5.2. Costs

The Spread includes our cost and charges for the Services provided to the client.

Our Spreads are published on our website and may differ depending on the Financial Instrument.

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 displayed Spreads price will often be different to the underlying as it may also include charges such as, a pre-transaction mark-ups, post-transaction commissions, or a rolling overnight financing charges and charges for managing cash adjustments on your account.

The current fees and charges, including any method of calculating costs, charges, including any commission, are made available to you on our Website, through the Platforms or on request if you contact one of our employees at BrokerageSupport@equiti.com.

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. Fast execution is crucial to ensure that Orders are executed precisely. Latency which is any delay between the time of request and a response regarding an Order may result in delays and consequently lead to Orders being executed at the next available price. In such case, the price may be either in favor or against the client depending on the price at that time.

As regards the likelihood of execution, we review our pool of Liquidity Providers monthly as against the Equiti Capital Best Execution Committee's criteria and if any Liquidity Provider falls out of the Committees' agreed tolerance level criteria (with the particular emphasis on speed and rejection rate) we will remove such Liquidity Provider from the pool, until further notice.

5.4. Transaction size

Equiti Capital quotes prices for a minimum and maximum trade size. If your trade size Order is larger the quoted prices may differ as it may be more sensitive to the market conditions, available liquidity and our risk management procedures. Equiti Capital reserves the right to decline large order sizes that would result in exposing Equiti Capital or client to significant risk.

5.5. Nature of the Trade Order

Price for electronic orders are shown on the Platforms. Prices for worked orders are generally based on the average price Equiti Capital received when executing the Order on a third-party execution venue and in that case may be subject to any applicable third-party costs, in addition to our standard Charges, regardless of the client classification.

5.6. Other Considerations

In addition to the above execution factors and the relevance we assigned to each when executing Orders, many other factors, such as providing price quotes for Financial Instruments outside of normal market hours, will be relevant to the price, as they may be less liquid and more volatile.

6. Execution Venue

For the purposes of MiFID II, a "venue" includes an exchange, a multilateral trading facility and a broker. Unless we agree with you otherwise we will use a selection of venues (see the point

4 above, as regards the pool of Liquidity Providers) that will be reviewed periodically.

This list of top (5) Equiti Capital's execution venues as reported annually by asset class and trading volumes can be accessed under <https://www.equiticapital.co.uk/legal-documents/#rts-28-report>.

As per the RTS 28 Report, Equiti Capital is the sole execution venue and as such will act as the counterparty to all your executed Orders.

What factors are taken into account in determining the execution venues?

Factors that we consider in selecting the entities with which your orders are placed or to which we transmit your orders for execution in respect of a particular Financial Instrument include:

- general prices available;
- depth of liquidity;
- relative volatility in the market;
- speed of execution;
- cost of execution;
- creditworthiness of the Liquidity Provider;
- the venue's trading strategies; and
- quality and cost of settlement.

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. We will aim to execute the Order as per such specific instruction. Such specific Orders may result in higher costs, and Equiti Capital will first notify the client of its revised Charges before accepting the Order(s).

As stated above, where Equiti Capital follows a specific instruction we will be regarded as fulfilling our best execution requirement.