

ORDER EXECUTION POLICY

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Regulated by the Cyprus Securities and
Exchange Commission (CySEC), License Number 205/13

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1. Introduction

FXGLOBE LTD, a Company incorporated in the Republic of Cyprus through the Registrar of Companies with incorporation number **HE254133** ("**FXGlobe**") and regulated through the Cyprus Securities and Exchange Commission ("**CySec**") through license number **205/13**, having its business office is at **Vragadinou 35B str., 1st floor, Limassol, 3041, Cyprus**.

This Policy summarizes the general basis on which FXGlobe will ensure "best execution" to you ("**the Client**" or "**Prospective Client**") when it provides the investment services of reception, transmission and execution of orders in relation to one or more financial instruments, in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time ("**the Law**") and pursuant to the European Union's Markets in Financial Instruments Directive 2 ("**MiFID II**").

2. Scope and Purpose

FXGlobe is required to set up this Policy and to take all sufficient steps to act in the best interests of its clients and obtain the best possible results for its Clients ("**best execution**") either when executing Clients orders or receiving and transmitting order for execution in relation to financial instruments. The Policy sets out a general overview on how the Company will obtain the best execution possible results when executing Clients orders by taking into account the criteria and factors stated here below.

This Policy applies to both Retail and Professional Clients. It applies upon acceptance of an order and when a Client gives no specific instruction on the execution method. Nevertheless, when the Client give a specific instruction on an order, the Company will execute the order following such instruction. If the Company receives a specific instruction on an order, this may prevent the Company from implementing the Policy to obtain the best possible result for the execution of the order.

Where FXGlobe enters into transactions with/for eligible counterparties, the best execution obligation will not apply, unless FXGlobe has contractually agreed to provide best execution.

The financial instruments regulated under MiFID II include most types of financial instruments, but do not include spot foreign currency exchange transactions and spot commodity derivative transactions. Accordingly, this Policy does not apply to those instruments.

3. Types of Financial Instruments

This Policy applies when the Company offers the investment services of reception and transmission of orders in relation to one or more financial instruments and/or when executing orders on behalf of retail and professional Clients.

The financial instruments provided by the Company are Over the Counter ("**OTC**") Financial Contracts for Differences ("**CFDs**"). In particular:

- i. CFDs on currency pairs;
- ii. CFDs on spot metals;
- iii. CFDs on spot indices;
- iv. CFDs on spot commodities;
- v. CFDs on futures;

- vi. CFDs on shares; and
- vii. CFDs on Cryptocurrencies.

The client that open a trading account with FXGlobe and consents to FXGlobe's Terms and Conditions, consents also to this Policy and to the fact that the orders placed in that account are and will be executed outside a Regulated Market or a Multilateral Trading Facility.

4. Best Execution Factors

In achieving best execution, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs associated to the execution, which must include all expenses incurred by the client which are directly related 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.

In addition, depending on the type of order provided, such as 'Market Orders' or 'Stop loss orders' FXGlobe will consider the speed of execution, when assessing how to achieve the best possible result.

Thus, FXGlobe takes into account the following **factors** (unless otherwise instructed by the Clients):

- a) **Price (*highest importance*)**;
- b) **Costs (*highest importance*)**;
- c) **Speed of execution (*medium importance*)**;
- d) **Likelihood of execution (*medium importance*)**;
- e) **Likelihood of settlement (*low importance*)**;
- f) **Size of order (*low importance*)**; and
- g) **Market impact (*low importance*)**.

Furthermore, FXGlobe takes into account the following **criteria** for determining the *relative importance* of the abovementioned execution factors:

- The characteristics of the Client, including the categorization of the Client as Retails or Professional;
- The characteristics of the Client order;
- The characteristics of the financial instruments that are the subject of that order;
- The characteristics of the execution venues to which that order can be directed.

Not all of these criteria will be relevant in each case.

For orders that are not wholly covered by your specific instructions, we shall determine the best possible result when executing Client Orders against the Company's quoted priced by taking into consideration the execution factors and their relevant importance in the order presented here below:

a) Price

Bid-Ask Spread: For any given financial instrument, we quote two prices: the higher price (Ask), at which the Client can buy (go long) a financial instrument, and the lower price (Bid) as which the Client can sell (go short); collectively, referred to as the Company's prices. The difference between the Bid and the Ask prices of a given financial instrument is the spread.

Pending Orders: Orders such as 'Buy Limit', 'Buy Stop' and 'Stop Loss' / 'Take Profit' for open short positions are executed at the Ask price. Orders such as 'Sell Limit', 'Sell Stop' and 'Stop Loss' / 'Take Profit' for open long positions are executed at the Bid price.

The Company's price for a given CFD is calculated by reference to the price of the relevant underlying

asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's website or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operation time therefore no orders can be placed by the Client during that time.

If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price fluctuations if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or this may occur at the opening of trading sessions.

b) Costs

For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website.

Commissions are charged, under the ECN model, either in the form of a percentage of the overall value of the trade or as fixed amounts. The amount of the commission depends on the size of the transaction and is determined in proportion to 25 USD charged per 1 mln USD trading volume, or its equivalent in another currency. Calculation of the commission total is made at the current forex rate. The commission fee is deducted from the account during the opening of the transaction for both operations at once (opening and closing).

In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee ("swap rate") throughout the life of the contract (i.e. until the position is closed). Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's website, www.fxglobe.com.

For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account.

c) Speed of execution

The Company places significant importance on executing, and receiving and transmitting Clients' orders for execution, and strives to offer high speed of execution within the limitations of technology and communications links. Price change over time and the frequency with which they do varies with different financial instruments and market conditions. The Company places significance when executing Client's order to the speed of the execution of an order.

For instance, the use of a wireless connection or dial up connection or any other communication link that can cause a poor internet connection can cause unstable connectivity to the Company's trading platform resulting to the Client placing his orders on old prices, where the Company might decline and provide him with a new quote (i.e. re-quoting).

If there is any failure of hardware and software (e.g. Internet connectivity issues, server downtimes, etc.), this may result that Client's order is either not executed in accordance with his expectations or it is not executed at all. The Company does not accept any liability in such a case of such a failure.

d) Likelihood of execution

The levels of volatility in the market affect both price and volume. The Company seeks to provide its Clients with the fastest execution reasonably possible. Clients orders are executed by the Company at the requested price. However, under certain market circumstances, orders may not be filled at the exact price requested but instead at the best available price. This may occur during news announcements, during periods of volatile market conditions, on opening gaps (when trading session starts) or on possible gaps where the underlying instrument has been suspended or restricted on a particular market.

e) Likelihood of settlement

The financial instruments offered by the Company do not involve the delivery of the underlying asset, so there is no settlement as there would be for example if the Client had bought shares.

f) Size of orders

The actual minimum size of an order is different for each type of account. A lot is a unit measuring the transaction amount and it is different for each type of CFD. Please refer to the Company's website for the value of minimum size of an order and each lot for a given CFD type. The Company reserves the right to decline an order as explained in the agreement entered with the Client. Please refer to the Company's website for the value of the maximum volume of a single transaction.

g) Market impact

Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all reasonable steps to obtain the best possible result for its Clients.

5. Types of Execution Orders

- a) Market Order(s): A Market Order is an order to buy or sell a CFD at the current price. Execution of this order results in opening a position. CFDs are bought at the ASK price and sold at the BID price. Stop Loss and Take Profit Orders can be attached to a Market Order. Market Orders are offered for all types of accounts.
- b) Pending Order(s): The Company may offer the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders to Client Accounts used to receive and transmit Client orders in CFDs for execution to another entity (known as STP). A Pending Order is an order that allows the Client to buy or sell a CFD at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these orders at the Client's requested price. In this case, the Company has the right to execute the order at the first best available price. This may occur, for example, at times of rapid price fluctuations of the price, rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending orders are good till cancelled.

- c) Take Profit: A Take Profit Order is intended for gaining profit when the CFD price has reached a

certain level. Execution of this order results in complete closing of the whole position. It is always connected to an Open Position or a Pending Order. The order can be requested only together with a market or a pending order. Under this type of order, the Company's Platform checks long positions with the Bid price for meeting of this order's provisions (the order is always set above the current Bid price), and it does the same with the Ask price for short positions (the order is always set below the current Ask price).

- d) **Stop Loss:** This order is used for minimizing losses if the CFD price has started to move in an unprofitable direction. If the CFD price reaches this level, the whole position will be closed automatically. Such orders are always connected to an Open Position or a Pending Order. They can be requested only together with a Market or a Pending Order. Under this type of order, the Company's Platform checks long positions with the Bid price for meeting of this order's provisions (the order is always set below the current Bid price), and it does the same with the Ask price for short positions (the order is always set above the current Ask price).

6. Client's Specific Instruction

Whenever a Client gives a specific instruction as to the execution of their order, the Company will execute that order in accordance with the Client's specific instructions. In following those specific instructions, FXGlobe will be deemed to have satisfied its best execution obligations in respect of that part of the order to which the specific instructions relate. If a Client requires their order to be executed in a particular way, they must clearly state their requested method of execution when they place their order. To the extent that the Client's specific instructions are not clear, FXGlobe will determine any non-specified aspects in accordance with this Policy.

It should be noted that specific instructions from a Client may prevent the Company from taking the necessary steps it has designed and implemented in this Policy, to obtain the best possible outcome for the execution of those orders in respect of the elements covered by those instructions.

7. Execution Venues

For the purposes of MiFID II, a "venue" includes an exchange, a multilateral trading facility and a broker. Unless FXGlobe agrees with the Client otherwise, FXGlobe shall use a selection of venues that will be reviewed periodically.

The execution venues of FXGlobe include the following:

No.	Execution Venue	Country of Establishment	Commencement of the relationship with the Company
1	Broctagon Prime Ltd	Cyprus	May, 2019
2	'TBD'		
3	'TBD'		

8. Monitoring and Review

a. The Policy

The Company will monitor the effectiveness of its order execution arrangements and this Policy at

least annually and whenever there is a material change¹ that affects the Company's ability to obtain Best Execution for Clients. Additionally, the Company will regularly assess whether or not the Execution Venues it accesses continue to provide the best possible results for orders it executes. The Company will also publish the quality of execution reports annually.

The Company will review, at least annually or when a material change occurs, both its order execution arrangements and this Policy. FXGlobe will notify Clients and potential Clients of any material changes to the Policy through the Company's website and will be available to actual and potential Clients. FXGlobe will be able to check the fairness of the price proposed to the Client, by gathering market data used in the estimation of the price of such product and when possible by comparing with similar or comparable products. The Company will also be able to demonstrate, upon request, that the Client's order was executed in accordance with this Policy.

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Client and FXGlobe.

b. The Procedures

In order to ensure that this policy is being updated on timely manner and is sufficiently implemented, the Company has in place a robust monitoring programs and procedures in order to assess the execution quality and, where appropriate, correct any deficiencies identified.

For the monitoring and assessment purposes the Company use an adequate sample size of transactions and based on which it performed the carefully the selected benchmarks and tolerances for compliance with this policy and any other relevant policy of the Company.

Monitoring is performed by members of the dealing room and their findings is referred to the senior management for consideration, oversight and challenged together with the compliance function. The company shall ensure on continuous basis the implementation of the Best execution policy and keep records of monitoring procedures (i.e. checks and assessment documents, systems reports, communications and deficiencies corrections, etc.) that such best execution has been ensured. Methods for such monitoring could include, at the company's discretion, convenience and depending on the size of the company and aspect at assessment:

- (a) monitoring encompassed real-time, change-of-shift, end-of-day and periodic reporting of the dealing room function to the relevant senior managers. In such method, the relevant documented records shall be kept, including price registers and/or alerts to identify and rectify situations where the CIF was not delivering best execution.
- (b) Consider all the execution factors and the information that the Company is required to assess. (i.e. systematically compare the Company's quoted and executed price against the price of independent price sources or other venues (e.g. average market price), in order to ensure the fairness of the price proposed to clients and to perform self-assessment of Company's own execution quality.)

¹ Material change - means a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order (as defined in Article 65(7) of Directive 2014/65/EU) and as being illustrated by examples in Appendix 1 of this Policy.

- (c) Consider the benchmarks and statistics such as the average effective spread; frequency of quote delays; rejections and price re-quotes; as well as metrics on order latency, did not form an integral part and/or focal point of their monitoring.
- (d) review statistics related to the symmetry of any observed slippages (positive vs negative), taking into account the number of orders, the volume of orders (i.e. in pips) and the value of orders for all order types (e.g. market orders including stop loss and take profit orders, other limit orders and stop out orders due to the 50% margin close out rule).
- (e) Using different types of internal monitoring reports and/or third-party sophisticated technology/systems forestland reporting and data analysis (i.e. perform slippage calculations using a monitoring excel reports with the necessary data; proper calculation methodologies to be ensured in place; etc.).
- (f) Using a robust scoring system for monitoring liquidity providers and a thorough onboarding process for potential counterparties based on an assessment, taking into account objective criteria such as financial strength, technology, breadth of coverage and the provision of negative balance protection.
- (g) Formal documents may be put in place in order to easy the process of reporting the deficiencies identified by the relevant employees, noting the discussions of the management and the Board and finally ensuring the Board's approval for any actions taken.
- (h) continuously monitor price slippage and requotes for all trading activity, taking into account the number of orders, the volume of orders (i.e. in pips) and the value of orders for all order types (i.e. monitoring team receiving automated emails with such statistics and verified periodically, which further would be reported to the relevant management).

In instances where the best execution was not provided, it is expected that the company provides legitimate reasons for this, or it may be that the service provided to the client could have been improved. The management will work together to learn from these incidents and correct any deficiencies picked up as a result of FXGlobe's best execution monitoring.

9. Client's Protection

When the market is highly volatile any or all of the following steps might be taken by FXGlobe, including but not limited to:

- Impose volume restrictions; and/or
- Decrease/Increase Margin Requirements; and/or
- Restrict the opening of orders; and/or
- Decrease/Increase Leverage; and/or
- Widen/Narrow the Spreads;

Under certain market conditions, i.e. during unexpected and unforeseeable events, the price of any Financial Instrument might be affected making it impossible for the Company to execute any type of Order at the declared price, in such circumstances, the ability to execute Orders on a timely basis will become the primary factor.

FXGlobe will inform the Clients of the actions that is willing to take during major events which can cause the market to be highly volatile.

10. Client's Consent

By entering into a Client Agreement with FXGlobe, the Client is approving to establish a business relationship with FXGlobe and therefore consent to, among others, this Order Execution Policy.

11. Record Keeping

For the purpose of this Policy, FXGlobe shall maintain records of the prices for individual financial instruments shown on FXGlobe's Electronic Trading Platform, including details about costs, speed and likelihood of execution, for a minimum period of five (5) years and, where requested by CySEC, for a period of up to seven (7) years.

FXGlobe shall also keep records which evidence the ongoing monitoring of best execution and which demonstrate FXGlobe's compliance with best execution obligations to any competent Authority, as and when required.

12. Enforcement of this Policy

This Policy enters into force on August 2018.

13. Contact

Should you require any further information and/or have any questions about this Policy please direct your request and/or questions to info@fxglobe.com.

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APPENDIX 1

The Company sets out below a non-exhaustive list of what factors that may constitute a Material Change:

- Change of the Execution Venue.
- Changes to the relative importance of execution criteria and relevant factors;
- Materially incorrect prices compared to the average market price;
- Significant increase in the daily number of off quotes;
- Significant delay in the execution of orders.
- Material market impact;
- Material change in the level of costs resulting from connection to a venue;
- Change in the scope of financial instruments traded on a venue;
- Development of significant new execution procedures or a change in the market model of an existing venue;
- Major change to existing arrangements, such as material change in the human or technical resources that the company relies on to provide best execution;
- Client complaints that point to a major problem (a review of a client complaint revealing non-compliance of arrangements with the execution policy does not necessarily trigger a review of the entire policy).