

# Order Execution Policy

Effective date: February 2023

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This document forms part of the client agreement with LMAX Global.

LMAX Global will take reasonable steps to obtain the best possible result when executing orders on your behalf, taking into account a range of factors. This is referred to as providing you with best execution.

Our Order Execution Policy (this "Policy") describes (a) our execution approach for carrying out orders from origination to execution (b) the venue we use (c) an explanation of how the different factors influence the firm's execution approach and (d) why that approach is considered to deliver the best possible result.

This Policy, together with the documents set out below, as amended from time to time, form our agreement with you:

- Terms of Business
- Trading Manual
- Risk Warning Notice
- Privacy Policy and Cookie Policy

The current version of this Policy (and also the current versions of the documents referred to above) can be found on our Website.

Upon opening an account for you, we provide you with access to the prices on LMAX Exchange, LMAX MTF and/or other Liquidity Pools. The prices on which you trade with us will be the prices we obtain from LMAX Exchange, LMAX MTF and/or other liquidity pools from time to time. These prices may differ from the prices that are displayed on LMAX Exchange, LMAX MTF and/or other Liquidity Pools at the time that you place your order to trade with us. You trade with us as principal and not as agent on your behalf on the prices we obtain on LMAX Exchange via LMAX Global.

If you provide us with specific instructions on how to execute your orders, as is the case with limit orders, we will have taken all reasonable steps to obtain the best possible result when executing your order by following your instructions. To the extent that your instructions are incomplete, as is the case with market orders, we will follow this Policy for those parts or aspects of the order not covered by your instructions.

For orders that are not wholly covered by your specific instructions, we shall take account of the following execution factors to deliver the best possible result when executing orders on your behalf.

The execution factors which we take account of when we execute orders on your behalf are the following:

➤ **Price – Highest importance**

To calculate our bid and offer prices, we pay due regard to the market price for the products. To ascertain the market price, we use a number of data sources which include prices available on the LMAX Exchange, LMAX MTF and/or other liquidity pools. Depending on liquidity and price formation, we will set a price at which we are willing to buy and sell.

An Order placed with us for a specific size can result in a number of trades being executed on LMAX Exchange, LMAX MTF or another 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 Exchange, LMAX MTF or offered by another Liquidity Pool 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 and Take Profit Orders (as defined and described in our Trading Manual) the price you receive at execution will be the price in your instruction or better.
- In the case of Market Orders, Stop Market Orders and contingent Stop Loss Orders (as defined and described in our Trading Manual), 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 Exchange, LMAX MTF or another Liquidity Pool. This could be better or worse than the price on LMAX Exchange, LMAX MTF or another Liquidity Pool at the time your Order is placed with us.

➤ **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 Instrument you wish to trade will impact whether and when it is possible to execute your Order. Please see the Trading Manual for further details.

The times at which you are able to submit Orders to us are restricted. Please see the Trading Manual 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 on LMAX

Global, 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 we impose 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 Global, 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 us 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 Instrument you wish to trade. If this occurs, the following will apply:

- In the case of Limit Orders and contingent Take Profit Orders, the remaining quantity will stay on the Order Book until:
  - the end of the day for "GFD" Limit Orders (as defined and described in our Trading Manual);
  - cancelled for "GTC" Limit Orders (as defined and described in our Trading Manual); an
  - cancelled for contingent Take Profit Orders.
  - In the case of Market Orders, the part of the Order that did not execute would be cancelled.

Please refer to our Trading Manual for working examples of when we are unable to execute your order.

#### ➤ **Quantity available to trade – Medium importance**

We have restrictions in place in terms of the minimum and maximum size of position you may hold in an Instrument at any one time. Any opening Order you place with us will be subject to these restrictions. Our minimum and maximum position sizes are set by us for each Instrument and may vary depending on current market conditions. Our minimum and maximum position 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.

#### ➤ **Cost – Low importance**

Unless otherwise agreed with you, we will levy a separate commission charge for each trade that is opened or closed on your Account. You will pay the same commission whether we fill your order via LMAX

Exchange, LMAX MTF or via a Liquidity Pool. As such, commission is not a factor for choosing whether to fill Orders using LMAX Exchange, LMAX MTF or another Liquidity Pool.

Financing charges or adjustments may apply to your trades. If applicable, these charges or adjustments will result in a debit or credit being made to your Account at the time the charge of adjustment becomes effective. This will usually occur whilst the affected trade(s) is open on your Account but may occur after that trade(s) has been closed.

Details of the calculations of our financing charges can be found in the Trading Manual.

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.

We will review this Policy at regular intervals. If at any time we identify any deficiencies we shall take appropriate remedial action and where necessary shall amend this Policy to give effect to the action we have carried out. Amendments to this Policy shall be effective immediately. We shall wherever possible endeavour to give you advance notice of any changes we make to this Policy, but this may not always be possible. You can always find the latest published version of this Policy on our website.

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

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