

capital.com
Order Execution Policy

Capital Com (UK) Limited: Order Execution Policy

1. Purpose

The purpose of this Order Execution Policy (**the “Policy”**) is to establish and outline all sufficient steps taken by Capital Com (UK) Ltd (“we”, “our” “**CAPITAL.COM**”, the “**Company**”), a company authorised and regulated by the Financial Conduct Authority (FRN: **793714.**) with registered office at 4th Floor 64-66 Vincent Square, London, United Kingdom, SW1P 2NU for consistently obtaining the best possible results for our clients when we execute client orders.

This Policy should be considered alongside our Client Agreement/Terms and Conditions which are available on our [website](#) or on request.

1. Scope

1.1. Legal Framework

This Policy was prepared in accordance with Article 27 of the European Directive 2014/65/EU of 15 May 2014 on Markets in Financial Instruments (“**MiFID II**”), the associated rules and guidance established by the European Securities and Markets Authority and the Financial Conduct Authority (the “**FCA**”)’s rules (the “**FCA Rules**”) implementing MiFID II, as a formalised statement of our existing approach to execution, reflecting our everyday practice when dealing with clients. In particular, COBS 11 rulebook sets out the obligations in respect to our compliance with the order execution requirements.

1.2. Clients

This Policy is applicable to all orders received from and executed on behalf of our Retail Clients (“**RCs**”) and Professional Clients (“**PCs**”) only, as defined in MiFID II and the FCA Rules. We do not have the regulatory permission to engage in regulated business with Eligible Counterparties (the “**ECPs**”).

2. Policy

This Policy sets out in sufficient detail, and in an easy to understand way, how CAPITAL.COM’s complies with the obligation to take all reasonable steps to obtain, when executing orders, the best possible results for clients taking into account the best execution factors. When dealing with clients, CAPITAL.COM has a general obligation to act honestly, fairly and professionally in the best interest of its clients.

This Policy cannot and does not provide a guarantee that, when executing an order, our price will always be better than one which is or might have been available elsewhere.

2.1. Application of Best Execution obligation

The obligation to take all sufficient steps to obtain the best possible result for clients applies where a firm owes a client contractual or agency obligations.

The provisions of this Policy do not apply in the following cases:

- a. When you request CAPITAL.COM to carry out a specific instruction relating to the execution of your trades, the obligation to take all sufficient steps to achieve best execution shall not be satisfied. By requesting specific instructions you understand that this may result in higher total consideration and the incompatibility with existing firm processes. CAPITAL.COM reserves the right not to accept specific instructions.
- b. To clients who are classified as Eligible Counterparties in accordance with our Client Categorization Policy. It shall be noted though that the Company does not provide its services to such clients.
- c. Where other Laws and regulations issued by ESMA and/or FCA prevail.

The asset classes in which the Company executes client transaction and that are within scope of the Best Execution obligations include the following:

- Contracts for Difference
- Spread Bets
- Shares/ Exchange Traded Products (ETFs)

2.2. Best Execution Factors

If there are no specific instructions from our client on how to execute the order, we will consider several execution factors to ensure that we manage the order on terms most favourable to our client. These execution factors include:

- price;
- speed;
- likelihood of execution and settlement;
- costs;
- size and nature of the order;
- any other considerations relevant to the execution of the order.

For clients categorised as RC, the best possible result must be determined in terms of the total consideration (unless the objective of the execution of the order dictates otherwise), represented primarily by the price of the financial instrument and the costs related to the execution. The costs related to the executions include the expenses incurred by the client which are directly related to the execution of his/her order.

For clients not categorised as RC, the relative importance determined by the Company with regard to the Best Execution Factors based on the clients' orders and characteristics is specified herein. The other execution factors of speed, likelihood of execution, size, nature or any other relevant consideration will, in most cases, be secondary to the price and costs considerations, unless they would deliver the best possible result for the client in terms of total consideration.

CAPITAL.COM has assigned a relative importance to the aforesaid execution factors in order to obtain the best possible result when executive clients' orders. The following levels of importance have been assigned to the Best Execution Factors by the Company in respect to transactions in contracts for differences:

<u>Factor</u>	<u>Importance Level</u>	<u>Comment</u>
Price	High	See 4. Pricing
Speed	High	See 7. Speed
Likelihood of execution and settlement	High	See 8. Likelihood of execution See 9. Likelihood of settlement
Costs	High	See 5. Costs
Size and nature of the order	Medium	See 6. Size See 10. Market Impact See 11. Types of Orders

The relative importance assigned to the Best Execution Factors by CAPITAL.COM in respect to transactions in spread bets is identical to those of CFDs. The relevant details are outlined in the below table.

<u>Factor</u>	<u>Details</u>	<u>Importance Level</u>	<u>Comment</u>
Price	The market price at which the order is executed.	High	See 4. Pricing
Speed	This can be particularly important in fast moving markets.	High	See 7. Speed
Likelihood of execution and settlement	CAPITAL.COM might not be in position to execute the order at the best available price or the transaction may fail to be completed for certain reasons. In particular, even though CAPITAL.COM endeavors to execute all orders placed by the clients, it reserves the right to decline an order of any type or execute the order at the first available market price.	High	See 8. Likelihood of execution See 9. Likelihood of settlement
Costs	Any additional charges that may be incurred in executing the order.	High	See 5. Costs

Size and nature of the order	The minimum size of an order is different for each asset type (e.g. CFDs and spread bets)	Medium	See 6. Size See 10. Market Impact See 11. Types of Orders
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The relative importance assigned to the Best Execution Factors by CAPITAL.COM in respect to transactions in Shares/ETFs is identical to those of CFDs. The relevant details are outlined in the below table.

Factor	Details	Importance Level	Comment
Price	The market price at which the order is executed.	High	See 4. Pricing
Speed	This can be particularly important in fast moving markets.	High	See 7. Speed
Likelihood of execution and settlement	CAPITAL.COM might not be in position to execute the order at the best available price or the transaction may fail to be completed for certain reasons, e.g. market availability. In particular, even though CAPITAL.COM endeavors to execute all orders placed by the clients, it reserves the right to decline an order of any type or execute the order at the first available market price.	High	See 8. Likelihood of execution See 9. Likelihood of settlement
Costs	Any additional charges that may be incurred in executing the order.	High	See 5. Costs
Size and nature of the order	The minimum size of an order is different for each asset type	Medium	See 6. Size See 10. Market Impact See 11. Types of Orders

2.3. Best Execution Criteria

To determine the relevance and priority of the execution factors CAPITAL.COM will as well as consider the following best execution criteria:

- characteristics of the client including the categorization of the client as retail or professional;

- characteristics of the client order, i.e. whether the order is for CFDs and/or spread bets and/or Shares/ETFs;
- characteristics of the financial instruments that are the subject of that client order;
- characteristics of our execution venue to which the order can be directed.

2.4. Specific Instructions

If a client requires his/her order to be executed by CAPITAL.COM in a particular manner and not in accordance with this Policy, the client must clearly state the desired manner of execution when placing the order.

Where the client provides us with a specific instruction as to how to execute an order and we have accepted this instruction, we will execute the order in accordance with that specific instruction. However, we will always seek to use our best judgement to obtain the best possible result for our client rather than solely rely on the protection of client instructions and will (when feasible) extend best execution beyond the scope of the regulatory requirement, subject to a relevant agreement with the client to that regard before the transaction takes place.

When executing an order following a specific client instruction, CAPITAL.COM will consider that it has discharged its best execution obligations. However, the best execution requirements will still be applied by the Company to those parts of the client order not covered by the specific instruction.

Market conditions and variations may prevent CAPITAL.COM from following some of the client's instructions. If such case occurs, the Company will notify the client accordingly.

2.5. Instruments

2.5.1. Contracts for Difference ("CFDs")

CAPITAL.COM offers CFDs across a range of underlying asset classes, including, but not limited to, equity, commodities, FOREX, indices and cryptocurrencies.

A CFD is a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of a relevant underlying asset. CFDs are complex products, generally used for speculative purpose. CFDs are not suitable for "buy and hold" trading, therefore if the Client does not have enough time to monitor such investment on a regular basis, he or she should not trade in CFDs. The client has no rights or obligations in respect of the underlying instruments or assets relating to your CFD. Specifically, in case of an equity CFD you will not receive any voting rights. In addition, equity CFD's have no expiry date, however, should a corporate action ("Corporate Event") be announced based on a takeover or a reorganisation, the date of that Corporate Event may be used as the expiry date.

2.5.2. Spread bets

Spread bets are financial instruments, i.e. derivatives that gives you the opportunity to speculate on the movement of the price on the underlying asset without actually owning the underlying asset. In particular, the client predicts whether the market's price will increase or decrease, and the degree to which the client has correctly or wrongly determined his/her profit or loss. If the price moves the way predicted, clients will profit from the transaction; however, if the market moves against you, the loss will also increase as the price movement becomes greater.

2.5.3. Shares and Exchange Traded Products

CAPITAL.COM offers the ability for Clients to purchase equities traded in regulated markets and/or MTFs. By trading such financial instruments, the Client will be the owner of the relevant financial instrument, however, the Company will hold the instruments on the Clients' behalf. We may appoint any other third party to hold your Financial Instruments. More information can be traced in the Terms and Conditions.

3. Execution Venue

The term "Execution Venue" includes a regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing.

The Company has identified the following Execution Venue(s) in regard to CFDs and Shares/ETFs on which the Company will send all orders and which the Company believes to offer the best prospects for achieving the best possible results for, taking into account the best execution factors:

- Capital Com SV Investments which is a regulated investment firm with CySEC license number CIF319/17.

In addition to the above, it is noted that the aforesaid Company will act as the sole execution venue for the execution of clients' orders in spread bets, for both retail and professional clients.

By accepting the Company's Terms & Conditions the client consents and agrees to having Capital Com SV Investments act as the sole execution venue and that any CFD orders placed with CAPITAL.COM are not executed on a trading venue and therefore the clients are exposed to counterparty risk from execution outside a trading venue. With respect to Shares/ETFs, Client orders may be executed either outside or on a trading venue.

4. Pricing

For all instruments offered CAPITAL.COM will quote two prices: a higher price (ASK) at which the client can buy (go long) the CFD and a lower price (BID) at which the client can sell it (go short). The difference between the Bid and Ask Price is known as

Spread. The difference between the Bid and Ask Price is known as Spread which as explained below includes our costs for the services to be provided. Further details are outlined below.

The quoted price of a given CFD is calculated by reference to the price of the relevant underlying asset. The price of the relevant underlying asset is obtained by CAPITAL.COM from a range of independent market data providers, who source their prices from relevant exchanges.

Various independent market data providers are used to ensure a spread of reliance and protection against data redundancy and are prioritised at the individual financial instrument's level based on such factors as the frequency of updates and reliability. The Company reviews its independent market data providers at least once a year to ensure that correct and competitive pricing is offered.

The prices can be found on the Company's trading platform. CAPITAL.COM updates prices as frequently as the limitations of technology and communications links allow. The source of our prices per asset class is shown in the below table:

No	Asset Class	Source of price
1.	CFDs on commodities Spread Bets on commodities	Published prices from underlying commodity exchanges
2.	CFDs on indices Spread Bets on commodities	Published prices from underlying exchanges
3.	CFDs on FX Spread Bets on FX	Published prices from underlying exchanges
4.	CFDs on CFDs on Shares	Published prices from underlying stock exchanges
5.	CFDs on Cryptocurrencies	Published prices from underlying

For the Shares/ETFs instruments offered, the Company shall provide Clients with the direct prices obtained from the relevant regulated markets where the instruments are traded on.

5. Costs

The Company understands that costs are of high importance to our clients. Costs and spreads are monitored by the Company via numerous internal protocols, processes and examination of records.

Only a SPREAD is applied, and no other charges or commissions are paid by the clients for the trade itself. The CFD spread is dynamic and may factor in the liquidity in the external markets and the competitor pricing. Our CFD spreads are set in our absolute

discretion, and any changes are effective immediately. CAPITAL.COM reserves the right to mark-up the spreads.

Detailed and updated information on the calculation methodology, leverage, applicable spreads & margin requirements as applied to a specific instrument is available on our trading platform and the [website](#). Our CFD Spreads are either variable or fixed depending on the product. A fixed Spread remains the same under normal conditions and it is not affected by market volatility or liquidity whereas a variable Spread means that spread varies during the day due to the market volatility or liquidity. CAPITAL.COM has the right to alter the spreads in order to reflect the actual market conditions and political or economic events. In case of amendments in the Spreads the clients will be notified accordingly and in a reasonable time.

If you hold a CFD/ Spread betting position open overnight, an overnight premium is subtracted from each instrument on our trading platform and the website.

If you choose to use the Company's feature for Guaranteed Stop Loss (see Section 11), a fee will be charged when the Guaranteed Stop Loss Order is triggered and executed. The method of calculation of the fee is specified in the Company's Terms & Conditions.

With respect to trading in Shares/ETFs, the spreads quoted on the Company's trading platform will be provided directly by the relevant trading venues. Further, any withholdable taxes on the financial instruments held by the Client will be directly affected on the Client's trading account.

The Company does not charge fees for deposits to and withdrawals from the client's trading account. For more information on these fees please refer to Clause 6.3 ("Fees for Deposits and Withdrawals") of the Company's Terms & Conditions.

6. **Size of the Order**

All CFD/spread bet orders are placed in contract units. A contract unit measures the transaction amount and it differs depending on the type of the CFD and/or spread bet involved. The size of a contract unit for any given CFD and/or spread bet is available on the Company's trading platform and the website.

The client should refer to the Company's trading platform or the website for information on the upper and lower limits applicable to the size of the orders. The Company will not accept an order which is outside the provided size limits.

The Company does not currently offer fractional share trading. Furthermore, any limits to the number of shares a Client can buy in a particular instrument shall be available on the Company's trading platform.

7. **Speed**

Due to volatility that may affect both the price and size of the trade CAPITAL.COM seeks to execute the client orders as fast as reasonably possible.

The price shown in the client's trading application at the moment the order is sent may differ from the market price at the moment of the actual execution of the order due to natural network delays and market fluctuations.

Slippage is often a result of a liquidity shortage or excessive volatility that make the execution of a Market Order at the declared price impossible. In case of slippage CAPITAL.COM will take all sufficient steps to execute the Market Orders at the next best price available. In such a case it is noted that your order may be executed at a price that is different from the initial price selected. In addition, in such cases it is noted that certain financial instruments may be not available for trading.

8. **Likelihood of Execution**

So long as the client has sufficient margin in his/her account for the trade and the requested trade size is within the applicable upper and lower limits, the CFD/spread bet trade will be executed as requested. For further information on the margin requirements please refer to our Leverage and Margin Policy.

The likelihood of execution is dependent on the availability of prices from other market makers and financial institutions. For instance, it may not be possible to execute an order:

- during news;
- at the start of trading sessions;
- in periods of high volatility, when prices may move significantly up or down and away from the quoted prices;
- due to a rapid price movement;
- due to insufficient liquidity for execution of the order at the requested size and/or at the quoted price.

We do not consider the above list exhaustive and reserve the right to factor in other events, including those beyond our control, and evaluate the potential effect the order may have on our risk tolerance when handling the execution of the client order.

In the event CAPITAL.COM is unable to proceed with an order as requested, or for any other reason, the Company reserves the right to decline the client order or to offer the client a new price for his/her orders. CAPITAL.COM is not required to give any notice or explanation to the client regarding its decision to decline or offer an alternative price.

9. **Likelihood of Settlement**

The CFDs and spread bets offered by the Company do not involve the delivery of the underlying asset, so there is no settlement as there would be if the client had bought the underlying asset.

Upon the execution of an order on Shares or ETFs, the Company shall proceed the settlement of such an order, depending on market availability.

10. **Market Impact**

The Company's quoted prices which are derived from its independent market data providers/ trading venues may be affected by various circumstances which could also affect the evaluation of the relevance and priority of the execution factors outlined in this Policy. In any case, CAPITAL.COM will take all sufficient steps to ensure the best possible results for its clients.

11. **Types of Orders**

Our platform supports the following types of orders:

A Market Order is an instruction to buy or sell a financial instrument immediately in a specified size at the best available market price for that size. When you place a Market Order with us you acknowledge that such Market Order allows us to execute your order at a price that is worse or better than our quoted bid/offer price at the time you place it. This order type does not allow any control over the price it will be filled at. Market Orders can be placed only during the trading hours of the underlying asset. Where there is insufficient liquidity available for the specified size your Market Order will be partially filled while the remaining quantity will be cancelled by the system. A Market Order can have Take Profit/ Stop Loss Orders attached.

A Limit Order is an instruction to buy a financial instrument at no more than a specific price, or to sell it at no less than a specific price (called 'or better' for either direction). This gives you a control over the price at which the Limit Order is executed, however this Limit Order may never be executed (or filled). A Limit Order can be used to either open or close a position. Limit Orders will be filled when your price is reached and provided there is sufficient liquidity available. Where there is insufficient liquidity available your Limit Order will be partially filled with the remaining quantity pending until it is fully filled or cancelled. Once a Limit Order is triggered it will be executed at a level that is the same or better than the level specified by you. Limit Orders can have Take Profit and Stop Loss orders attached.

A Stop Market Order is an instruction to execute a trade when a price level (the Stop Market Level) is reached that is equal to or worse than the current best price (a Stop Market Order). When the Stop Market level is reached, the Stop Market Order will trigger and a Market Order will be sent to execute the trade at the best price available at the time the Order is placed for the quantity you wish to buy or sell. Your execution price may be better or worse than the Stop Market Level you set depending on the liquidity available and the size of your Order. Stop Market Orders can be placed and/or cancelled at any time, even when the market is closed. In order to amend a Stop Market Order, you would need to cancel the existing one and place a new Stop Market Order provided the market conditions allow that. Stop Market Orders can be used to open or close a trade and can be Good For Day (GFD) or Good Til Cancelled (GTC). This means that for "GFD" Stop Market Orders, any portion of the Stop Market Order which has not been executed during the trading day in which the Order was placed is automatically

cancelled at the end of that trading day. It may be the case that your Stop Market Order could be partially executed if there is insufficient liquidity to cover all of your Order at the time your Stop Market Order is triggered. A "GTC" Stop Market Order would remain a working order until you choose to cancel it, if it is cancelled because you are on a margin call, or your Order is filled and becomes a position. Take Profit and Stop Loss Orders attached to Stop Market Orders will be set at a specified level away from the worst execution price received (e.g. 50 points away from the highest Offer price for a Long Market Order). Your Take Profit and Stop Loss Orders will not be set at a level relative to the volume weighted average opening price of your Order.

A working order is a general term to open a Limit or Stop Market Order.

A Take Profit is an order that can be attached to working orders, market orders or open positions, to close a position at a price that is better than the current price. This order type is primarily used to lock in profits from a position. If the market has moved to the opposite direction of a position, it is possible to set up a Take Profit at a price that is better than the current price but worse than the opening price. Where a Take Profit Order is attached to a working order it will be a contingent order that would become active once all or part of your working order has been executed giving rise to a position being opened on your account. The Take Profit Orders will be filled at that the predefined price. If a Take Profit Order is partially executed because there is insufficient liquidity at the price you specify, the remaining part of your order will be active until your price level is reached again and more liquidity is available. A Take Profit Order will remain active until it is executed or removed, or the open position is closed.

A Stop Loss is an order that can be attached to working orders, market orders or open positions, to close a position at a price that is worse than the current price. This order type is primarily used to limit the potential losses you can incur from an open position. If the market has moved to the direction of a position, it is possible to set up a Stop Loss at a price that is worse than the current but better than the opening price. Thus, it is possible to lock profits with a Stop Loss order. If the Stop Loss level is reached, the Stop Loss Order is executed as a Market Order at the best price available for the quantity you wish to buy or sell. A Stop Loss Order will remain active until it is executed, or removed or the open position is closed. If a Stop Loss Order is partially executed because there is insufficient liquidity, the remaining part of your order will be active until your price level is reached again and more liquidity is available.

Stop losses on long positions will trigger when the Ask Price reaches the desired Stop Loss Price and they will execute at the Prevailing Bid Price. Stop losses on short positions will trigger when the Bid Price reaches the desired Stop Loss Price and they will execute at the Prevailing Ask Price.

We do not guarantee that a Stop Loss Order will be filled at the price specified.

A Guaranteed Stop Loss Order is an order that can be attached to working CFD/spread bet orders, market CFD/spread bet orders or open CFD/spread bet positions, to close CFD/spread bet a position at an exact price determined by you that is worse than the

current price. This order type is used to limit the losses you can incur from an open position. On the other hand, if the market has moved to the direction of a position, it is also possible to set up a Guaranteed Stop Loss at a price that is worse than the current but better than the opening price. Thus, it is possible to lock profits with Guaranteed Stop Loss order. When accepting your Guaranteed Stop Loss Order we guarantee that when our bid or offer quote goes beyond the price specified by you, we will close your position at exactly the price specified. An open position can be closed at your initiative before reaching the Guaranteed Stop Loss Order level. As we guarantee your close out price, there is a fee charged when the Guaranteed Stop Loss Order is triggered and executed (see Section 5.12 of Terms & Conditions).

Limit Orders and Stop Loss Orders for equity CFDs are executed based on the preceding ex-dividend prices and if not fully executed before the occurrence of the forthcoming Corporate Event, entitling the Client to a dividend for the equity CFD position(s) he/she currently holds, the Client's relevant CFD position(s) will be closed by CAPITAL.COM prior to that Corporate Event at the then prevailing market price. Similarly, CAPITAL.COM will ask the client to close any affected pending Limit Orders and Stop Loss Orders before the forthcoming Corporate Event or will do so on its own, if the client fails to act accordingly.

We may introduce new types of orders from time to time by posting a relevant alert and updating the current information on our platform.

12. Handling Orders

All trades are bilateral transactions and are conducted exclusively between CAPITAL.COM and the relevant client. The client's ability to place an order is subject to the availability of enough funds (with respect to Shares/ETFs) or margin (with respect to CFDs) in his/her trading account. All executed trades are immediately viewable on client's balance, which also shows the profits and losses generated by the closed trades.

CAPITAL.COM undertakes to handle all client orders in accordance with the following principles:

- Order execution shall be prompt, fair and expeditious and processed sequentially;
- Aggregation of comparable orders shall be undertaken to the client's best interests;
- Allocation or reallocation shall be equitable and seek to protect the client from detriment.

All trading activity does not rely on any manual intervention or dealing. The absence of manual dealing ensures prompt, fair and expeditious execution of client orders, relative to other client orders or CAPITAL.COMs own trading interest. All client orders are promptly and accurately recorded and allocated. Otherwise comparable client orders are executed in a strictly sequential line-up in accordance with the time of their reception by CAPITAL.COM (i.e. on a first come, first served basis). CAPITAL.COM reserves the right to depart from this strict sequence, if the characteristics of the client order and/or

prevailing market conditions make it impracticable to execute it in this manner, or the interests of the client require otherwise.

To carry out a client order in aggregation with another client order, CAPITAL.COM will ensure the following requirements are met:

- The client has been made aware that aggregation may, in some cases, result in obtaining a less favourable price than if the order were executed separately;
- CAPITAL.COM, in its sole discretion and under prevailing market conditions, does reasonably believe that such action is likely to be within the client's best interests and CAPITAL.COM is able to demonstrate this;
- the decision to aggregate and, if necessary, reallocate will be made in accordance with any client instructions, having regard to price and volume and allocated accordingly.

Where aggregation of two similar client orders is effected, the price and volume of each of the orders assist the Company to determine, in the event of partial execution, the final allocation. If the combined order is not executed at the same price, CAPITAL.COM may average the prices paid or received and then charge or credit client accounts with the average net price.

All aggregated orders will be recorded and allocated accurately and promptly and as soon as is reasonably practicable in the circumstances. CAPITAL.COM will take all reasonable and appropriate steps to ensure that as little time as possible exists between execution and to facilitate the accurate and equitable allocation to mitigate any conflicts that may arise during this period.

Reallocation of transactions will be considered where the transaction has had a detrimental effect on the client in the circumstances or where unfair precedence has been given to the Company's interests.

CAPITAL.COM shall not misuse information relating to or between pending client orders. The Company shall take all sufficient steps to prevent the misuse of such information by any relevant persons or employees.

CAPITAL.COM will ensure that it will at all times duly and promptly inform the client of any material difficulty relevant to the proper execution of the client's order as soon as CAPITAL.COM becomes aware of such difficulty.

CAPITAL.COM must, at all times, maintain a diligent approach to the proper management and mitigation of all potential conflicts of interest that may arise when handling client orders. Specific operational procedures, aligned to both the present Order Execution Policy and our Conflicts of Interest Policy, must be followed at all times.

13. Corporate Events

13.1. A “Corporate Event” is any action or event, whether temporary or otherwise, in relation to an underlying asset(s) of the CFD, or in relation to the issuer of an underlying asset(s) of the CFD, which would have an effect on the value, legal characteristics or ability to trade the underlying asset(s) or the CFD based on or referencing such underlying asset(s), including: distributions or the grant of entitlements to existing holders of rights in the underlying asset(s), dividend payments, the granting of rights to purchase, subscribe or receive any underlying asset(s) (whether for free, on preferential payment terms or otherwise) or cash, placings, rights issues, bonus/scrip issues, capitalization issues and similar issues, mergers or takeovers relating to the issuer of the underlying asset(s), sub-divisions, splits, reductions (including share buy-backs), consolidations, reclassifications, restructurings, cancellation or suspension of listing of the underlying asset(s) or the issuer of the underlying asset(s), and any action or event analogous to any of the foregoing or otherwise that may have a diluting or concentrative effect on the value of the relevant financial instrument or underlying asset(s) of the CFD.

Contracts for Differences

13.2. The client has no rights or obligations in respect of the underlying instruments or assets relating to his/her CFD. Specifically, in case of an equity CFD you will not receive any voting rights. However, the underlying instrument can be affected by various corporate actions (“Corporate Events”).

13.3. In case a Corporate Event will occur while the Client is holding an open CFD position or has a pending order affected by such event, we will endeavor to notify the Client of such Corporate Event, accomplished or yet to occur, as soon as it is reasonably practicable, however the Company reserves the right to act without prior notifications. According to the type of Corporate Event, the Company will inform the Client of the action(s)/adjustment(s) to be taken, if any, including the possibility of closing the affected position(s), including any pending order(s). In relation to the above, depending on the type of Corporate event, the Company may be required to make an adjustment to the size and/or value and/or number of the related position(s), including also the possibility of opening the new position(s) or closing of the existing position(s) at the last available price. Such adjustment will account for the diluting or concentrating effect of the Corporate Event in order to preserve the economic equivalent of the rights and obligations of the parties in relation to that position(s). Any action taken by the Company will be effective from the date determined by the Company and shall be binding, however, for the avoidance of doubt, the said actions may be retrospective. Closing of Client's CFD position(s) affected by a Corporate Event will not take place in case of dividend payments related to underlying equities. In this case adjustments will be made to the Client's Account, such adjustment will be calculated by the Company based on the size of the dividend, the size of Client's position, taxation and whether it is a buy or a sell trade. For more details please see paragraph 5.14 of the Terms and Conditions.

Shares and Exchange Traded Products

13.4 If there is a corporate event on Instruments we hold on your behalf, we will use reasonable efforts to contact you, however you acknowledge that there may be situations where it is impractical to do so. We shall be under no duty to tell you of or act upon any corporate event until the relevant Instruments are registered in the name of our nominee. Only information issued through the applicable Exchange or the registrars will be relayed to you.

13.5 Where a corporate event results in a fractional entitlement to part of a Share, then we will aggregate those fractional entitlements and sell such fractional Shares and credit your account with a cash value which may be subject to a minimum charge. Details of this charge are set out in the Product Details.

Where corporate events (such as partial redemptions) affect some but not all nominee Instruments held in a pooled account, we shall allocate the Instruments which are affected to relevant clients in such a fair and equitable manner as we reasonably consider is appropriate.

13.6 If the terms of a corporate event require an election to be made on behalf of our entire nominee holding in a company, we reserve the right not to offer an option to you, where it is reasonable to do so. We will use reasonable endeavours to give you an alternative option but we cannot guarantee that this will match the options offered by that company.

We will reflect a corporate event on your account as soon as practicable after we have received confirmation that the corporate event has been completed from our custodians.

14. Negative Balance Protection for CFD/spread bet orders

It is possible for adverse market movements to result in the loss of more than the client's account balance, so that it becomes negative. In this case we will bear the negative consequences of such adverse events and the client's losses will be limited to the client's then current account balance.

15. Client Consent

CAPITAL.COM is required to obtain prior consent from its client to the application of this Policy. A client is deemed to provide such prior consent when he/she accepts the Company's Terms & Conditions and/or any updates to the respective documentation.

At the client's request, CAPITAL.COM will demonstrate that it has executed his/her order in accordance with this Policy. You will be notified of any material amendments to the Order Execution arrangements or to the Policy. Any material changes of the Policy will be communicated to you in advance. You should notify us immediately in case you do not agree with any changes to the policy and cease using the platform. We reserve the right to terminate our business relationship as of the date of your notification.

16. No Fiduciary Duty

Although CAPITAL.COM aims to operate in accordance with this Policy, this Policy does not create any legal obligation or duty, fiduciary or otherwise, over and above the Company's duties to its clients under its Terms & Conditions or any legislative or regulatory obligations placed on it.

17. Monitoring and Review

CAPITAL.COM monitors the effectiveness of its order execution arrangements and this Policy on an ongoing basis to identify and, where appropriate, correct any deficiencies. This policy along with all effective arrangements will be reviewed annually or whenever a material change occurs that affects the Company's ability to continue to obtain the best possible result for our clients. In case the Company identifies any deficiencies, it should take the appropriate remedial measures and amend, where necessary, the Policy in order to grant effect to the measures it has implemented.

On a regular and ongoing basis, the Company shall monitor the effectiveness of this policy and assess the quality of the best order execution and ensure we are providing the best possible result for our clients. Any deficiencies in our arrangements or within this policy will be corrected and clients will be notified of any material changes.

The Company will publish on an annual basis information relating to the quality of execution of its top five venues for each asset class, at no cost.

Our clients will be promptly notified of any material changes introduced to the Policy. This policy does not replace the Client Agreement/Terms and Conditions which you are required to read carefully before entering into any trading.

18. Best Execution Publication

The Company has the obligation regarding the annual publication of information on the identity of execution venues and on the quality of execution as per the requirements of the Commission Delegated Regulation (EU) 2017/576 (hereafter the "RTS28). In particular shall inform the clients in relation to information on the top five venues and quality of execution obtained each year.

19. Record Keeping

The Company keeps records of all steps followed to achieve compliance with the above-mentioned obligations in order to evidence the continuous monitoring of best execution and demonstrate compliance with the relevant obligations to the FCA.

20. Monitoring and Review

The Company has relevant procedures in place in order to analyse both the quality of execution and to be able to monitor in general the best execution.

For the said monitoring, the Company is monitoring the competitiveness of its prices by comparing them with other major competitors. The same practice is followed for speed of execution. Additionally, the Company is monitoring the symmetry of slippage.

The Compliance department reviews periodically the effectiveness of the aforementioned monitoring. Additionally, the Company's Internal Auditor is performing independent review of the monitoring. The reviews are performed on at least annual basis or in case a material change occurs that will affect the Company's ability to obtain the best possible results for our clients. Both the Compliance and the Internal Auditor are providing recommendations when deemed necessary and the Company is implementing them in order to ensure that the quality of execution is within the highest standards.

- 21.** The senior management of CAPITAL.COM reviews the Policy on an annual basis or whenever a material change occurs that impacts our ability to offer the best execution of client orders on our trading platform.

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