

Order Execution Policy

1. Purpose

The purpose of this Order Execution Policy (“the Policy”) is to establish and outline effective arrangements for consistently obtaining the best possible results for our clients (best execution) when we, Capital Com SV Investments Ltd (“we”, “CAPITAL.COM”, “the Company”) a company authorised and regulated by the Cyprus Securities and Exchange Commission (License No. 319/17) with registered office at 6th floor, Lophitis Business Centre II, 237, 28th October Street, Limassol, PC3035, execute client orders, as such best possible results are defined in this Policy and the applicable laws and regulations.

This Policy also aims to ensure our compliance with the departmental and general procedures outlined in our Internal Procedures Manual (hereafter the “IPM”).

The services of CAPITAL.COM are available to retail clients, professional clients and eligible counterparties.

At the client’s request, CAPITAL.COM will demonstrate that it has executed his/her order in accordance with this Policy.

2. Legal Framework

This Policy was prepared in accordance with the European Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (the “Markets in Financial Instruments Directive (2014/65/EU)” or “MiFID II”), which was transposed into Cypriot Law, the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017).

We take all reasonable steps to obtain, when executing client orders, the best possible result for our clients taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other consideration relevant to the execution of the client order. Nevertheless, whenever there is a specific instruction from the client, CAPITAL.COM shall execute the client order following that specific instruction.

3. Scope:

Following the implementation of the MiFID II and in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), the Company shall provide its clients and potential clients with its Order Execution Policy (hereinafter the "Policy"). This Policy sets out our approach for carrying out orders from origination to execution, the venue used and an explanation of how the different factors influence the execution approach, so that the best possible result can be achieved when executing clients' Orders.

Moreover, the Policy constitutes part of the Terms and Conditions of Business (hereinafter "Terms") and shall govern the relationship of any client with the Company, including orders placed with the Company in respect of the Financial Instruments (hereinafter "products") offered. It is designed to be read with all the rest of the documents forming the Agreement. This policy does not replace the Client Agreement which you are required to read carefully before entering into any trading. Any changes to this Policy will be communicated to clients in advance.

Upon accepting a client order and when there is no specific client instruction regarding the execution method, the Company will execute an order in accordance with this Policy.

The Policy applies to "Retail Clients", "Professional Clients" and "Eligible Counterparties".

4. Policy

This Policy outlines a set of procedures that are designed to ensure CAPITAL.COMs compliance with the obligation to execute orders on terms most favourable to our clients and to achieve the best possible results for them, taking into consideration each client's ability, needs and trading policies, producing a result which provides, in our view, the best balance across a range of sometimes conflicting factors.

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. 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. Our clients will be promptly notified of any material changes introduced to the Policy.

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.

The Trading department is the relevant department of CAPITAL.COM to which this Policy mainly applies.

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.

We do not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as an indication of their priority.

The best possible result for our clients will 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.

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. The relative importance of these secondary criteria will be judged in line with our commercial experience and with reference to market conditions including the need for timely execution, availability of price improvement, the liquidity of the market and the size of your order (which may make it difficult to execute an order) and the potential impact on total consideration.

5. 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;
- characteristics of the client order;
- characteristics of the financial instruments that are the subject of that client order;
- characteristics of our execution venue to which that order will be directed

The best possible result will be determined in terms of the total consideration, representing the price of the contract and cost related to execution. The order execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most case, be secondary to price and costs considerations, unless they would deliver the best possible result from the client in terms of total consideration.

6. Specific Instructions

If a client requires his/her order to be executed by CAPITAL.COM in a particular manner and not in accordance with the best execution principles set forth in this Policy the client must clearly states, 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.

7. Clients

The services of CAPITAL.COM are available exclusively to retail clients, professional clients and eligible counterparties.

8. Instruments

CAPITAL.COM offers contracts for differences ("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 Corporate Event be announced based on a takeover or a reorganisation, the date of that Corporate Event may be used as the expiry date.

9. Execution Venue

CAPITAL.COM acts as the principal in all dealings and is the sole execution venue for its clients' orders. CFDs are traded over-the-counter. No exchange or other external execution venue will be involved in the transaction.

Monitoring procedures of the execution venue

The Company in order to fulfil the requirements of its Order Execution Policy is required to implement procedures and processes which evidence that as a sole execution venue will deliver the best possible result to its clients. It is further noted that the Company has established monitoring procedures for examining the quality of execution obtained on client's behalf.

By accepting the Company's [Terms & Conditions](#) the client consents to having the Company act as the sole execution venue.

10. Source of Prices

For all CFDs 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.

Our spreads are either variable or fixed depending on the product. The spreads are published on our website and may differ 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 changes means that spread varies during the day due to the market volatility or liquidity. The Company has the right to alter the spreads in order to reflect the market conditions and other political or economic events. In case of amendments in the Spreads the clients will be notified accordingly through the platform in a reasonable time.

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 prioritized 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.

11. Costs

Since CAPITAL.COM is the sole execution venue, costs are of high importance to our clients.

The Company will quote to clients two prices, the "ASK" at which clients can buy a respective CFD, and the "BID" at which clients can sell a respective CFD. The difference between the ASK and the BID prices is called the "SPREAD". The SPREAD is the only trading cost that the user has to pay for the trading part of the Electronic Services. No other charges or commissions are paid by the clients to enter or exit a trade. The Company's spreads are quoted on both the mobile and web platforms and on the website.

The spreads are dynamic due to the uncertain nature of the markets and are set at the absolute discretion of the Company. Different instruments have different spreads. The spread may factor in:

- Liquidity of the product's underlying market
- General market and economic conditions
- The Company's risk appetite
- The Company's costs and profit margin
- The greater competitive landscape

The Company is using a proprietary model to create its pricing. A unique internally developed pricing algorithm sources prices from many price liquidity providers, assuring that the Company provides to its clients the best price it can.

If you hold a position open overnight, an overnight premium is subtracted or credited to your account. The size of overnight premium is specified for each instrument on our trading platform and the website.

Inactive accounts will be subject to a monthly maintenance/administration charge the amount of which is specified in the Company's Terms & Conditions.

The Company does in certain cases 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.

12. Size of the Order

All orders are placed in contract units. A contract unit measures the transaction amount and it differs depending on the type of the CFD involved. The size of a contract unit for any given CFD 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.

13. 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 reasonable steps to execute the Market Orders at the next best price available.

14. 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 trade will be executed as requested.

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.

15. Likelihood of Settlement

The CFDs 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.

16. Market Impact

The Company's quoted prices which are derived from its independent market data providers 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.

17. Types of Orders

An order is an offer to open or close a transaction if our price moves to, or beyond, a level specified by you. Our approach is to place orders solely as a principal and not as an agent on your behalf; we are the sole counterparty to your trades and the sole execution venue for your orders. Our platform supports the following types of orders:

A Market Order is an instruction to buy or sell a CFD 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. 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 CFD 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 working order is a general term for a Limit 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. Thus, it is possible to limit losses with a Take Profit order. 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.

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

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.

18. Handling Orders

Since CAPITAL.COM is the sole execution venue, it transacts with the clients as a principal on the basis of the quoted price. The client will open and close every trade with CAPITAL.COM and no third party will be involved.

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 margin 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 reasonable 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.

19. Corporate Events

19.1. 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 Events. 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), subdivisions, 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 underlying asset(s) of the CFD.

19.2. In case a Corporate Event will occur while a client is holding an open CFD position or has a pending order affected by such event, we will notify the client in advance of such Corporate Event and ask the client to close the relevant position(s) and cancel the affected pending orders before that Corporate Event occurs. If the client fails to do so, we will close any client CFD position(s) to be affected by the forthcoming Corporate Event at the then prevailing market prices and suspend any affected orders of the client before that Corporate Event takes place.

20. Negative Balance Protection

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.

21. Monitoring and review of the Policy:

As per the requirements of the Markets in Financial Instruments Directive (2014/65/EU) the Company is responsible to monitor the effectiveness of the order execution arrangements and the Policy to identify and, where appropriate, correct any deficiencies. In particular, the Company on a regular and on-going basis assesses whether its execution venue i.e. Liquidity Provider, provides for the best possible result for the client and assesses whether it needs to make changes to its execution arrangements. 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.

Moreover, the Company, within a reasonable time and upon any client's request, will provide documented evidence which demonstrates clearly that the execution of orders was in accordance with this Policy. Further to the aforesaid, the Company on an annual basis shall publish for each class of financial instruments, the top five execution venues (as applicable) where they executed client orders in the preceding year and to take account of that information and information published by execution venues on execution quality in their policies on best execution.

22. Client's 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.

You will be notified for any amendments to the Order Execution arrangements or to the Policy. Any changes to the Policy will be communicated to you in advance of any material amendments.

23. 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.

24. 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 the following:

1. Publication of execution venues;
2. Information regarding clients (i.e. retail, professionals);
3. Trading volumes for all executed client orders in SFTs;
4. Summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained
5. Other general information.

Please refer to the relevant Section.

25. 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 any Competent Authority.

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