ORDER EXECUTION POLICY

In the event of a conflict between XCM Capital Markets Ltd. and a client, terms expressed in English and expressed in any other language, the terms expressed in English shall prevail over those expressed in any other language.

1. Introduction

This Order Execution Policy ("the **Policy**") is an appendix to the client Agreement/Terms and Conditions. It is provided to you (client or prospective client) in accordance with the FSC (Financial Services Commission of Mauritius) Rules and Regulation ("the **Law**"), under which XCM Capital Markets Ltd. ("the **Company**") is required to take all reasonable steps to act in the best interest of its clients when receiving and executing its client's Orders to achieve the best execution results when executing their client Orders and to comply, in particular, with the principles set out in the Law when providing its services.

2. Scope

This Policy applies to all clients. The application of this Policy to all the Company's clients is for the clients to ensure that the Company to which orders are transmitted for execution has execution rules that enable them to comply with their 'duty to act in the best interest of clients and best execution' obligations for their clients.

This Policy applies when receiving and executing clients' orders received on the trading platform (the "**Online Service**") while dealing in Contracts for Differences ("**CFDs**") offered by the Company.

3. Legal Framework

This Policy implements the requirements of the applicable regulation, as this is subsequently amended from time to time.

4. Execution Policy

The Company satisfies the following conditions when carrying out client Orders:

- ensures that orders executed on behalf of clients are promptly and accurately recorded and allocated;
- carries out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client require otherwise;
- Informs a retail client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

The Dealing Department is the relevant department of the Company to which the Policy mainly applies.

The Company proceeds with the establishment and maintenance of an Order Execution Policy to ensure compliance with the obligation to execute orders on terms most favourable to the clients and to achieve the best possible results for its clients, taking into consideration its clients' ability, needs and trading policies, where applicable and feasible.

The Policy outlines the process that the Company follows when executing orders. It ensures that all reasonable steps are taken to consistently obtain the best possible result for clients through its order execution policy. It is noted, however, that when executing an order following a specific client instruction, the Company executes the order in line with those instructions and considers that it has discharged its best execution obligations.

Senior Management shall review the Policy on an annual basis or/and whenever a material change occurs that impacts the Company's ability to continue offering the best execution of its clients' orders using the Company's trading platform.

The Company reserves the right to amend or supplement this Policy at any time.

4.1 Best Execution Factors

When dealing with clients orders, the Company shall take all reasonable steps to obtain the best possible results for its clients considering the following factors: price, costs, size, speed, order type, market conditions and variations, likelihood of execution and settlement, or any other consideration relevant to the execution of the order. The Company does not consider the below list exhaustive, and the order below doesn't represent the priority:

- Price;
- Costs;
- Size;
- Speed;
- Nature of the order;
- Market conditions and variations;
- Likelihood of Execution and Settlement.

Any other direct consideration relevant to the execution of the order.

4.2 Best Execution Criteria

The Company will consider the best execution criteria for determining the relative importance of the execution factors:

- The characteristics of the client;
- The characteristics of the client's order;
- The characteristics of the financial instruments that are the subject of that order;
- The best possible result will be determined in terms of the total consideration, representing the price of the contract and the cost related to execution. The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most cases, be secondary to price and cost considerations unless they would deliver the best possible result for the client in terms of total consideration.

5. Specific Instructions

When the client provides the Company with specific instructions on how to execute an order and the Company has accepted this instruction, the Company executes the order following that particular instruction.

If the client provides specific instructions on how to carry out an order, then by executing that order, the Company complies with its duty to provide the client with the best execution. As such, the Company might not be able to follow the Company's Order Execution Policy for that particular order, and it is therefore noted that the specific instruction provided by the client may prevent the Company from obtaining the best possible result for the client as otherwise would be implemented according to this Policy.

6. Execution Venues

Execution venues are the entities to which the orders are sent or the entities to which companies transmit their clients' orders for execution. In this respect, the Company does not act as the Execution Venue (as Agent) but as Principal for the execution of client orders concerning FX and CFDs.

7. Analysis of Execution Factors

7.1 Pricing

Regarding a given CFD, the Company quotes the higher price the client can buy, thus going long ("ASK"). The lower price at which the client can sell, thus going short ("BID"), on that relevant FX or CFD. The difference between the BID and ASK is called the spread, which can vary with the different types of accounts or market conditions.

The Company provides prices as these are obtained from its third-party external service providers. In this respect, the prices of a given CFD are calculated based on the underlying asset prices.

As part of ensuring the best overall result for the client, the Company ensures that the price provision to the client is comparable to a range of underlying providers and sources. In this respect, the Company shall review its arrangements to ensure correct and competitive pricing is offered. The Company's prices can be found on the Company's website or trading platform. The Company's trading platform displays the last updated prices available.

Nevertheless, under certain trading conditions, such as high volatility causing rapid price fluctuations, the Company might not be able to execute the order placed by the client at the client's requested price. Under this scenario, the Company maintains the right to execute the order at the first available price, a setup called Slippage (see Section 8.1 of the Policy).

Clients may choose to trade with or without slippage. In high volatility and/or low liquidity conditions, slippage mode will improve the probability of trade execution. However, it may affect the pricing the Company can secure and, as a result, affect the profitability of the respective position. Clients may trade with Slippage, which is acceptable, by setting the Deviation parameter in the instant order execution window on the Trading Platform. In cases where the client's requested price differs from the best available price by more than the Deviation parameter, irrespective of whether the price difference between the requested price and the best available price is in favour or against the client's position, the Customer's order can be Re-quoted. It is noted that Slippage may be in favour or against the client's position. At the same time, in all cases, the Company shall treat equally any favorable and unfavorable slippages to the client orders, i.e., positive and negative slippages will pass on to the client order, should the client choose to trade with Slippage.

However, under certain trading conditions, such as high volatility causing rapid price fluctuations, the Company might not be in a position to execute the order placed by the client at the client's requested price. Under this scenario, the Company maintains the right to execute the order at the first available price.

Customers may choose to trade with or without slippage. In high volatility and/or low liquidity conditions, slippage mode will improve the probability of trade execution. However, it may affect the pricing the Company can secure. The Customers may trade with Slippage by setting the Deviation parameter, which is available in the instant order execution window. Suppose the Customers choose to trade without Slippage. If the client's requested price differs from the best available price, the Customer's order can be Re-quoted.

The Company reviews its independent arrangements whenever needed to ensure that correct and competitive pricing is offered. The Company's prices can be found on the Company's website or trading platform.

Finally, as the company continuously updates its prices, the latest updated prices are displayed on the Company's trading platform.

7.2 Costs

The client may be required to pay a commission, spread, or financing fee to open a position in some CFDs. Commissions may be charged as a percentage of the trade's overall value or as fixed amounts per unit of volume traded (lot). 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 duration of the contract. Financing fees are based on prevailing market interest rates, which vary over time. For the CFDs the Company offers, the commission or financing fees may not be incorporated into the Company's quoted price and are instead charged explicitly to the client account. The details of commission, spread, and financing fees applied are specified under the CFDs Specifications Tab, which is available to the client via the Company's trading platform.

Finally, the commissions and charges mentioned above can be updated at the Company's discretion.

7.3 Size

All orders are placed in monetary value. The client can place his order if he has enough available balance in his trading account (exception makes the hedging positions, in case no margin will be charged for the covered volume, depending on the client's account group allocation).

Furthermore, suppose the client wishes to execute a large-size order. In that case, the price may sometimes become less favourable, considering the market conditions.

Finally, the minimum order size may depend on each type of CFD and Client Account type. Information on lots and the minimum and maximum size of a single transaction can be found on the Company's trading platform.

7.4 Speed

The Company acts as a Principal. The Company executes the client order as a principal-to-principal against the client. However, the Company places significant importance when executing client orders and strives to offer high speed of execution within the limitations of technology and communications links.

7.5 Market Conditions and Variations

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.

Whenever there is a specific instruction from the client, the Company shall ensure that the client's order is executed following the particular instruction.

Warning: any specific instructions from a client may prevent the Company from taking the steps that it has designed and implemented to obtain the best possible result for the execution of those orders concerning the elements covered by those instructions.

The Company endeavours to ensure the highest possible liquidity in the market. The Company cannot and does not, however, guarantee that its quoted prices will be at a price that is as good or better than one that might have been available elsewhere.

7.6 Likelihood of Execution

When the Company transmits orders for execution, the likelihood of execution depends on the availability of prices. In some cases, it may not be possible to arrange for the execution of an order, for example (not limited to) in the following instances: during news times, during trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price when a force majeure event has occurred etc.

If the Company cannot proceed with an Order concerning price, size, or other reasons, the Company might send a re-quote to the client with the price it is willing to deal with.

The Company may, in its sole discretion, while making reasonable efforts for post-notification, alter transactions, not transmit, not execute or cancel an executed transactions if: (a) the transactions were executed by arbitrage/exploitation of market failures or off-market rates; (b) a technical problem withheld the transaction from being executed as desired; (c) the hedging provider (if applicable) has cancelled or altered the transaction with the Company; and/or (d) the transaction covering was failed or partially executed if the Company it is using a hedging provider for the respective trade. The Company is also entitled, at any time and at its discretion, without giving any notice or explanation to the client, to decline or refuse to transmit or arrange in the execution of any Order or Request Instruction of the client in the circumstances explained in the client Agreement/Terms and Conditions.

7.7 Likelihood of Settlement

The Financial Instruments offered by the Company, specifically CFDs, do not involve the delivery of the underlying asset, so there is no physical settlement as there would be, for example, if the client had bought shares on the spot market.

7.8 Different types of accounts in FX and CFDs

The Company offers accounts for both retail and professional clients. The Company may provide different types of accounts. The initial minimum deposit level, the BID-ASK spread, commission charges, percentage on return, minimum and maximum trade amounts, and other relevant factors vary with the account type. Pertinent information on the available account types can be found on the Company's website.

8. Execution Practices in the Financial Instruments

8.1 Slippage

Slippage can be defined as the difference between the quoted price of an order and the price at which the order is executed. Trading in financial instruments such as FX or other CFDs involves slippage to appear in the ordinary course of trading. It can occur in all types of accounts the Company offers. Slippage usually occurs more often in periods of high volatility and illiquidity in the market, thus making it impossible for an order to be executed at the quoted price. Under the concept of slippage, the Company confirms that orders will be executed at the next best available market price concerning the price specified on the client's order, given the maximum Deviation Parameter set by the client (see also Section 7.1. above)

8.2 Leverage

FX and other CFD are leveraged products, which means a ratio determines how much money a trader must block in the form of collateral or margin to open a trade for a specific value. In addition, the leverage can also be expressed in terms of what percentage the trader needs to block in the form of collateral or margin to be able to execute a specific transaction. This percentage is called a margin requirement. In this respect, the client may use margin to increase the potential return of an investment, thus using leverage. It should be noted, however, that a relatively small market movement will have a proportionately more significant impact on the funds the client has deposited or will have to deposit; this may work against the client as well as for the client. For more details, please refer to the Company's Risk Disclaimer, which is available on the Company's website.

8.3 Hedging Position

When the Customer wants to open a hedging position, if previously he opened a position on the same financial instrument, now he needs to open another position on the same instrument, but in the opposite direction, e.g. long opened – sell opposite, sell opened – long opposite, see also Section 7.3 of the Policy. In this setup, the margin might be required for the uncovered volume, total volume, or the maximal volume between the two hedged positions, depending on the client's account group allocation. Example: the Customer holds a position of 1 lot on the financial instrument. He decides to open a hedging position of 3 lots on the same financial instrument. Then, the margin required is calculated based on the uncovered volume, respectively 2 lots (3 lots sell and 1 lot buy, equals 2 lots as uncovered volume), or 4 lots if on total volume, and 3 lots if on maximum volume between the two hedged positions. The non-hedging margin requirements apply when a Customer is closing the hedging position. At that time, the margin charged is calculated in reference to the position left open. This case might trigger the Stop Out mechanism if the available margin at that time in the trading account is not sufficient. The Company is not considered liable for any loss incurred in the trading account if this situation (the closure of a hedging position) occurs. The provisions of this article apply only when the Hedging option is available on the client's account.

9. Order Management

The Company ensures that, at all times, client orders are handled equitably and to the client's best advantage. Client orders are executed promptly and equitably, considering the nature of the order and the best execution criteria mentioned in Section 4.2 of the Policy. Similar orders shall be processed or executed sequentially in parity with the time of receipt. They may be aggregated or pro-rated accordingly unless the characteristics of the order or prevailing market conditions make this impracticable or if the client's interests require otherwise.

The Company undertakes to manage all client orders under the following principles:

- Order execution shall be prompt, fair, expeditious, and processed sequentially;
- Allocation or reallocation shall be equitable and seek to protect against the client's detriment;
- Types of orders accepted (but not limited to):
  - "Buy Limit" is an order to buy in the future if and when the "Ask" price reaches a price specified by the client. The current price level is higher than the price of the order placed;
  - "Buy Stop" is an order to buy in the future if and when the "Ask" price reaches a price specified by the client. The current price level is lower than the price of the order placed;
  - "Sell Limit" is an order to sell in the future if and when the "Bid" price reaches a price specified by the client. The current price level is lower than the price of the order placed;
  - "Sell Stop" is an order to sell in the future if and when the "Bid" price reaches a price specified by the client. The current price level is higher than the price of the order placed;
  - "Stop Loss" is an order to close a position if the price reaches a price specified by the client. Stop Loss order can only be used in conjunction with an Instant order or a Pending Order. It is intended to limit the client's losses. For long positions, the price of the order can only be set below the current Bid price, and when the "Bid" price reaches the price specified by the client, the position is closed. For short positions, the price of the order can only be set above the current Ask price, and when the "Ask" price reaches the price specified by the client, the position is closed;
  - "Take Profit" is an order to close a position if the price reaches a price specified by the client. Take profit order can only be used in conjunction with an Instant order or a Pending Order. It is intended to secure the client's potential profit. For long positions, the price of the order can only be set above the current Bid price, and when the "Bid" price reaches the price specified by the client, the position is closed. For short positions, the price of the order can only be set below the current Ask price, and when the "Ask" price reaches the price specified by the client, the position is closed;

The client can attach "Stop Loss" and/or "Take Profit" instructions to any of the above orders to minimize loss or secure profit.

Pending Order Modification/Cancellation: the client may modify/cancel a pending order if the price has not reached the level of the price specified by the client. The client has no right to change or remove "Stop Loss", "Take Profit", and "Pending Order" orders if the price has reached the level of the order execution or if the requested price does not differ from the market price by a minimum amount of pips (the requested price is within the 'stops level' limit). The stop level limit varies according to the underlying asset and is presented in the Company's Trading Platform/Online Service.

Pending order execution: Limit Orders (Buy Limit, Sell Limit, Take Profit) only execute at the entry price (trigger price). If the best available price at the time of execution is not at the entry price, the order resets and waits for execution. Stop Orders (Buy Stop, Sell Stop, Stop Loss) guarantee execution but do not guarantee the specified price. It is noted that given the nature of the Pending Orders, the maximum deviation parameter does not apply to these orders. When triggered, a stop order becomes a market order available for execution at the next available market price.

If the hedging option will be enabled on a client account opened with the Company if the respective client is:

- placing an Order to open a long position concerning an Underlying Instrument on an Account where, at that time, you already have on that same Account a short position concerning the same Underlying Instrument; or
- placing an Order to open a short position concerning an Underlying Instrument on an Account where, at that time, you already have a long position concerning the same Underlying Instrument on that same Account.

The Company will not treat your instruction to open the new position as an instruction to close an existing position; your instruction will instead be treated as an instruction to open the new position, as indicated in your Order, as a hedging position.

The Company shall satisfy the following conditions when carrying out client orders:

- ensures that orders executed on behalf of clients are promptly and accurately recorded and allocated;
- carries out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client require otherwise;
- informs all its clients about any material difficulty relevant to adequately carrying out orders within a reasonable timeframe upon becoming aware of the difficulty.

10. Regulated Exchanges

The client acknowledges that the transactions entered in CFDs with the Company are not undertaken on a recognized exchange. Instead, they are conducted using the over-the-counter (OTC) system. As such, they may expose the client to more significant risks than regulated exchange transactions. Therefore, the Company may not manage to have an Order executed, or it may change the opening (and/or closing) price of an Order in case of any technical failure of the trading platform or quote feeds.

Further, the client agrees that his orders will be executed outside a Regulated Market (e.g., any Licensed European Stock Exchange) or a Multilateral Trading Facility (e.g., any European Financial Trading System).

11. Client’s Consent

By entering into a Services Agreement with the Company for the provision of Investment Services, the client consents to apply this Policy to this client’s account activities.

12. Amendment and Additional Information

The Company reserves the right to review and/or amend the Policy and arrangements whenever it deems this appropriate without notice to the client. The last and current version in force shall be the one posted by the Company on its website.

Should you require further information and/or have any questions about the Policy, please direct your request and/or questions to contact@tradeberry.com.