

# Order Execution Policy

## 1. Introduction

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 (the “best execution”) when Capital Com SV Investments Ltd (“we”, “CAPITAL.COM”, “the Company”) a company authorized and regulated by the Cyprus Securities and Exchange Commission (the “CySEC” or the “Commission”) under License No. 319/17 with registered office at Vasileiou Makedonos 8, Kinnis Business Center, 1-3<sup>rd</sup> floor, 3040, Limassol, Cyprus, execute client orders, as such best possible results are defined in this Policy and the applicable laws and regulations.

The Policy, amongst others, is provided to existing and/or potential clients in the account opening process and contains further details on our services and the activities that a client might carry out with us.

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") (either for CFDs and/or for shares and exchange traded products) 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 Terms and Conditions which you are required to read carefully before entering into any trading. Any changes to this Policy will be communicated to clients in advance either through a written notice or posting them on our website or on Trading Platform.

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.

### **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 favorable 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.

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.

### **5. 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 favorable 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.

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 or Eligible Counterparty;
- 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 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.

## **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 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 judgment 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 a 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. If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such Eligible Counterparty.

## **8. Instruments**

### **8.1. Contracts for Differences**

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 CFDs 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.

## 8.2. Shares and Exchange Traded Products

CAPITAL.COM offers the ability for Clients to purchase shares 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 in accordance with the CySEC’s Directive DI87-01 regarding Safeguarding of financial instruments and funds belonging to Clients . We may, subject to the CySEC’s Directive, appoint any other third party to hold your Financial Instruments. More information can be traced in the Terms and Conditions.

## **9. Execution Venue**

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

By accepting the Company’s Terms & Conditions the client consents to having the Company act as the sole execution venue.

For the purpose of order execution for shares and ETFs, the Company may act as the execution venue or act as an agent of Client orders. CAPITAL.COM will always inform clients where the transaction has been executed as a part of its post-trade notification process.

CAPITAL.COM is required to publish annually the top five execution venues that we use and the summary of the analysis of the quality of execution obtained on the execution venues.

## **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 the chosen execution venues (either the Company or a third party liquidity provider, as applicable) 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.

## **10. Source of Prices**

### **10.1. Contracts of Difference**

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 change 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.

### 10.2. Shares and Exchange Traded Products

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

The prices for CFDs and Shares/ETFs 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**

The Company appreciates that 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/equity, and the "BID" at which clients can sell a respective CFD/equity. 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.

With respect to CFDs, 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.

With respect to CFDs, 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.

If you choose to use the Company's feature for Guaranteed Stop Loss on CFDs (see Section 17), 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 of the Company's Terms & Conditions.

## **12. Size of the Order**

### 12.1. Contracts for Differences

All CFD 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.

### 12.1. Shares and Exchange Traded Products

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.

## **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 CFD 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**

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

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/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.

## **17. 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. 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 only be placed during the Trading Hours of an Instrument. 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. 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.

- A Guaranteed Stop Loss Order is an order that can be attached to working CFD orders, market CFD orders or open CFD positions, to close 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.

## **18. 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.COM's 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 favorable 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**

A "Corporate Event" is any action or event, whether temporary or otherwise, in relation to an equity/Etf or underlying asset(s) of the CFD, or in relation to the issuer the particular financial instrument, 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 instrument or underlying asset(s) of the CFD.

#### 19.1. Contracts for Difference

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 actions ("Corporate Events"). 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 shares. 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.

#### 19.2. Shares and Exchange Traded Products

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.

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.

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.

## **20. Negative Balance Protection for CFD 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.

## **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/ Prime Brokers, 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 material amendments to the Order Execution arrangements or to the Policy. Any material amendments to the Policy will be communicated to you in advance of any material amendments. You should notify us immediately in case you do not agree with any changes of the policy and cease using the platform. The client agreement will be terminated as of the date of your notification.

## **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.



Additionally, the Company provides on a quarterly basis data relating to the quality of execution of transactions.

For both RTS27 and RTS28 please refer to the relevant [Section](#) in our website.

## **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.

## **26. Monitoring and Review:**

1. The Company has relevant procedures in place in order to analyze 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.

2. 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 to 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. Upon occurrence of material change of the Company's Policy and to execution arrangements, the clients will be notified accordingly.
3. 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.

Order Execution policy v9.2 20240124



## Appendix 1 - Execution Venues for Shares/ ETFs

### 1. Saxo Bank A/S