

## SUMMARY ORDER EXECUTION & ALLOCATION POLICY

### EQUITI CAPITAL UK LIMITED

**Effective: May 2023**

This document provides a summary of our Order Execution Policy (“**Order Execution Policy**”) which applies to Equiti Capital UK Ltd (“**Equiti Capital**”, “**we**”, “**our**” or “**us**”) and *its execution-only dealing services* in relation to CFDs *on a non-advised basis* (defined as Services, CFDs, Rolling FX and Financial Instruments, in our Terms and Conditions) on behalf of Professional Clients.

When you trade through our trading platform or our API you consent to your Orders being executed in the manner described below, outside of a Trading Venue.

This document forms part of our Terms and Conditions. Capitalised terms not defined in this document have the same meaning as ascribed to such terms in the Terms and Conditions.

#### 1. What are the UK’s Financial Conduct Authority (the “FCA”) best execution requirements?

Best execution is the requirement for investment firms, such as Equiti Capital carrying on investment business to obtain the best possible result for their clients when executing client orders or passing them to other firms for execution.

The FCA’s rules on best execution are set out in the Conduct of Business sourcebook (COBS) in the FCA Handbook, primarily in COBS 11.2A (Best Execution – MiFID provisions). These rules are derived from the MiFID II Directive (2014/65/EU) and Commission Delegated Regulation (EU) 2017/565 (referred to by the FCA as the MiFID Org Regulation and onshored into UK legislation following the UK’s withdrawal from the European Union).

Equiti Capital does not owe you any fiduciary duties or responsibilities as a result of the matters set out in the Order Execution Policy or this summary, over and above the specific regulatory obligations placed upon Equiti Capital or as contractually agreed.

#### 2. What are the best execution obligations for execution only services?

Equiti Capital must when it executes an order:

- Comply with the overarching requirement to take all sufficient steps to obtain the best possible result for their clients on a consistent basis
- Consider various execution factors and execution criteria.
- Act honestly, fairly, and professionally in the best interest of its clients.

- Follow client’s specific instructions (this will by itself satisfy our best execution obligations).
- Establish and maintain execution arrangements and execution policies.
- Provide disclosures on its execution policies to clients.
- Obtain clients’ prior consent to use the execution policies.
- Provide information to its clients on where their order was executed.
- Monitor the effectiveness of its execution arrangements and policies.
- Conduct reviews of its execution arrangements and policies.
- Be capable of demonstrating to its clients that it has executed orders in accordance with the execution policies.

#### 3. Which clients the best execution obligation applies to?

Equiti Capital deals with eligible counterparties, and professional clients as such terms are defined in the FCA Handbook.

**Eligible counterparties.** The best execution obligation does not apply in respect of eligible counterparties.

**Professional clients.** When dealing with professional clients Equiti Capital will owe best execution obligations where the client is legitimately relying on Equiti Capital to execute the transaction.

Equiti Capital will apply the following considerations to help determine if clients do generally place legitimate reliance on Equiti Capital within the legal framework referred above:

- Which party has initiated the transaction i.e. where you initiate the transaction it is less likely that you are placing legitimate reliance on us;
- Whether there is a market convention to “shop around” i.e. where market practice for a particular asset class or product suggests that you will have access to various providers who may provide quotes and you have the ability to shop around, it is less likely that you will be placing legitimate reliance on us;
- The relative levels of transparency within a market i.e. where pricing information is transparent and it is reasonable to consider that you will have access to such information, it is less likely that you will be placing legitimate reliance on us; and
- The information provided by Equiti Capital, and any agreement reached i.e., where any agreements or arrangements with you (including the provisions

within this Order Execution Policy) do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on us, or we have agreed to provide you with best execution.

#### 4. Agreement to the Order Execution Policy and its Amendments

As this document forms part of our Terms and Conditions with each client, regardless of the client categorisation, by agreeing to or being deemed to agree to the Terms and Conditions, you are also providing consent to the terms of our Order Execution Policy, as summarised in this document, as such may be amended or supplemented from time to time.

#### 5. Order Handling, Allocation, Aggregation and Details for Execution only Dealing Services

All trades are bilateral transactions and are conducted between you and Equiti Capital. The Terms and Conditions provides details on how we handle orders with you. The *'Product Details'* section on our website and within our trading platforms set out full details of the trading conditions for types of CFDs and products available through trading account(s).

Equiti Capital undertakes to handle all client orders in accordance with FCA rules, which are set out further below:

- Order execution shall be prompt, fair, efficient, and in most instances without manual dealer intervention. In most cases an execution of an order will automatically be visible in your trading platform or via our API.
- Where orders are subject to a manual dealer execution, comparable client orders are executed in a sequential order in accordance with the time of their receipt by on a first come, first served basis. However, Equiti Capital may reserve the right to deviate from this process if the characteristics of an order and/or prevailing market conditions make it impracticable to execute it in this manner, or where it may not be in the interests of the client.
- In accordance with clause 35, of our Terms and Conditions Equiti Capital has the right to aggregate your Order with Orders placed by other clients. Aggregation means that we may combine your Order with those of other clients for execution as a single Order.
- Equiti Capital may only aggregate orders if we reasonably consider that the aggregation will not work overall to the disadvantage of any client whose order is to be aggregated. But aggregation may result in you obtaining a more or less favourable price or otherwise work to your advantage or disadvantage in relation to a particular Order.

- If Equiti Capital aggregates multiple client orders, all orders will be allocated fairly, including where an aggregated order is partially executed, taking into account the volume and price of the Customers' orders.
- Where aggregation of two similar customer orders is affected, the price and volume of each of the orders assist the Firm to determine, in the event of partial execution, the final allocation. If the combined order is not executed at the same price, Equiti Capital may average the prices paid or received.
- Aggregated orders will be recorded and allocated accurately and promptly. Equiti Capital will endeavor to ensure that such orders will be visible in your trading platform or via our API as quickly and as efficiently possible. Reallocation of transactions may be considered where an order has had a detrimental effect to you.

#### 6. Best Execution

Equiti Capital will be trading in a principal capacity and will therefore, unless agreed otherwise, will be your sole venue of execution.

When executing orders on your behalf, Equiti Capital will take all sufficient steps to obtain the best possible result. We take into account the execution factors (as listed below), execution criteria and determine their relative importance by using our commercial judgment and experience in light of available market information.

When conducting Equiti Capital's price formation, based on the parameters of your order, Equiti Capital will select and assess prices provided from various execution venues from the pool of **Liquidity Providers** (i.e. banks or other financial institutions that provide executable BID and ASK prices of Financial Instruments on a continuous or regular basis). This pool of Liquidity Providers may include execution venues that share common ownership with Equiti Capital.

#### 7. Execution Factors and their relative importance

Equiti Capital is required to take into consideration several execution factors when it comes to the execution of an order:

1. Price formation;
2. Costs paid by customers;
3. Speed and likelihood of execution and settlement;
4. Transaction Size;
5. Nature of the trade order; and
6. Any other relevant consideration.

The relative importance of the execution factors varies, and the following criteria are taken into account:

- The characteristics of the clients (including the client’s categorisation);
- The characteristics of the client order (including, the size and nature of the order);
- The characteristics of the Financial Instruments that are the subject of that order; and
- The characteristics of any execution venue to which an order may be directed.

The significance and the order of priority we assign to the execution factors when executing orders at or below the displayed market size is as follows:

Execution Factor	Relative Importance
Price	1
Costs of execution	2
Speed / Likelihood of execution	3
Size	4
Nature of the trade order	5
Other consideration	6

### 7.1. Price Formation

For any given Financial Instrument, Equiti Capital will quote the Spread, the difference between the lower (BID price to sell (go short)) and higher (ASK price to buy (go long)) figure of a quoted two-way price for a Financial Instrument.

The price feed quoted is provided by the aggregated pool of Liquidity Providers to provide competitive pricing, tighter spreads and/or greater liquidity. The Liquidity Providers in the pool are regularly reviewed against Equiti Capital’s internal execution criteria and removed and replaced as and when failing to comply with the set parameters.

Our ASK and BID prices displayed may differ from the prices quoted by other providers, as they will factor in our commission, spread, market volatility or other financing costs and charges, as applicable. Our costs and charges may differ to other providers costs and charges and/or their assessment of market volatility.

We are not able to give warranty, expressed or implied, that the BID and ASK prices displayed on our trading systems always represent the best prevailing market prices for investors.

### 7.2. Costs

We apply a commission to CFD transactions in Equity and Futures instruments. Where applicable for other asset classes our Spread includes our costs and charges for the Services

provided to the client. Our Spreads are published on our trading platforms and may differ depending on the financial instrument. We may apply a variable spread, which means that the Spread may vary during the day due to the market volatility or liquidity.

Equiti Capital has the right to alter the Spreads in order to reflect the market conditions and other political or economic events. Our displayed Spreads price will often be different to the underlying as it will also include charges such as, a pre-transaction mark-ups, post-transaction commissions, or rolling overnight financing charges and/or charges for managing cash adjustments on your account.

The current fees and charges, including any method of calculating costs, charges, including any commission, are made available to you through the Platforms or on request if you contact one of our employees at

[BrokerageSupport@equiti.com](mailto:BrokerageSupport@equiti.com).

### 7.3. Speed and Likelihood of Execution

The speed of execution may depend on which data center the client is trading on, the type of Order and the underlying Liquidity Providers’ trading parameters. Fast execution is crucial to ensure that Orders are executed precisely. Latency which is any delay between the time of request and a response regarding an Order may result in delays and consequently lead to Orders being executed at the next available price. In such case, the price may be either in favor or against the client depending on the price at that time.

As regards the likelihood of execution, we periodically review our pool of Liquidity Providers monthly and if any Liquidity Provider falls out of our internally agreed tolerance level criteria (with the particular emphasis on speed and rejection rate) we will remove such Liquidity Provider from the pool, until further notice.

### 7.4. Transaction size

Equiti Capital quotes prices for a minimum and maximum trade size. If your trade size Order is larger the quoted prices may differ as it may be more sensitive to the market conditions, available liquidity, and our risk management procedures. Equiti Capital reserves the right to decline large order sizes that would result in exposing Equiti Capital or client to significant risk.

### 7.5. Nature of the Trade Order

Price for electronic orders are shown on the Platforms or via our API. Prices for worked orders are generally based on the average price Equiti Capital received when executing the Order on a third-party execution venue and in that case may be subject to any applicable third-party costs, in addition to our standard Charges, regardless of the client classification.

## 7.6. Other Considerations

In addition to the above execution factors and the relevance we assigned to each when executing Orders, many other factors, such as providing price quotes for Financial Instruments outside of normal market hours, will be relevant to the price, as they may be less liquid and more volatile.

## 8. Execution Venue

An execution venue includes a regulated market, a multilateral trading facility, an organised trading facility, a systematic internaliser, a market maker or another liquidity provider. Unless we agree with you otherwise Equiti Capital is the sole execution venue for your Orders

## 9. What factors are taken into account in determining an execution venue?

Where it is agreed that Equiti Capital will not be the venue of execution of your order, the factors that will be considered in selecting the entities with which your orders are placed or to which we transmit your orders for execution in respect of a particular Financial Instrument include:

- general prices available;
- depth of liquidity;
- relative volatility in the market;
- speed of execution;
- cost of execution;
- creditworthiness of the Liquidity Provider;
- the venue's trading strategies; and
- quality and cost of settlement.

## 10. Specific Instructions

Clients may ask Equiti Capital to execute their Orders in accordance with specific instructions, either generally or on a case-by-case basis. We will aim to execute the Order as per such specific instruction. Such specific Orders may result in higher costs, and Equiti Capital will first notify the client of its revised Charges before accepting the Order(s).

Any specific instruction from a client may prevent Equiti Capital from taking the steps that it has designed and implemented in its Order Execution Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

As stated above, where Equiti Capital follows a specific instruction, we will be regarded as fulfilling our best execution requirement.