

## Fxpesa Order Execution Policy

### 1. General Information

FXPesa is the trading name of EGM Securities Limited (Company Registered No. PVT-AAAAFF7), which is authorised and regulated by the Capital Markets Authority, Kenya.

FXPesa has established this policy along with other arrangements to meet its overarching obligation to take all reasonable steps to obtain the best possible results for its clients.

The FXPesa's Order Execution Policy forms part of our Client Agreement and as such, by agreeing to the Client Agreement, you are agreeing to the terms of the Order Execution Policy. This Policy applies equally to orders and trades for both Retail and Institutional clients.

The price feed streamed to clients consists of liquidity from various banks and non-bank liquidity providers to ensure that the client has the best execution. We do not aggregate or allocate client orders when straight Line Processing our trading flow to FXPesa Liquidity Providers.

### 2. FXPesa Best Execution Obligation

FXPesa provides leveraged (margin) trading, on an execution only basis for its clients in Forex and CFD trading.

It is FXPesa's decision as to what markets to offer to its clients and we deal with you as principal and counterparty to each trade, providing you with a two-way price quotes. As such, every market offered by FXPesa is quoted as a derivative of the underlying market and we are only an execution avenue to which you access the market through.



Under the Orders-Crossing Orders (OXO) ECN model, certain FXPesa qualified participants are able to provide liquidity in competition within the interbank pricing pool. Such qualified participants hold collateral directly with FXPesa to ensure that funds are protected under strict Client Money Segregation requirements. To qualify, Qualified Participants must be a financial institution that has met the necessary capital requirements and has the sophisticated technological means to provide the required streaming pricing.

FXPesa acknowledges that if you are a Retail Client, you may rely upon us to provide or display bid and offer prices which are the best available prices for retail investors on a consistent basis.

FXPesa will act in the best interest of our clients when placing orders with other entities for execution. In complying with this duty, FXPesa must take all reasonable steps to obtain the best possible results for its clients taking into account the execution factors.

The execution factors include: price, cost, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the order.

The relative importance of these factors must be determined by reference to the 'execution criteria' and for Retail clients, the requirements to determine the best possible result in terms of total consideration are as provided below:

- i. The Characteristics of the Client, including their categorisation as Retail or Institutional Clients;
- ii. The Characteristics of Client Order;
- iii. The Characteristics of financial instrument that are the subject of that order;
- iv. The Characteristics of the execution venue to which the order can be directed.

When FXPesa executes an order on behalf of Retail Client, the best possible result must be determined in terms of the total consideration, representing the price of the total financial instrument and the cost related to the execution, which must include all expenses incurred by the client which are directly related to the execution of the order. These will include the execution venue fees, clearing and settlement fees and any other fees paid to third parties involving the execution of the order.

While FXPesa will seek to ensure that the prices we display are competitive, we do not guarantee that the bid and offer price displayed on our trading systems always represent the best prevailing market prices for retail investors. Our quoted prices may reflect market volatility or additional costs and charges which may result in an increase in the spread per transaction. The following factors may result in increase of spread per transaction:

- a. Price: FXPesa takes the underlying price of the derivative it is quoting and then applies an algorithm to this price to achieve its own market price. The underlying feed that FXPesa uses from one source in the case of FX from several feeds. Where several feeds are used, the best bid and offer combinations are used to maintain tight spreads at all times.
- b. Costs: Our market prices will often be different to the underlying as it may also include commissions or financing.
- c. Liquidity: The price made by FXPesa, similar to the underlying market is usually good in up to a certain size. In order to maintain additional liquidity, a different spread may be applied to the price provided in the underlying market.
- d. Speed of execution: In order to facilitate the speed of execution, FXPesa has imposed a maximum deal size on every market. This limit is regularly monitored and takes into consideration many factors including liquidity and volatility to determine an amount that we are confident to accept without referral to speed up execution.

e. Other factors: While the above four factors are considered by FXPesa to be the most important in our execution policy, there are many other situations which can arise leading to price variations. These include:

i. Some markets quoted by FXPesa are done outside of normal market hours, and as such known as 'grey markets'. In such situations, while every effort is made to keep prices and spreads consistent, this may not always be possible during particularly volatile periods or during periods of illiquidity in corresponding markets.

ii. Financing charges made by FXPesa are fair, competitive and transparent. These may include fees required to roll over open positions, and shall be disclosed to you on our website and the trading platform.

iii. There may be situations through third party introductions or through partnership deals with affiliated companies that a commission or other income generated from your trade is shared with third parties. In such circumstances, this will be made abundantly clear to the client by the party concerned and this information is also available on request.

## 3. FXPesa Strategy

### Monitoring

FXPesa will monitor the effectiveness of its order execution arrangements, including this policy to identify and, where appropriate, correct any deficiencies

### Review

FXPesa will review its order execution arrangements and this Policy at least annually or whenever a material change occurs that affects our ability to obtain the best results for execution of orders on a consistent basis using the venues included in this policy.

## Consent

FXPesa is required to obtain your consent prior to execution of any orders. You will be deemed to provide such prior consent when you give us an order

## 4. Execution Venue

Execution Venue means the firms directly executing the orders. In this instance FXPesa is the Execution Venue who is quoting prices which are provided to FXPesa by: (i) top global banks, (ii) non-bank liquidity providers in the wholesale foreign exchange markets, and (iii) OXO ECN Qualified Participants, that the firm believes will provide the best available prices to its clients on a consistent basis.

FXPesa provides execution only trading and services for its clients in foreign exchange and contracts for difference trading. FXPesa does not offer any advice and does not offer equity share trading in its CFDs. It is the decision of FXPesa as to what markets it offers its client and it does so, not as a broker but as a principal and counterparty to each trade. As such, every market offered by FXPesa is quoted as a directive of the underlying market and we are the only execution venue which you have access through us.

## 5. Monitoring and Review

This policy along with all effective arrangements will be reviewed annually or whenever a material change occurs that affects the firm's ability to continue to obtain the best possible results for our clients.

On a regular ongoing basis, FXPesa shall monitor the effectiveness of this Policy and assess the quality of the best order execution and ensure we are providing the best possible results for our clients any deficiencies in our arrangement or within this policy will be corrected and client will be duly notified of any material changes.