

Order Execution Policy

version 2.1 Dec 2017

This policy should be read in conjunction with the Client Agreement to understand Citypoint Trading's execution services. If there is anything you do not understand or would like clarification of, please contact our Client Services Team.

1. INTRODUCTION

Citypoint Trading Ltd. (referred to as "we", "us" or "our") is regulated by the Financial Conduct Authority (the "FCA") with authorisation number 606110. In accordance with the FCA Rules, Citypoint Trading is required to provide its clients with its order execution policy (the "Execution Policy").

Our Order Execution Policy (this "Policy") describes:

- (a) Our execution approach for carrying out orders from origination to execution
- (b) An explanation of how the different factors influence the firm's execution approach and
- (c) How we monitor and review the effectiveness of our best execution obligation

To avoid confusion, we should make clear that when we refer to executing orders we mean entering into any transaction with us, not simply accepting and implementing orders to open or close a trade when our quote reaches or trades through your chosen level as described in our Business Terms and Conditions and below.

You should read this Execution Policy carefully. Your consent and acceptance of this Execution Policy is assumed if you enter into a transaction with us. In particular, by transacting with us, you will be deemed to be providing your consent to your order being executed outside of a regulated market, multilateral trading facility or organized trading facility.

2. OUR OBLIGATION

We have a general duty to conduct business with you honestly, fairly and professionally, and to act in your best interests when executing orders. More precisely, when we execute orders on your behalf, we will take sufficient steps to provide you with "best execution", that is, we will operate according to our procedures which we have established in order to obtain the best possible result for our clients on a consistent basis, taking into account the execution factors set out below.

3. SCOPE

The Execution Policy shall apply when executing transactions with retail and professional clients in margined foreign exchange (Rolling sport forex) and CFD including Metals, Indices, commodities, and energy transactions.

The tradable instruments that we deal in can be found in the Market Information pages on the Website.

4. EXECUTION METHODS

You may execute trades by either using our trading platform or by phoning our dealer however you may need to pass identity validation questions by the dealer in charge and your telephone call might be recorded and stored under our privacy policy

5. EXECUTION VENUE

Your orders will be executed exclusively, and without exception, on the trading platform(s) offered by Citypoint Trading. We are counterparty to all your trades. In dealing with us you transact directly with us and not on any other exchange or other external market or venue. Any trades with us are non-transferable. If you create an open position with us you must close it with us.

Please note that we act as principal in all dealings and as the sole execution venue for your orders which are executed on an OTC basis, not on a regulated market, or multilateral trading facility (“MTF”) or Organised Trading Facility (“OTF”). Therefore there is only one execution venue as between our clients and ourselves.

Citypoint Trading Limited (Citypoint) is an IFPRU €125,000 firm authorised and regulated by the FCA to hold and control client money on a matched principal basis (back-to-back trading) however we deal with our clients as a principal and not as an agent. We are therefore their only execution venue. In dealing with us you transact directly with us and not on any other exchange or other external market or venue. Any trades with us are non-transferable. If you create an open position with us you must close it with us.

We instantaneously hedge each one of our client trades with one of our liquidity providers, ICM Capital, Divisa Capital and LMAX. These are the execution venue where our hedges are placed. Each liquidity provider provides indicative buy and sell prices and we hedge on the best buy price and the best sell price appropriate to your trading style.

6. SPECIFIC INSTRUCTIONS

If you have given us specific instructions on the execution of an order, as is the case with limit orders and other market orders, we will follow those instructions and take all sufficient steps to obtain the best possible result when executing your order by following your instructions. To the extent that your instructions are incomplete, we are not obliged to act upon them, but where we do, we will usually follow our Execution Policy for those parts or aspects of orders not covered by your instructions.

For orders that are not wholly covered by your specific instructions, we will take account of the following execution factors in 8 below to deliver the best possible outcome on your behalf. We are also required to tell you the relative importance that we attached to each factor.

7. TRADING WITH US

Please understand that the Execution Policy, which you should read in conjunction with our Business Terms and Conditions, does not provide a guarantee that the prices that we quote or the levels at which you specify that an order should be implemented will be met. Prices may move very quickly and erratically from one level to another. This may mean for example that the price at which you deal with be different from the quoted price - this is known as gapping and can arise in periods of low liquidity and high volatility such as immediately after the release of economic data. Please also note that to protect you, in certain circumstances such as those in 7b and 7c we may need to close your positions and will do so at the best available price.

7a. GAPPING AND SLIPPAGE

In times of increased market volatility we may re-quote some orders and if the market gaps significantly, then we may exercise our policy of slipping or improving prices. For example, in the case of a significant market gap:

A trader places a buy limit for 1.5 lots of CAC 40 at 6717 before the close. The market does not reach this level that day. However the market opens at 6672 the following day. Therefore the trader's order will be executed at 6672. We now say the order has been "improved".

A trader places a sell stop for 2.0 lots of FTSE 100 at 5742 before the close. The market does not reach this level that day. However the following day the market opens at 5720. The trader's order will be executed at 5720. We now say the order has been "slipped".

7b. LIQUIDATION LEVEL (STOP-OUT LEVEL)

If the free margin on your account falls below certain level (usually 50%), current open positions will be automatically closed one by one at the next available market price, starting with the largest losing position first and stopped when margin level goes above the liquidation level. The free (margin) equity is calculated as Equity minus Margin.

Citypoint reserves the right to increase this level in extreme market conditions

7c. DELETING A TRADE

In certain cases we may delete or “write off” a trade. The most likely cause for this is if a client places a trade at an incorrect price which never actually traded in the underlying market. In this case we would notify you and delete the trade

8. BEST EXECUTION FACTORS/ARRANGEMENTS

In the absence of any specific instructions from you, when receiving and executing client orders and entering into transactions on your behalf in relation to financial instruments, we are required to take a number of factors into account when considering how to deliver best execution. We will take into consideration all factors that will allow us to deliver the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. Unless the following are instrumental in delivering the best possible result in terms of the total consideration, we have rated total consideration (i.e price and any costs relating to execution). The following information is relevant to total consideration (i.e. price plus costs):

- a) **Prices.** We describe above how we derive our prices and pricing is fully automated. It should be noted that there is no external market for the products that we offer to our clients and therefore the prices that we offer may not be exactly the same as those offered by other providers for each underlying asset. However, we seek to offer the very best possible prices to our clients at all times. The price for a given market (investment instrument) is calculated by reference to the price of the relevant underlying instrument. This price is obtained from third party external reference sources. Some instruments i.e. equities, will have a third party securities exchange from which prices are obtained. For other kinds of instruments i.e. foreign exchange, price data will be collected from nominated wholesale market participants. The price will often differ from the price of the underlying instrument. For some markets, a spread is added to the price of the underlying instrument. When trading in the underlying instrument is very active and the price of the underlying instrument changes quickly there is no guarantee that every price movement in the underlying instrument will result in a change in the price quoted to you. All trades are executed in accordance with our business terms and conditions published on our website
- b) **Costs.** We aim to be transparent about costs though we do not give any promise or guarantee that our charges to you will be lower than those of any competitors. Our costs and charges (to include all expenses incurred by you which are directly related to the execution of the order) are:

The costs that we will charge you consist of:

- Our spread charge

- Overnight rollover/divided or expiration rollover charges (which can be positive or negative)
- Interest in respect of any outstanding debt

Full details of our charges can be found in your welcome letter.

There are no external costs including commissions, fees, taxes, exchange fees, clearing and settlement costs or any other costs passed on to you by intermediaries in relation to the execution of your orders other than those disclosed in your welcome letter.

- c) Speed.** Order execution is fully automated on the platforms offered by Citypoint Trading. Speed of execution can be impacted by:

- Technical considerations on the platform(s) offered by Citypoint Trading (latency caused by data transfer rates or/and system performance)
- The suitability of your equipment and the quality of your internet connection
- Rapid market fluctuations

From time to time, there may be circumstances that affect the trading platform's ability to provide a price feed on its platform or the prices generated. Your trading account is subject to potential price slippage in the instrument you are trading, the likelihood of which is affected by volatility in the underlying market, or your internet connection speed or distance from our trading servers.

- d) Size of the order.** Order size is restricted by the amount of margin that a client has in place and through order limits: A maximum number of lots is allowed for each transaction or order for each instrument. Current order limits are displayed in the website.

- e) Likelihood of execution and settlement.** Order execution is fully automated on the trading platform(s) offered by Citypoint Trading.

- Orders are executed in order of submission (first come, first served) regardless of the order type or product.
- All orders types are available during trading hours and certain order types, are available at all times.
- All orders must conform to our Terms and Conditions in respect of margin requirements and order limits in order for execution to take place. Orders that do not meet this requirement will be rejected by the trading platform.
- The submission and acceptance of an order is not a guarantee of its execution.
- Please note that we are not under any obligation to accept an order or enter into a transaction with you. However, we will normally do so if you have sufficient funds in your account with us and are not otherwise in breach of your agreement with us.

- Other relevant considerations to the execution of the order

When executing an order on your behalf, we will take into account the following criteria for determining the relevant importance of the above execution factors:

- Order characteristics of the client order (Order size, type of an order)
- Instrument characteristics (Liquidity in the underlying market)

9. AGGREGATION

We will not combine your order with those of other clients for execution as a single order.

10. CLIENT ORDER HANDLING

Citypoint Trading records and executes otherwise comparable orders sequentially and promptly unless the characteristics of the order or market conditions make it impracticable to do so. We will promptly inform you if we become aware of any material difficulty relevant to the proper carrying out of your orders. Orders received in a different media cannot be termed otherwise comparable.

11. QUOTES

Where there is a lapse of time between Citypoint Trading's first quote and your acceptance which causes delay or in the case that the market conditions have changed, Citypoint Trading will still be within its rights to execute that order or enter into that transaction, provided that the quote is not significantly out of date and that it still would have met the best execution requirements.

12. TRADE EXECUTION COMPLAINT

When we receive a trade execution complaint from a client within 24 hours from the time the disputed or questioned trade was executed, we shall revert to you within a short period of time afterward with a report on an investigation after reviewing the transaction to determine if it is, in fact, an erroneous trade execution.

Such complaint may be called into our Compliance Desk at +44(0)207 397 2840 or submitted via email at compliance@citypointtrading.com. A trade execution complaint must include your name, your Login ID (username), time of execution and ticket number in order that we may remedy the complaint at the earliest opportunity.

13. REVIEWING EXECUTION QUALITY AND THE EXECUTION POLICY

We will, on a regular basis, monitor our operations in relation to this Policy. A periodic review will be made of the execution venues and data sources we rely upon to provide pricing information. Where we identify the need to make any material change to either this Policy or to our Order execution arrangements, such changes will be fully disclosed to you.

You will be notified of any material changes to the Execution Policy via our website www.citypointtrading.com

14. NO FIDUCIARY DUTY

We provide you with access to our trading platform and are not acting in any other capacity including as a fiduciary.

Our commitment to provide you with “best execution” does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

15. OUR ORDER AND TRANSACTION MANAGEMENT

Citypoint Trading provides margined forex trading on an execution basis only where transactions are automatically processed via a method called ‘Straight Through Processing’ (STP). We do not have dealers who monitor and confirm every transaction. The prices that we publish on our platform and offer to you are an indication of the prices at which we would be willing to buy from you and sell to you. They are not firm prices. There are a number of features that you should be aware of:

- **Market Order Execution**

If you are trading Market Orders, once you have selected the currency pair, the size and direction (buy, sell) of the order you are offering to enter into a transaction with us according to the parameters you have selected.

Citypoint Trading will carry out a number of automated checks to confirm that your order is valid and then execute your order at the current market price.

- **Entry Stop, Stop, and Trailing Stop Order Execution**

Please note that when the stop price for Entry Stop, Stop or Trailing Stop Order is reached, a stop order becomes a market order (an order to buy or sell at the current market price). These orders do not guarantee your order will be executed at the price you had requested.

- **Entry Limit and Limit Order Execution**

Please note that when the price for Entry limit or limit Order is reached, a limit order becomes a market order (an order to buy or sell at the current market price). These orders do not guarantee your order will be executed at the price you had requested.