

OANDA Europe Limited

ORDER EXECUTION POLICY ("Policy")

1. INTRODUCTION

- 1.1 All capitalised terms used in this document have the same definition and meaning as in our Terms of Business, unless otherwise noted.
- 1.2 This Policy sets out the way in which we will trade with you and how we price our Products.
- 1.3 We offer Products on a variety of underlying Instruments that can be accessed via our Trading Platform.
- 1.4 A CFD allows you to obtain an indirect exposure to an Instrument. This means you will never own the Instrument itself, but you will make gains or incur losses as a result of price movements in the Instrument to which you have an indirect exposure. Your return will depend on movements in the price of the Instrument and the size of your Trades, as well as the bid/ask spread, Financing Cost and any applicable fees or charges.
- 1.5 It is important for you to note that trading with us is not the same as trading on an Exchange. When you trade with us, we are the trading venue and accordingly we determine the prices.
- 1.6 All prices offered by us are determined on the basis of price quotes provided to us or a related group entity by a number of external third-party market participants. All Orders are executed by us to become Transactions on your Account and are done so using the Trading Platform.
- 1.7 When we process Orders for you, we have a duty to provide you with "best execution". This means that we will take all sufficient steps to obtain the best possible result for you based on the execution factors identified below.
- 1.8 Whilst we may not obtain the best pricing available on any market for any single Order, this Policy aims to show how we are consistent in our pricing for, as well as processing, execution, monitoring, and review of, all Orders to achieve the best possible result for all Orders.
- 1.9 This Policy sets out our best execution standards and obligations and explains how we seek to comply with our best execution obligations in accordance with applicable regulatory rules.
- 1.10 The different types of Order that you can place (the "**Client Order Types**") are set out in Annex 1 of this Policy. The Client Order Type that you place will ultimately affect the way in which the best execution principles under this Policy will apply.

2. **SCOPE AND APPLICATION**

2.1 The Policy is applicable to all of our Retail and Professional Clients. We apply this Policy upon acceptance of Orders and take all sufficient steps to obtain the best possible result for you taking into account the execution factors set forth below. We will act as principal and not as your agent when executing your Orders, we therefore act as the sole trading venue for those Orders. This means you will be dealing directly with us and not with the wider market.

2.2 We cannot guarantee, when executing an Order, that our price will always be better than a price which might have been available elsewhere.

3. **PRICING AND EXECUTION PRINCIPLES**

3.1 The price you see when you place Orders to trade with us is guided by the following general principles:

(a) Pricing should reflect the Instrument to which the Order/Trade will ultimately relate.

(b) The prices we show are two-way prices, an ask price (the price at which you buy a Product from us) and a bid price (the price at which you sell a Product to us), allowing you to enter into a long Trade/Position or a short Trade/Position on our offered Products.

(c) We are not obliged to accept your Order(s) and may therefore reject any Order(s) in accordance with our Terms of Business.

(d) The way in which the best execution principles apply will also depend on the type of Order that you place with us. The Client Order Types set out at Annex 1 are subject to change from time to time.

3.2 Client Orders are executed at the price that is valid on our Order execution server at time of execution. The size of client Orders may impact pricing. This may not be the same as the price you see in our Trading Platform, depending on, for example, the speed of your internet connection.

4. **EXECUTION CRITERIA**

4.1 When executing your Orders, we will take all sufficient steps to obtain the best possible result for you by taking into account a number of factors which we believe are relevant. For Retail Clients, the best possible result must be determined primarily by reference to the total price (including costs and expenses) incurred by you.

4.2 As well as price, we also need to consider a range of other factors, such as speed, likelihood of execution and settlement, and the size and nature of the Order and Instrument. We also will consider the characteristics of the client, including whether classified as a Professional, and any market impact. In determining the relative importance of each of these factors, we will use our discretion, by reference to our commercial experience and the relevant market

conditions, to assess the criteria and provide you with the best results. In making these decisions, we will consider the need for timely execution, availability of price improvement, liquidity of the Instrument in relation to the size of your Order and its potential impact on total price payable by you.

- 4.3 Accordingly, in certain limited circumstances we may decide that the speed and likelihood of execution and settlement may, for example, take precedence over price if our doing so would deliver you with the best possible result in accordance with our best execution obligations.
- 4.4 We have determined that the order of importance of the execution factors is the same for all of our Products and Instruments.

EXECUTION FACTORS

5. PRICE

- 5.1 We obtain prices from companies within the OANDA group who in turn derive their prices from external third-party market participants as relevant in respect of the Instruments (i.e., the underlying market/asset/reference products). The prices shown to you are based on an average of the pricing, excluding outliers, available from those third parties. This average is our objective view of the bid and ask prices available to arms' length market participants in respect of transactions of a Normal Market Size and is the main way in which we will ensure that you obtain best execution.
- 5.2 Prices of certain of our Products are calculated by reference to the relevant futures prices in respect of the Instrument and not the "cash" or spot price. The methodology depends on the underlying Instrument. Adjustments may also be made, for example, in relation to certain Products to take account of inefficiencies in the underlying markets that may otherwise distort our price (for example wide equities spreads or unannounced corporate action rumours). Furthermore, we may price all Products using independent third-party pricing providers rather than create our own price as described above.
- 5.3 Our bid and ask prices may differ from those of third parties as a result of: our adding our own spread, liquidity in external markets, charges based on the duration of your Trade, differences between the underlying Instruments and our own tradable Products (including variations between spot prices and futures prices in respect of those Instruments), and other relevant factors.
- 5.4 Our Trading Hours for some Products on some Instruments may differ from the operating hours of the Instrument Exchanges. There can also be occasions where the Instrument Exchanges are temporarily disorderly or not functioning with the usual amount of liquidity or volumes. During such times, we endeavour to determine fair two-way prices based on a number of factors such as price movements on associated markets, other market influences, and number and size of client Orders/Trades/Positions.

5.5 While we act as matched principal in respect of your Orders, OANDA group companies will look to the execution venues available to them for the pricing, hedging, and execution of your Orders and Trades. OANDA group companies may seek to manage their risk as market maker and may choose to hedge, or otherwise take action to appropriately manage risk, in respect of some or all of the notional size of your Orders and Trades in markets for, or related to, the Instruments. Accordingly, this may impact the execution price of your Orders.

6. **COSTS**

6.1 We offer a spread pricing model. Details in relation to our spreads are found on our Website.

6.2 If any commissions, charges or fees are payable, they will be clearly disclosed to you on our Website, Trading Platform, and/or Transaction History.

7. **SPEED**

7.1 The speed of your internet connection, the performance of mobile apps and Third Party Software, as well as market volatility (as further discussed below), may have an impact on the magnitude of potential price changes between the time an Order is placed and the time at which that Order is received, processed, and subsequently executed by us.

8. **LIKELIHOOD OF EXECUTION**

8.1 All Orders and Trades, including those generated when a Margin Closeout is initiated, are executed on an automated basis.

8.2 The Trading Platforms will reject Orders and Trade requests if you have insufficient Margin available.

9. **SETTLEMENT**

9.1 When you close a Trade with us, the transaction effectively settles immediately using the bid/ask price available (as applicable) on the Trading Platform at the time of execution (which may differ from the bid/ask price shown to you at the time you decided to place an Order).

9.2 The resulting realised profit or loss is then converted to your Account's Base Currency, using our prevalent currency exchange rates. Details on currency conversions, including prevailing mark-up and mark-down rates, are available on our Website.

10. **SIZE AND NATURE**

10.1 Subject to clause 10.2, we do not take into consideration the size of your Order or Trade for acceptance, scheduling or prioritisation of execution. However, the size of your Order or Trade may impact pricing.

10.2 If the requested Transaction exceeds limits that we have established for the relevant Product, you may not be able to place your Order.

TRADE INTEGRITY

11. SLIPPAGE

- 11.1 All Orders are executed at the prevailing price(s) at the time the Order is processed after receipt on our execution server.
- 11.2 The pricing and execution components of our Trading Platform do not apply asymmetrical slippage parameters. Our Trading Platform is designed to ensure that any slippage, both negative and positive, is based on market conditions.
- 11.3 To the extent you are concerned about potential slippage, you might prefer to place a Pending Order (including those with the Guaranteed Stop Loss feature) as opposed to a Market Order (as further detailed in Annex 1).

12. MARKET VOLATILITY

- 12.1 Market volatility impacts the processing and execution of Orders. Clients should be aware of the following risks associated with volatile markets, especially at or near the start or end of Trading Hours and around news events:
 - (a) execution at a substantially different price from the quoted bid or ask or the last reported price at the time of Order entry, as well as partial executions or execution of large Orders in several Transactions at different prices;
 - (b) delays in executing Orders for financial Instruments that we, or an OANDA group company, must send to external market makers;
 - (c) opening prices that may differ substantially from the previous day's closing prices; and
 - (d) Instrument market conditions, such as locked (bid price equals ask), crossed (bid price is higher than ask), halted, limit up (buys halted), limit down (sells halted), protected (Market Orders converted to Exchange pre-defined limits), which may prevent the execution of client Orders.
- 12.2 When there is a high volume of orders in the market, order imbalances and backlogs can result in the execution of your Orders being delayed. Such delays are usually caused by the occurrence of different factors, such as:
 - (a) the number and size of Orders to be processed;
 - (b) the speed at which price quotations are provided to us; and
 - (c) the system capacity constraints applicable to an Exchange for any Instrument, as well as to us, other OANDA group companies and other firms.

13. **SPECIFIC INSTRUCTIONS**

13.1 If you give us specific instructions, including specifying the opening or closing price of a CFD transaction (for example, Pending Orders), we will execute that Order in accordance with your instructions, provided the requested price is available.

13.2 This will be deemed to be best execution, superseding all other aspects of this Policy.

14. **AGGREGATION**

14.1 We will not aggregate your Trade(s) or Order(s) with those of any other client during execution.

15. **EVENT OF CLIENT DEFAULT OR OTHER LIQUIDATION EVENT**

15.1 In an Event of Default by the client or where we reserve the right to close some or all Open Positions and Trades on an Account (e.g., insufficient Margin available), each Order will be executed as a Close Out Order (as described in Annex 1). We can determine, at our reasonable discretion, how we handle the close out, including with respect to order execution, fill quantity, aggregation, priority and pricing.

16. **NO FIDUCIARY DUTY**

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

17. **MONITORING AND REVIEW**

17.1 We shall regularly monitor compliance to and effectiveness of this Policy for relevant order execution arrangements to assess whether it enables us to continuously provide the best possible result for our clients. If necessary, we will amend our Policy and our Order execution arrangements.

17.2 Our Trade Execution Committee regularly reviews the overall quality of our order executions and order processing practices. We will amend this Policy based on such reviews if we consider it to be necessary. Any new Policy will be made available on our Website and will be in force as from publication.

17.3 We will provide detail in relation to our execution practices from time to time (via our Website) in accordance with applicable regulation.

ANNEX 1

MAPPING OF CLIENT ORDER TYPE TO EXECUTION TYPES (including breakdown of Pending Orders):

Client Order Type	Underlying Asset Class	Execution Type
Market	FX & Metals	Market FOK
	Indices & Commodities	
	Equity shares	Market IOC
Stop Entry	FX & Metals	Market GTC Full
Stop Loss	Indices & Commodities	
Close Out	Equity shares	Market GTC Partial
Limit Take Profit	FX & Metals	Limit GTC Full
	Indices & Commodities	
		Equity shares

DESCRIPTION OF EXECUTION TYPES:

Execution Type	Description
Market FOK	<p>A market order executed on an order execution venue at the most recent price appropriate for the quantity of the order.</p> <p>There are no partial fills of the order.</p> <p>The order is rejected/cancelled in the case where the order size exceeds available liquidity.</p>
Market IOC	<p>A market order executed on an order execution venue at the most recent price appropriate for the quantity of the order.</p> <p>Partial fills are possible only in the case where the order size exceeds available liquidity.</p> <p>Any remaining quantity not filled will be cancelled.</p>

<p>Market GTC Full</p>	<p>A stop order is triggered when a quoted 'Top of Book' price (bid for stop to sell or ask for stop to buy) is the same or worse than the specified trigger level.</p> <p>Once triggered, stop orders are routed for execution as Market FOK orders.</p> <p>The Market FOK order is then executed at the order execution venue at the most recent price appropriate for the quantity of the order.</p> <p>There are no partial fills of the order.</p> <p>In the case where the order size exceeds available liquidity, then the order returns to the pending state in the OANDA group order book in the full amount.</p>
<p>Market GTC Partial</p>	<p>A stop order is triggered when a quoted 'Top of Book' price (bid for stop to sell or ask for stop to buy) is the same or worse than the specified trigger level.</p> <p>Once triggered, stop orders are routed for execution as Market IOC orders.</p> <p>The Market IOC order is then executed at the order execution venue at the most recent price appropriate for the quantity of the order.</p> <p>Partial fills are possible only in the case where the order size exceeds available liquidity.</p> <p>In the case that the order size is not fully filled, then the order returns to the pending state in the OANDA group order book for the remaining unfilled amount.</p>
<p>Limit GTC Full</p>	<p>A limit order is triggered when a quoted 'Top of Book' price (bid for limit to sell and ask for limit to buy) is the same or better than the specified client limit price.</p> <p>Once triggered, limit orders are routed for execution as Limit FOK orders.</p> <p>The Limit FOK order is then executed at the order execution venue at the most recent price appropriate for the quantity of the order, provided that the most recent price is the same or better than the specified client limit price.</p> <p>There are no partial fills of the order.</p> <p>In the case that this order size exceeds available liquidity or where the best price for the quantity of the order is worse than the specified client limit price, this results in the limit order placed by the client returning to a pending state in the OANDA group order book in the full amount.</p>

Limit GTC Partial	<p>A limit order is triggered when a quoted 'Top of Book' price (bid for limit to sell and ask for limit to buy) is the same or better than the specified client limit price.</p> <p>Once triggered, limit orders are routed for execution as Limit IOC orders.</p> <p>The Limit IOC order is then executed at the order execution venue at the most recent price appropriate for the quantity of the order, provided that the most recent price is the same or better than the specified client limit price.</p> <p>Partial fills are possible only in the case where the order size exceeds available liquidity or where the best price for the quantity of the order is worse than the specified client limit price.</p> <p>In the case that this order size is not fully filled, then the order returns to the pending state in the OANDA group order book for the remaining unfilled amount.</p>
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"**FOK**" means "fill or kill"

"**IOC**" means "immediate or cancel"

"**GTC**" means "good 'til cancelled"