

Order Execution Summary Policy

Effective Date: 21st Nov 2018

Introduction

Under the rules of the Financial Conduct Authority (“FCA”) we are required to take all sufficient steps to obtain the best possible outcomes for the execution of your orders, taking into account a range of factors. This is referred to as providing you with best execution.

This Order Execution Summary Policy (this “Policy”) applies to orders received from retail clients and professional clients. It does not apply to orders from eligible counterparties.

This Policy describes:

- (a) The execution venue that we use
- (b) Our execution approach for carrying out orders from origination to execution
- (c) An explanation of how the different factors influence the firm’s execution approach and
- (d) How we monitor and review the effectiveness of our best execution obligations

This Policy, together with the documents set out below, as amended from time to time, form our agreement with you:

- Customer Agreement
- Risk Warning and Disclosure Notice
- Conflict of Interests Summary Policy
- Website Terms and Conditions
- Complaints Handling Summary Policy
- Privacy Policy
- Cookie Policy
- Any further or separate arrangement that may be entered into between us.

The current version of this Policy (and also the current versions of the documents referred to above) can be found on our Website.

All GMO-Z.com Trade UK Limited legal documents are available in English, and can be found on the English version of our corporate website. Translations into other languages are provided for referential purposes only. For the avoidance of doubt, the English version shall prevail in the event of any inconsistencies or ambiguities.

Unless separately defined in this document, words and expressions have the meanings given to them in our Customer Agreement.

By trading with us, you will be deemed to provide your continuing consent to the contents of the current version of this Order Execution Policy.

Summary

For retail clients GMO-Z.com Trade UK Limited is required to provide a summary of this order execution policy. When executing order on behalf of retail and professional clients, GMO-Z.com Trade UK Limited is required to take all sufficient steps to obtain the best possible result for clients. This

does not apply to transactions or parts thereof where GMO-Z.com Trade UK Limited accepts a specific instruction which includes where an order is placed through direct market access.

When executing an order GMO-Z.com Trade UK Limited will take into account and prioritise execution factors in accordance with the methodology set out in this Policy and the execution criteria. The details of which are set out in this Policy. Ordinarily GMO-Z.com Trade UK Limited will prioritize price as the most important execution factor, in particular for retail clients. However, consideration will be given to other execution factors including cost. GMO-Z.com Trade UK Limited may pay third parties for introducing clients and GMO-Z.com Trade UK Limited will disclose this amount to clients where applicable. This will not impact the selection of execution venues and our best execution obligation. GMO-Z.com Trade UK Limited may apply different costs (in the form of spreads) depending on the execution venue selected and GMO-Z.com Trade UK Limited can provide further information about this on request.

The execution venues GMO-Z.com Trade UK Limited has approved are set out in Appendix 1. In particular GMO-Z.com Trade UK Limited may execute orders outside of a trading venue. A trading venue means a regulated market, multilateral trading facility or an organized trading facility and definitions of which can be found in the glossary of the FCA Rules. GMO-Z.com Trade UK Limited will review and monitor this Policy in accordance with its regulatory obligations as set out in this Policy. Material changes will be notified to clients.

Where required by applicable regulations, GMO-Z.com Trade UK Limited will publish annually information on the top five execution venues it has used in terms of trading volume for classes of financial instruments. This information will be published on GMO-Z.com Trade UK Limited's website and a link will be provided to you.

(a) The Execution Venue and Execution of orders

GMO-Z.com Trade UK Limited receives your orders via the trading platform(s) offered by GMO-Z.com Trade UK Limited and those orders are executed by us in accordance with this Order Execution Summary Policy. We are counterparty to all your trades, executing your orders as principal and not as agent on your behalf. We execute your orders by placing a Back to Back order, exclusively and without exception, on an execution venue (as set forth in Appendix 1, each an "Execution Venue"). When our Back to Back order is matched or otherwise executed, we will open or close a trade on your Account at the same size. Any position you open with us can only be closed with us on the trading platform used to open the position, and cannot be transferred to any other person.

Your agreement to this Policy shall constitute your prior express consent for us to execute your orders outside a regulated market, multilateral trading facility or organized trading facility (each a "Trading Venue").

There can be consequences that come from the fact that GMO-Z.com Trade UK Limited executes orders outside a Trading Venue. In particular you should recognise that a non-centrally cleared OTC transaction does not benefit from any clearing mechanism, and you are therefore exposed to counterparty risk against GMO-Z.com Trade UK Limited. This stems from the creditworthiness of GMO-Z.com Trade UK Limited as an institution and can be measured by potential losses resulting from GMO-Z.com Trade UK Limited's potential default. It may be more difficult for you to obtain accurate pricing information because OTC trades are negotiated and priced individually and there is no central source for obtaining price information from competing dealers. You may request additional information from us about the consequences of its executing in this way outside a Trading Venue, either generally or for specific transactions.

When GMO-Z.com Trade UK Limited executes client orders there may be some circumstances where the transaction will be subject to the mandatory trading obligation for derivatives under Article 28 of EU Regulation 600/2014 (“MiFIR”). If this applies GMO-Z.com Trade UK Limited will be required to execute the transaction on a Trading Venue or an equivalent third country venue and not OTC. Your client orders are unlikely to be affected given the nature of our clients.

(b) Our Approach to Meeting Best Execution Obligations

If you provide, and GMO-Z.com Trade UK Limited accepts, specific instructions on how to execute your orders, as is the case with limit orders, we will have complied with our obligation to 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 accepted by GMO-Z.com Trade UK Limited and they are incomplete, as is the case with market orders, this Policy will be followed for those parts or aspects of the order not covered by your instructions.

If you give us specific instructions on how to execute your orders, our resulting compliance with these instructions may prevent us from taking the steps designed and implemented in this Policy. These are intended to provide you with best execution. Notwithstanding, where we accept a specific instruction from you to execute a particular order, we shall execute the order following such specific instruction. Accordingly, this Policy shall not apply. We will deem orders received via direct market access systems as specific instructions.

(c) The Execution Factors and Execution Criteria that Influence our Best Execution Approach

Execution factors

The execution factors GMO-Z.com Trade UK Limited is required to take into consideration are as follows:

- price;
- costs;
- speed;
- likelihood of execution and settlement;
- size;
- nature; or
- any other consideration relevant to execution of the client order (for example, the minimisation of the potential market impact of the execution of the client order).

Execution criteria

GMO-Z.com Trade UK Limited takes into account a range of execution criteria in order to determine the relative importance of each those factors in the delivery of best execution outcomes for the Firm’s clients. Those execution criteria are:

- The nature of the Firm’s clients including the categorisation of the client as retail or professional
- The characteristics of the client order

- The characteristics of the financial instruments that are the subject of that order
- The characteristics of the execution venues to which that order can be directed

GMO-Z.com Trade UK Limited executes orders for clients including retail clients. The best possible result for retail clients must be determined in terms of the total consideration and this takes precedence over all other factors. GMO-Z.com Trade UK Limited will determine the importance of the execution factors for each financial instrument by using its commercial judgement and experience in light of the market information available to it, in support of the best possible outcome for its clients.

Price

GMO-Z.com Trade UK Limited will generally give price a higher relative importance when obtaining the best possible result for orders executed on behalf of clients. However, GMO-Z.com Trade UK Limited may also take into consideration a range of different factors, including the need for timely execution, the availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact on the market, the size of the order, the nature of the financial transaction and the quality and cost effectiveness of any related clearing and settlement facilities.

GMO-Z.com Trade UK Limited operates on a matched principle, back to back basis and therefore the GMO-Z.com Trade UK Limited instantaneously hedges each one of its client trades with a liquidity provider. This dictates the prices that GMO-Z.com Trade UK Limited is able to offer to GMO-Z.com Trade UK Limited will only select liquidity providers who use a wide range of counterparties and can provide the best possible prices. Pricing is fully automated. It should be noted that there is no external market for the products that GMO-Z.com Trade UK Limited offers to its clients and therefore the prices that GMO-Z.com Trade UK Limited offer may not be exactly the same as those offered by other providers for each underlying asset. However, GMO-Z.com Trade UK Limited seeks to offer the very best possible prices to its clients at all times. Other execution factors may be given precedence over price only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

In respect of market orders, the trading platform will execute an order at the first available price (for the relevant size of the order) as soon as possible after the order is accepted. The price at which the order is executed may be different to the price displayed at the time of placing that order due to movements in the market that have taken place between the time that the order is placed and that at which the order is executed by the platform. Such price movements, known as slippage, will either disadvantage or benefit clients. However, the client is able to manage the risk presented by this normal condition of trading by specifying the maximum slippage that he/she is prepared to accept within the trading platform.

Cost

The relative importance that we attach to cost is high. We will not levy a separate commission charge for each trade that is opened or closed on your account, unless you have a Non-Standard Account as a result of being introduced to our services by persons or firms we appoint to effect introductions of potential clients. For Standard Accounts, all trading costs and system costs relating to the provision of the trading platform(s) offered by GMO-Z.com Trade UK Limited are included in the spread on each tradable instrument. We may apply different costs (in the form of spreads) depending on the execution venue selected and we can provide further information about this on request. Details of all our charges can be found on our website.

Speed of Execution

The relative importance that we attach to speed of execution is high.

Order execution is fully automated on the platform(s) offered by GMO-Z.com Trade UK Limited. Speed of execution is key to obtaining the best possible outcome for you in terms of best price delivery for market orders. Speed of execution can be impacted by:

- Technical considerations on the platform(s) offered by GMO-Z.com Trade UK Limited (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. These circumstances are detailed in the Customer Agreement.

Likelihood of Execution

The relative importance that we attach to likelihood of execution is high. Order execution is fully automated on the

trading platform(s) offered by GMO-Z.com Trade UK Limited.

- 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. Please our website for details.
- 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 from 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.
- Factors such as the size of your order and liquidity available in the Instrument you wish to trade will impact whether and when it is possible to execute your order.
- Our ability to fill your order is dependent on our ability to execute our Back to Back order.

Quantity available to trade (size)

The relative importance that we attach to "quantity available to trade" is high. Order size is restricted by the amount of margin that a client has in place (GMO-Z.com Trade UK Limited does not offer its clients credit) and through order limits: A maximum number of lots is allowed for each order and a maximum number of lots allowed per day per client (including pending orders) for each instrument. Current order limits are displayed clearly in the website.

(d) Approved execution venues

This Policy includes in Appendix 1, for each financial instrument in which GMO-Z.com Trade UK Limited executes orders on behalf of its clients, those execution venues that GMO-Z.com Trade UK Limited considers enables it to obtain best execution on a consistent basis.

When selecting execution venues (including those marked with an asterisk for OTC transactions), GMO-Z.com Trade UK Limited may take into account the following qualitative factors (amongst others):

- Order type functionality of the execution venue
- Transparency (e.g. lit dark) of the execution venue
- Clearing schemes
- Circuit breakers
- Scheduled auctions
- Liquidity analysis
- Toxicity analysis
- Reversion analysis
- Market share
- Breadth of market coverage
- Reputation, financial strength and stability*
- Willingness to execute difficult transactions
- Willingness to put balance sheet at risk for non-centrally cleared OTC trades*
- Execution of an ISDA Master Agreement with clients*
- Access to liquidity*
- Ongoing reliability*
- Overall costs of a trade including commissions, mark-ups, markdowns or spreads*
- Anonymity of trading activity*
- Licensed, as required, to execute the type of transaction*

(e) Monitoring

We will monitor the effectiveness of our order execution arrangements on an ongoing basis and implement appropriate enhancements. We will notify you of any material changes to our order execution arrangements.

(f) Review

We will review this Policy and our order execution arrangements at regular intervals and at least annually and whenever there is a material change that could impact our ability to obtain the best possible result for the execution of client orders on a consistent basis to ensure that we are continuing

to comply with our regulatory obligations. If at any time we identify any deficiencies we will take appropriate remedial action and where necessary will amend this Policy. Amendments to this Policy shall be effective immediately. The latest published version of this Policy can be found on our website at all times.

(g) Reporting

Where required by applicable regulations, GMO-Z.com Trade UK Limited will publish on the top five execution venues it has used on an annual basis in terms of trading volume for classes of financial instruments. This information will be published on GMO-Z.com Trade UK Limited's website and a link will be provided to you.

(h) Communications

We shall notify you of any material changes to the order execution arrangements or this Policy in a durable medium or by means of our website.

For further details or questions about this order execution policy and its content please contact us in the usual way.

By trading with us, you will be deemed to have given your continued consent to the contents of the current version of this Order Execution Policy.

Appendix 1 – Approved Execution Venues

Below is a list of the execution venues which GMO-Z.com Trade UK Limited has approved and the corresponding financial instruments for which they are approved.

Execution Venue	Financial Instruments
GMO-Z.com Trade Limited (an affiliated company of GMO-Z.com Trade UK Limited)	Currency derivatives: Swaps, forwards, and other currency derivatives Commodities derivatives and Indices Derivatives
LMAX Broker Limited (trading as LMAX Global)	Currency derivatives: Swaps, forwards, and other currency derivatives Commodities derivatives and Indices Derivatives
CMC Markets UK Plc	Currency derivatives: Swaps, forwards, and other currency derivatives Commodities derivatives and Indices Derivatives
Divisa UK Ltd	Currency derivatives: Swaps, forwards, and other currency derivatives Commodities derivatives and Indices Derivatives
IG Markets Limited	Currency derivatives: Swaps, forwards, and other currency derivatives Commodities derivatives and Indices Derivatives
IS Prime Limited	Currency derivatives: Swaps, forwards, and other currency derivatives Commodities derivatives and Indices Derivatives
Valustrades Limited	Commodities derivatives and Indices Derivatives