ORDER EXECUTION POLICY

Introduction

FXGiants is a trading name of Notesco Pty Ltd (the "Company"). The Company is authorised and regulated by the Australian Securities and Investment Commission (hereafter the "ASIC") under the licence number 417482 and has its registered office at Governor Macquarie Tower, Level 40, 1 Farrer place, Sydney NSW 2000.

The Company is required to set up this Policy and to take all reasonable steps to obtain the best possible results for its clients, either when executing client orders or receiving and transmitting orders for execution in relation to financial instruments. The Policy sets out a general overview on how orders are executed, and the factors as stated below, that can affect the execution of a financial instrument.

The Company applies the Policy upon acceptance of an order and also when a client gives no specific instruction on the execution method. Nevertheless, when the client gives a specific instruction on an order, the Company will execute the order following such instruction. If the Company receives a specific instruction on an order, this may prevent the Company from implementing the Policy to obtain the best possible result for the execution of the order.

Scope

The Policy shall apply whenever the Company executes orders on behalf of its clients. Every order which the Company may take is accepted and executed on the basis that the Company is acting on its own account as principal and not as an agent for the client. Despite the fact that the Company takes every reasonable step to obtain the best possible result for its clients it does not guarantee that when executing a transaction, the client's price will be more favourable than one which might be available elsewhere.

Execution criteria and relevant factors

The Company is required to take a number of different factors into consideration when executing an order for the client. The factors that the Company will consider are listed below:

Price

Bid-Ask Spread:

> For any given financial instrument, we quote two prices: the higher price (Ask), at which the Client can buy (go long) a financial instrument, and the lower price (Bid) at which the Client can sell (go short); collectively, referred to as the Firm's prices. The difference between the Bid and the Ask price of a given financial instrument is the spread.

Pending Orders:

> Orders such as 'Buy Limit', 'Buy Stop' and 'Stop Loss' / 'Take Profit' for open short positions are executed at the Ask price. Orders such as 'Sell Limit', 'Sell Stop' and 'Stop Loss' / 'Take Profit' for open long positions are executed at the Bid price.

The Company generates its own tradable prices from information sourced through price feed/liquidity providers that generally provide liquidity to the global market. The main way in which the Company will ensure that the client receives the best execution will be to ensure that the calculation of the bid / ask spread is made with reference to a range of underlying price feed providers and data sources. The Company updates its prices as frequently as the limitations of technology and communication links allow. The Company reviews regularly or at least once a year its independent price providers to ensure that correct and competitive pricing is offered.

Costs

When the Client opens a position in some types of financial instruments a commission or a financing fee will apply. The details of these costs are available in the Contracts Specifications on the Company's website. The Company takes steps to ensure that the client is informed of the costs, (i.e. the spread and commission rates) before the client elects to trade. The Company further ensures that there are not any unknown to the Client variables in place;

Speed

The Company strives to offer the highest possible speed of execution within the limitations of technology and communication links. Prices change over time and the frequency with which they do varies with different financial instruments and market conditions. The Company places significant importance when executing Client's orders to the speed of the execution of an order. Considering that the tradable prices which are distributed via the Company's trading platform, the technology used by the client to communicate with the Company plays a crucial role. For instance, the use of a wireless connection or dial up connection or any other communication link that can cause a poor internet connection can cause unstable connectivity to the Company's trading platform resulting to the client placing his orders at a delay and the orders to be executed at better or worst prevailing market price offered by the Company via its platform.

Nature of the order

The particular characterising of an order can affect the execution of the client's order. Please see below the different kinds of orders that a client can place:

   ☐ **Market / Instant Order**

Market Order
This is an order to buy or sell at the price available at a given time. The order will usually be filled at the prices the client sees on the Company's trading platform screen, which are derived from the price feed/liquidity providers using the FXGiants bridge technology. Occasionally, if the market has moved while the client is placing his order, the price may differ. The client may also place a Loss/Stop Loss to limit his loss or a Take Profit/Limit to limit his profit.

Instant Order
This is an order to buy or sell at the price available at a given time. The order will usually be filled at the price the client sees on the Company's trading platform screen. Occasionally, if the

market has moved while the client is placing his order, the price may differ. The client may also place a Stop Loss to limit his loss or a Take Profit to limit his profit.

☐ **Pending Order**

This is an order to buy or sell a financial instrument in the future at the best available price once a certain price is reached. There are four types of pending orders available in the Company's trading platform: Buy Limit, Buy Stop, Sell Limit and Sell Stop. Clients may also attach a Loss/Stop Loss and/or Take Profit/Limit on pending orders.

☐ **Trailing Stop Order/Trailing Order**

This feature allows the client to place a Loss/Stop Loss order to an open position and works in the client's terminal, which automatically updates to lock in profit while the market moves in the client's favour. Trailing Stop works in the client's terminal, not in the server (like Loss/Stop Loss or Take Profit/Limit) and this is the reason it will not work, unlike the above orders, if the terminal is off.

Size of order

All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different per each financial instrument. Details of the lot sizes are available in the Contracts Specifications available on the Company's website.

If the client wishes to execute a large size order, in some cases the price may become less favourable considering the liquidity in the market. The Company reserves the right not to accept a client's order, in case the size of the order is large and cannot be filled by the Company

Likelihood of execution

The levels of volatility in the market affect both price and volume. The Company seeks to provide its clients with the fastest execution reasonably possible. All clients' orders except pending orders are executed at the available current market prices. Clients' pending orders are executed by the Company at the requested price. However, under certain market conditions (i.e. due to limited volume in the market), orders may not be filled at the exact price requested but instead, at the best available market price offered by the Company derived from its price feed/liquidity providers. This may occur during news announcements, during periods of volatile market conditions, on opening gaps (when trading session starts) or on possible gaps where the underlying instrument has been suspended or restricted on a particular market.

1.1. Market Impact

The Company's quoted prices may be affected by various factors which could also affect the abovementioned parameters, criteria which are taken into consideration during the Company's process to ensure the best possible result for its clients. As stated above, the Company will at all times take all reasonable steps to ensure the best possible result for its clients.

The Company does not consider the above list of parameters to be exhaustive. The order in which they are presented however, indicates their relative importance in the best execution process without excluding the possibility of derogations from the above mentioned process in cases where the best interests of the client criterion justifies such derogations.

1.2. Best Execution Criteria

The Company will generally take into account the following best execution criteria for determining the relative importance of the execution factors:
- the characteristics of the client;
- 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.

The best possible result will be determined in terms of the total consideration, represented by the price of the contract and the cost related to execution as the main factors. The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most cases, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

Effect of other factors on the execution of an order

In the case of any communication or technical failure, as well as any incorrect reflection on the quotes feed, the Company reserves the right not to execute an order or change the opening and/or closing price of a particular order.

Specific Instructions

In circumstances where the client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company will execute the order in accordance with that specific instruction.

Nevertheless, if the client provides a specific instruction as to the execution of an order, then by executing that order the Company will be complying with its duty to provide the client with best execution. This may result us being unable to apply this Policy.

Execution venue

The Company will enter into transactions with the client as principal (counterparty) and not as an agent; therefore the Company will act as the sole Execution Venue for clients' orders.

The Company is connected to various EU or third country price feed/liquidity providers who obtain relevant prices and then the Company generates its own bids/asks prices that are distributed to the Clients. The Company ensures that no conflict of interest arises out of the selected price feed/liquidity providers.

The client acknowledges that all transactions entered in any particular financial instrument with the Company are executed outside a regulated market or a multi-lateral trading facility (MTF) and the client is exposed to a greater risk of a possible default of the counterparty (i.e. the Company).

Review and Monitoring

The Company will monitor the effectiveness of the Policy and relevant order execution arrangements on an on-going basis in order to identify and implement any appropriate enhancements. In addition, the Company will regularly review (at least annually) the Policy and the relevant order execution arrangements in an attempt of examining whether they enable the Company to continuously provide the best execution for its clients.

The Company takes into account a range of factors in deciding whether to execute a Client's Order. These include price, costs, speed together with any other consideration relevant to the execution of the order. In determining the relative importance of these factors the Company will take into account the client's status, together with the nature of the order, the characteristics of the financial instruments to which order relates and the characteristic of the execution venues.

From time to time it may be necessary to make changes to the Policy. It should be noted that the Company will not notify clients separately of changes, other than substantial material changes to the Policy and clients should therefore refer from time to time to the website of the Company at www.FXGiants.com/au for the most up to date version of the Policy. Upon a request from a Client, the Company shall demonstrate that it has executed the Client's Order(s) in accordance with this Policy.

We set-out below a non-exhaustive list of what factors that constitute a Material Change:

- Change of Execution Venues;
- Any changes to the relative importance of execution criteria and relevant factors;
- Incorrect prices compared to the average market price;
- Significant increase in the daily number of requotes;
- Significant delay in the execution of orders.

Client Consent

When establishing a business relationship with the client, the Company is required to obtain the client's prior consent to this Policy. In addition, the Company is required to obtain the client's prior consent before executing clients' orders outside a regulated market or a multi-lateral trading facility (MTF). The client is informed that the Company always acts as principal (counterparty) and is the sole execution venue, which is not a regulated market or a multi-lateral trading facility (MTF).

The Company may obtain the above consents in the form of a general agreement. The Company will treat clients who have either received the Policy or agreed to receive the Policy electronically or via the internet and have accepted the Trading Terms and Conditions of the Company, as clients who have given their consent to the Policy as well as given consent to the Company to execute or receive and transmit an order for execution outside a regulated market or an MTF.

Definitions

Execution venue - means a regulated market, an MTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

Multilateral trading facility (MTF) - means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of MiFID.

Regulated market - means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its nondiscretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

Systematic internaliser - means an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a regulated market or an MTF.

Pending Order - pending order is the client's commitment to the brokerage company to buy or sell a security at a pre-defined price in the future. This type of orders is used for opening of a trade position provided the future quotes reach the pre-defined level. There are four types of pending orders available in the terminal examples of which can be found in Appendix to this Policy:

☐ **Buy Limit** - buy provided the future "ASK" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having fallen to a certain level, will increase;

☐ **Buy Stop** - buy provided the future "ASK" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on increasing;

☐ **Sell Limit** - sell provided the future "BID" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having increased to a certain level, will fall;

☐ **Sell Stop** - sell provided the future "BID" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on falling.

Loss/Stop Loss

Loss/Stop Loss is order is used for minimizing of losses if the security price has started to move in an unprofitable direction. If the security price reaches this level, the position will be closed automatically. Such orders are always connected to an open position or a pending order. The brokerage company can place them only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set below the current BID price), and it does with ASK price for short positions (the order is always set above the current ASK price).

To automate Stop order following the price, one can use Trailing Stop.

Take Profit/Limit

Take Profit/Limit order is intended for gaining the profit when the security price has reached a certain level. Execution of this order results in closing of the position. It is always connected to an open position or a pending order. The order can be requested only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set above the current BID price), and it does with ASK price for short positions (the order is always set below the current ASK price).

19 March 2020 - v. 2020/001
Copyright © 2020 FXGiants. All Rights Reserved

2. Appendix

Buy limit is an order that can be placed with the broker to enter into a long position (that is, to buy) an asset when price fall to specific level or below.

Buy stop is an order that can be placed with the broker to enter long when price rallies up to a specified level or above.

Sell Limit order is an order that can be placed at the broker to sell an asset when the price rallies up to or beyond a specified level from the current price.

Sell Stop is an order to sell an asset when the price drops down to a specified level from the current price.