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# ORDER EXECUTION POLICY

## 1. OVERVIEW

- 1.1. Friedberg Direct (referred to below as “Friedberg”, “we”, “us” or “our”) is a division of Friedberg Mercantile Group Ltd., a member of the Investment Industry Regulatory Organization of Canada (IIROC), the Canadian Investor Protection Fund (CIPF), and all Canadian Exchanges. Friedberg Mercantile Group Ltd. is headquartered at 220 Bay St., Suite 600, Toronto, ON M5J 2W4, Canada.
- 1.2. Friedberg is committed to conducting business with our Clients in an honest, fair and professional manner and to act in the best interests of our Clients. When we execute orders on your behalf we will provide you with "best execution".
- 1.3. As a member of IIROC, Friedberg is required to establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to achieve best execution when acting for a client. Our policies and procedures consider the following broad factors for the purpose of achieving best execution for all client orders: price, speed of execution, certainty of execution and overall cost of the transaction (when costs are passed on to clients)

## 2. SERVICES

- 2.1. We provide margin services covering Forex, Contracts for Difference (where the underlying includes equities, commodities, metals and indices, equities, bonds and exchange traded funds) and Options on Forex and certain metals. We decide what markets we will make available and we publish the prices at which we will trade. We are the Execution Venue, which means that if you open a position in a market with us you can only close that position by dealing again with us.

## 3. BEST EXECUTION

- 3.1. When executing your orders, we will take all reasonable steps to achieve the best possible outcome for you.
- 3.2. We act as principal in all dealings and as the sole execution venue for your orders which are not executed on a regulated exchange or multilateral trading facility. Our online trading platform (the “Platform”) is fully automated for pricing and Order execution. When you place an Order to enter into or close a trade, you are giving the Platform an instruction to place an Order on your account on the basis of the Prices generated by our Platform.

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Your Orders are executed exclusively via a bilateral transaction with us through our Platform, and not through a transaction on any exchange, multilateral trading system or other external execution venue. We provide best execution by ensuring that in arriving at our bid/offer prices we use the market price from our counterparty banks and liquidity providers for the underlying product to which your order relates.

We are required to take a number of factors into account when considering how to deliver best execution. We have rated Price as the most important followed by Cost; Speed of execution and Likelihood of execution in addition to other factors as Size of order; Likelihood of settlement and Market impact.

- a) **Price:** For any given financial instrument we will quote two prices: the higher price (ASK) at which the Client can buy (go long) that financial instrument, and the lower price (BID) at which the Client can sell (go short) it. Our price for a given financial instrument is calculated by reference to the price of the relevant underlying asset, which we obtain from third party external reference sources. All prices can be found on our trading platforms. We update prices as frequently as the limitations of technology and communications links allow. We review third party external reference sources on a continual basis to ensure that the data obtained continues to remain competitive. If the price reaches an order set by you such as: Close at loss, Close at Profit, Trailing stop, Market Order or Limit Order these orders are instantly executed. However, under certain trading conditions it may be impossible to execute orders (Close at loss, Close at Profit, Trailing stop, Market Order, Limit) at the Client's requested price. In this case, we will execute the order at the first available price.
- b) **Cost:** Our bid-offer spreads are derived from the prices quoted by our liquidity providers. Friedberg aims to provide competitive spreads relative to the market and the differences in spreads is a reflection of the volatility associated with the relevant underlying instrument. A mark-up is added to the core spread provided by our liquidity providers. The mark up for FX is calculated using the mid bid-offer price and adding our maximum mark-up which reflects the furthest distance which our spreads will be from the core FX spread. FX spreads and non-CFD mark-ups per instrument can be found on our Trading Conditions and Charges webpage. In addition, for opening positions the Client may be required to pay financing fees, the amount of which is also disclosed on our website.
- c) **Speed of Execution:** We place a significant importance when executing Client's Orders and strive to offer high speed of execution within the limitations of technology and communications links.
- d) **Likelihood of Execution:** The likelihood of execution depends on the availability of prices of other market makers/financial institutions. In some case it may not be possible to arrange an Order for execution, for example, during news times, trading session start moments, during

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volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price or where a force majeure event has occurred. In the event that we are unable to proceed with a new open Order with regard to price or size or other reason, the Order will not be executed. In addition, Friedberg is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or Request or Instruction of the Client in circumstances explained in our [Terms and Conditions](#).

- e) **Size of order:** The minimum size of an order may vary based on the minimum nominal contract size as set down on our [Trading Conditions and Charges](#) webpage.
- f) **Likelihood of settlement:** The Financial Instruments offered by Friedberg do not involve the delivery of the underlying asset, so there is no settlement as there would be for example if the Client had bought shares.
- g) **Market Impact:** Some factors may rapidly affect the price of the underlying instruments/products from which our quoted price is derived.

### 3.3. Market Orders

When executing your Limit Order, the Order will be executed taking into account the conditions offered at the time the Order is eventually executed. Friedberg guarantees all Limit orders will be executed at the specified rate, not a better rate.

Slippage may occur when trading in Financial Instruments. Slippage means that when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore, the Order will be executed close to or a number of pips away from the Client's requested price. Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Slippage more often occurs during periods of illiquidity or higher volatility making an Order at a specific price impossible to execute. Slippage can occur also during Closed at Loss, Close at Profit, Trailing Stop and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order.

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Also, please note that at the time we receive your order there may be no functioning market or Exchange which is open for trading on which the underlying product is traded. At such times the market may be illiquid, trade halted or suspended and other influences may affect the price and we reserve the right not to execute your order under such conditions.

### 4. BEST EXECUTION CRITERIA

We will determine the relative importance of the above Best Execution Factors by using our commercial judgment and experience in the light of the information available on the market and taking into account:

- a) the characteristics of the client, including the categorisation of the client as retail or professional;
- b) the characteristics of the client order;
- c) the characteristics of the financial instrument that is the subject of the order;

### 5. SPECIFIC INSTRUCTIONS

- 5.1. Where you provide us with specific instructions as to how to execute a particular order, this may impact on our ability to provide execution in accordance with the criteria outlined above.

A transaction for which a trailing stop or other limit has been set will be closed at that level if the limit or stop price is reached. A specific instruction may prevent us from taking the steps in this policy to obtain the best possible result for you.

- 5.2. Generally, equity instruments have no expiry date, however, should a transformation event be announced based on a takeover or a re-organisation, the date of the event may be used as the expiry date. Individual Equities may at some stage partake in a Corporate Action; these can include Dividends, Rights Issues, Stock/Reverse Splits, Mergers, Acquisitions and Takeovers etc.

### 6. EXECUTION OF CLIENT ORDERS

- 6.1. Friedberg will satisfy the following conditions when carrying out Client Orders:
  - a) ensure that orders executed on behalf of Clients are promptly and accurately recorded and allocated;

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- b) carry out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- c) inform you about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

### 7. NO AGGREGATION

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

### 8. CONTRACT DETAILS

- 8.1. Full details of the trading conditions for all products are available on our Trading Conditions and Charges webpage.
- 8.2. Should you require any further information and/or have any questions please direct your request and/or questions to our Support Team via our Contact Us page.

### 9. MONITORING

- 9.1. We will monitor the effectiveness of our order execution arrangements. Should there be any material changes to our order execution arrangements or this Policy, we will notify you via email.