

ORDER EXECUTION POLICY DISCLOSURE

Inbase Holding Limited ("We" or "InbaseTrader") is regulated and authorised by the National Futures Association of the U.S. in the US and as such must follow an order execution policy. The Order Execution Policy ("the Policy") is applicable to all trades and orders placed and executed with us for Retail Clients.

The Policy forms part of our Client Agreement, that binds us to a contract with our clients and by agreeing to the Client Agreement, our clients are agreeing to the terms of the Policy. When executing transactions according to the Policy we will take sufficient steps to achieve the best possible result for the client over every single occasion that they trade. However, it does require us to verify on an ongoing basis that our order execution arrangements are working well and are designed to obtain the best possible execution result for the client. The policy comprises of a set of procedures that are designed to obtain the best possible execution result, subject to and taking into account the nature of the client's orders, and the practices relating to the market in question with the aim of producing the best possible result.

We believe the best possible result is assessed as the cost of the transaction, expressed in terms of the price the order is executed at and the cost related to the transaction. InbaseTrader will do this by ensuring the calculation of the bid/offer price used for the execution of your trades is directly related to the underlying reference instrument to which the trade relates. ActivTrades uses a number of sources for these prices to ensure they are independently verifiable and offer the best possible total cost of the transaction.

There are a number of other, sometimes conflicting, factors in relation to the execution of the transactions, eg likelihood of execution, speed, size and nature of the order. The importance of which we will decide on at our discretion based on our market experience and the market conditions at the time of the transaction, all of which may have an impact on the total consideration. While every effort is made to ensure that our prices are the best available, there are no guarantees that you might not be able to get a better price elsewhere

Execution Venues

We are the **only execution venue** to clients' trades as we act as principal and deal on our own account. We perform our due diligence and choose Liquidity Providers ("LPs") that feed two-way bid/ask prices at which we execute trades (our price feed infrastructure mentioned above) with our clients. We also use these LPs for hedging purposes to minimise our risk exposure.

Execution Mechanism

All our client orders are hedged with our UK parent entity, **Inbase Holding Limited**, and such back-to-back arrangement fully mitigates our market risk exposure. Such a 'White label' setup with our UK parent entity means that, all our clients see **Inbase Holding Limited** as the owner of the trading server when they connect to their client terminals. We have designed and architected high-performance systems and ensure that we have enough bandwidth to minimise any data and network latency, which may delay execution when orders are being transferred across the two geographical locations. This is done for all the execution that we offer to our clients.

Types of Orders

Market order

Market execution is also available for MT4, MT5 and InbaseTrader Accounts. With this execution mode, the order gets filled at the best available price. Sending the order in such mode means advance consent to its execution at this price.

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 order is used for the 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:

A Buy Limit is a pending buy order placed below the market price. Orders of this type are usually placed in anticipation of the security price, having fallen to a certain level, will increase.

A Sell Limit is a pending sell order placed above the market price. Orders of this type are usually placed in anticipation of the security price, having increased to a certain level, will fall.

A Buy Stop is a pending buy order placed above market price. Orders of this type are usually placed in anticipation of the security price, having reached a certain level, will keep on increasing.

A Sell Stop is a pending sell order placed below market price. Orders of this type are usually placed in anticipation of the security price, having reached a certain level, will keep on falling.

Buy Stop Limit

Buy Stop Limit combines features of a Buy Stop order and a Buy Limit order. As soon as the ASK price reaches the price target indicated in the order window, a Buy Limit order will be placed at the level specified in the order window.

Sell Stop Limit

Sell Stop Limit combines features of a Sell Stop order and a Sell Limit. As soon as the Bid price reaches the price target indicated in the order window, a Sell Limit order will be placed at the level specified in the order window.

Stop Loss

This order is used for limiting 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 these order provisions, and it does with ASK price for short positions.

Trailing Stop

Stop Loss is intended for reducing of losses where the symbol price moves in an unprofitable direction. If the position becomes profitable, Stop Loss can be manually shifted to a break-even level. To automate this process, Trailing Stop was created.

As soon as profit in points becomes equal to or higher than the specified level, command to place the Stop Loss order will be given automatically. Therefore, if price changes in the more profitable direction, trailing stop will make the Stop Loss level follow the price automatically, but if profitability of the position falls, the order will not be modified anymore.

Please note that trailing Stop works in the client terminal, not in the server (like Stop Loss or Take Profit). Therefore, it will not work, unlike the above orders, if the terminal is off. This order type is available only in MT4 and MT5 accounts.

Take Profit

Take Profit 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 these order provisions, and it does with ASK price for short positions.

Please note that if a pending order and its take profit are triggered during a gap in price, the pending order will be executed at the next available market price after the gap, and the order will be closed immediately, resulting in a loss equal to the market spread.

Spreads and charges/commissions

The spread is the difference between the Bid (the price at which a client can sell a CFD or spread bet) and the Ask (the price that a client can buy a CFD or a Spread bet) prices. The spread includes AT's costs for its services. Details on our spreads and commissions (only for CFDs on Shares) can be found on our website, which are updated on a regular basis.

Every effort will be made to maintain competitive spreads. However, we reserve the right to change the spreads at any time, in any market, for any reason. Examples of this may be: lack of liquidity or unusually volatile market conditions.

Client Protection

Stop Loss Orders

Clients have the option to trade "stop loss" and "trailing stop loss" orders. This allows clients to autonomously set the level at which they will sell out to limit losses. 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.

Automatic Tradeout

AT set minimum margin requirements that result in automatic tradeout levels to protect clients from losses. If during an open trade, the net worth of the account reaches the "trade-out level" of the required margins, positions in excess would be automatically closed. NB: in the case of a trade-out the most unprofitable position will be closed first.

Negative Balance Protection

AT offer to all clients' negative balance protection. This means that clients will never lose more than their invested capital.

Monitoring and Review

We will regulatory monitor and review our Execution Policy and associated arrangements in order to ensure we comply with our regulatory obligations and where appropriate make amendments.

No fiduciary duty to our clients

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