Plus500

World's Trading Machine

Summary Order Execution Policy

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1. Introduction

1.1. This Policy is provided to you (our Client or prospective Client) in accordance with Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 144(I)/2007, as subsequently amended from time to time ("the Law").

1.2. By agreeing to the terms of our User Agreement, you are also agreeing to the terms of this Summary Order Execution Policy ("Policy") which forms part of the Client Agreements as defined in the User Agreement and this policy should be read in conjunction with the User Agreement (the contractual agreement that a client enters into when opening an account with Plus500CY Ltd); if there is anything you do not understand please contact our Customer Support department.

1.3. In the event of a disagreement between this policy and the User Agreement, then the User Agreement shall prevail.

2. Plus500CY Ltd ("Plus500", "we", "our", "it", "Company")

2.1. Plus500 offers retail and professional clients only, contracts for differences (CFDs) across a range of asset classes: FX, Equity, Commodity, Indices, ETFs (Exchange Traded Funds), Options and Cryptocurrencies.

2.2. Trades are directly booked with Plus500 via an online trading platform only (there is no facility for telephone or face-to-face trading), and Plus500 is the counterparty to clients' trades. In other words, Plus500 transacts with clients as principal on the basis of a quote. This means that you must open and close every trade with Plus500 and cannot close an open trade with a third party. Plus500 is therefore the sole execution venue for trades executed by it for you.

2.3. Plus500 decides which CFDs to make available on the Plus500 Trading Platform and to publish the quotes at which such financial instruments can be traded. CFDs are derivatives - bilateral and bespoke products - traded over-the-counter ("OTC"), thus by placing an order on the Plus500 platform, you are providing your explicit consent to your orders being executed outside a regulated exchange or multilateral trading facility (MTF).

2.4. All prices offered by Plus500 are provided by its parent company, Plus500 Ltd.

2.5. All trades are executed by Plus500 using the Plus500 Ltd trading platform and for each trade an identical hedge trade takes place between Plus500 and Plus500 Ltd.

2.6. Plus500 acts as the sole execution venue and as principal in all your trades which are bilateral transactions between it and you (as defined in Commission Directive 2006/73/EC implementing MiFID). Accordingly, there is no aggregation, allocation or re-allocation of your and/ or Plus500's own account Orders or transactions.

2.7. All trading activity is 100% automated, in respect of both you and Plus500, which ensures the prompt, fair and expeditious execution of client Orders, relative to other Orders or Plus500's own trading interest. All Orders are promptly and accurately recorded and allocated in strictly sequential order, unless the characteristics of the Order or prevailing market conditions make this impracticable or your interest requires otherwise. Plus500 will promptly inform you about any material difficulty relevant to the proper carrying out of Orders upon becoming aware of the difficulty.

2.8. All executed trades are immediately viewable on your account, as is the 'profit and loss' associated with closed trades, and as processes are fully automated all sufficient steps are taken to ensure accuracy, which is guaranteed subject to quality of the raw data.

2.9. Plus500 is authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) and, as a regulated entity, it is required to take all sufficient steps to ensure the best possible result when executing your instructions.

2.10. When executing your orders, we will take all sufficient steps to achieve the best possible outcome for you by executing those orders according to this Policy and subject to any specific instructions received from you. This Policy comprises a set of procedures that are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders, the specific instruction you have identified to us in relation to filling of those orders. The client acknowledges that our price may differ from any price which is or might have been available elsewhere.

3. Order Execution Policy

3.1. In providing best execution Plus500 is required to take into account certain execution factors. Where Plus500 executes an order on behalf of a client, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs associated with the execution, which must include all expenses incurred by the client which are directly related to the execution of the order.

3.2. In assessing the relative importance of the execution factors, the following criteria are taken into account:

- The characteristics of the clients (including the client's categorisation);
- The characteristics of the client order (including, the size and nature of the order);
- The characteristics of the financial instruments that are the subject of that order; and

- The characteristics of the execution venue to which that order can be directed.

Not all of these criteria will be relevant in each case or are relevant to the Plus500 business model, for example: Plus500 is the sole execution venue for trades executed by it for its clients.

Based on relevant regulatory requirements, the Company publishes every quarter a report that contains data of our execution quality, as follows:

a) by 30 June, information regarding the time period 1 January to 31 March;

b) by 30 September, information regarding the time period 1 April to 30 June;

c) by 31 December, information regarding the time period 1 July to 30 September;

d) by 31 March, information regarding the time period 1 October to 31 December.

3.3. The execution factors that are considered and their relative importance are set out below. We have rated price and costs as the most important execution factor, followed by: speed, likelihood of execution and settlement, size and nature and market impact. The relative importance attached to these execution factors does not differ across the asset classes traded by Plus500.

4. Price

4.1. The price for a given contract is calculated by reference to the price of the relevant underlying financial instrument. For any given financial instrument Plus500 will quote two prices: the higher price (ASK) at which the Client can buy (long) that financial instrument, and the lower price (BID) at which the Client can sell (short) it.

4.2. This price is obtained through Plus500 Ltd from a range of independent third party reference sources, various nominated independent financial market data providers, who source their price feeds from relevant exchanges (for more information please refer to Paragraph 10.2.(i) below).

4.3. Various providers are used in order to avoid over-reliance on a single provider and to ensure protection against data redundancy, and are prioritised for each individual financial instrument according to past performance in providing a consistent service, taking into account factors such as frequency of updates and reliability.

4.4. Where this is a futures price it is impacted by relevant market factors such as, but not limited to, proximity to the expiry of the current contract.

4.5. All current prices can be found on the Company's website (https://www.plus500.com.cy/en/Instruments) or trading platform.

4.6. The Company updates its prices as frequently as the limitations of technology and internet connectivity allow. The Company reviews its third party external reference sources to ensure that the data obtained continues to remain competitive. Certain ex-ante and ex-

post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to clients remain competitive. Such checks include, but not limited to, reviewing system settings/parameters, comparing prices with reputable price sources, ensuring symmetry of spread and checking the speed of price updating.

4.7. If the price reaches an order set by you such as: Close at loss, Close at Profit, Trailing stop, Market Order, these orders are instantly executed. Under certain trading conditions it may be impossible to execute orders at the Client's requested price. In this case, the Company has the right to execute the order at the first available price. This may occur, inter alia, for example during the market opening, during news time, during volatile markets where prices may move significantly up or down and away from declared price and at times of rapid price fluctuations if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted.

4.8. If a Limit Order is placed to Buy a certain instrument at a price higher than the current market price, the order will be executed at a price, which can be the same or higher than the price indicated by you. Similarly, if a Limit Order is placed to Sell a certain instrument at a price lower than the current market price, the order will be executed at a price, which can be the same or lower than the price indicated by you. If a Limit Order is placed to Buy a certain instrument at a price lower than the market price, the order will be executed at a price, which can be the same or lower than the price indicated by you. If a Limit Order is placed to Sell a certain instrument at a price higher than the market price, the order will be executed at a price, which can be the same or higher than the price indicated by you.

5. Costs

5.1. In most circumstances a fixed spread is applied by the Company on the quoted prices and no other charges or commissions are payable by clients. The spread is dynamic for certain financial instruments, and may take into account factors such as liquidity and volatility conditions in the underlying markets. ..

5.2. Further information in relation to the spreads for each instrument may be found via the 'details' link for each specific instrument on the trading platform and the FAQ section of the website. In certain circumstances (such as increased volatility or illiquidity in relation to the underlying market concerned) Plus500 reserves the right to alter the spreads offered.

5.3. In other circumstances, clients may be charged overnight funding, and adjustments made in respect of dividend payments and other corporate action. Further information on the commission calculations is set out in the User Agreement, the 'details' link for each specific instrument on the trading platform, the Key Information Document which can be found on the Company's website and the FAQs section of the website.

5.4. Any open futures trade held at the close of the market for the relevant underlying financial instrument may be rolled over to the next trading period. Where an automatic rollover

occurs, the original position remains open and continues trading on the next contract. In these cases, an adjustment is made to the client's equity in order to reflect the difference between prices of the expired and new contract. Plus500 may also make a spread adjustment at the time of rollover, in which case the client will be notified both before and after the rollover. Further details are available via the 'details' link for each specific instrument on the trading platform and the FAQs section of the website.

5.5. Plus500 will also charge a premium for Guaranteed Stop Orders, via a wider spread. This feature forces trades to close at the client's chosen rate (price) even if the market price surpasses it (gaps). Once the stated level is reached, the trade automatically closes. This feature is not available for all instruments, and full information is provided to clients both in the FAQs on the website and in the instrument details on the trading platform prior to the placing of the trade.

5.6. Plus500 strives to charge clients competitive costs and fees for the provision of its services.

6. Speed and Likelihood of Execution and Settlement

6.1. In almost all circumstances, under normal market conditions and as long as the client has sufficient margin available on their account for the trade and so long as the trade size requested is equal to or under the maximum size permissible, the trade will be executed at the level requested.

6.2. In certain circumstances, for example: speed of internet communications and market volatility; where the quoted price is no longer representative of the 'underlying market' price, but within a predetermined permitted tolerance level, then the client's trade will be executed at the best price available at that time, irrespective of whether the market movement is in a beneficial or detrimental direction, in accordance with Plus500's Order Execution Policy. However, when volatility is such that the price has moved more than the predetermined permitted tolerance levels, then the client's trade request will be rejected.

6.3. Slippage can occur at any time, but is most likely to occur during periods of high volatility, overnight and at market open.

(i) It occurs when the market moves suddenly in any direction, and in the time taken for a client's acceptance of a price to be received, that price is no longer available and the client's trade is executed at the best price available at that time.

(ii) This applies in the event of either advantageous or disadvantageous price movements.

(iii) Slippage is the difference between the expected price of a trade, and the price at which the trade was actually executed.

(iv) The price is then said to have 'slipped' from one level to another, as the market has 'gapped' from one level to another.

(v) In most cases an Order, when triggered by market price action, will be filled at the same, or very close to the same price as requested.

(vi) If the market 'gaps' overnight, it will open at the start of the trading day at a price different to the closing price of the previous trading session.

(vii) Any Order whose activation price is between Plus500's closing quote of the previous day's trading and their opening quote of the next day's trading session, will be filled at the first price Plus500 can reasonably obtain with reference to the 'underlying market'.

(viii) If any market gaps from one quoted price to another due to any market sensitive piece of information (such as a profit warning or an economic data release), then any Order in place between these prices will be activated.

6.4. The execution price of any Order affected by price sensitive information will be subject to general exchange rules.

6.5. The likelihood of execution of Clients orders depends on the availability of prices of other market makers/financial institutions. In some cases it may not be possible to arrange an Order for execution during abnormal market conditions, for example but not limited to the following cases: overnight, during news times, trading session start moments, during 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, a force majeure event, as defined in section 16.1 of the User Agreement, has occurred.

6.6. In the event that the Company is unable to proceed with an Order with regard to price or size or other reason, the Order will not be executed. In addition, the Company 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 the User Agreement.

6.7. A trade which has a Guaranteed Stop Order set against it will be closed at the exact specified level if it is reached.

6.8. Plus500 does not accept any Orders outside the market hours of the relevant underlying financial instrument, and futures are traded in accordance with the trading hours of the exchange on which the underlying financial instrument is traded.

6.9. The execution of your Limit Order will take into account the conditions offered at the time the Order would be expected to execute, as opposed to the time the Order is placed. This includes but is not limited to the leverage ratio or the maximum number of units, which may be different from the time the Order was placed.

6.10. The Financial Instruments offered by the Company are CFDs which do not involve the delivery of the underlying asset. CFD trading can only be settled in cash. The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.

6.11. At times of low or zero liquidity, or a halt or suspension of trading on the markets or Exchange on which the underlying product is traded, we reserve the right not to execute your order.

6.12. In order to improve speed and likelihood of execution, the Company carries out certain ex-ante and ex-post quality checks relating to, for example, symmetric slippage, number of trades subject to slippage and comparison of our average speed of execution with industry standards.

7. Trade size and nature

7.1. The actual minimum size of an order may be different for each type of Client Account.

7.2. Plus500 neither executes any trades above normal market size, nor offers greater liquidity than the 'underlying market'.

7.3. Plus500 will not make a 'partial fill' of any trade.

7.4. Every market quoted by Plus500 has an absolute minimum and maximum permitted trade size. The minimum size of trade can be found by selecting the 'financial instrument details' tab on the trading platform; and the maximum size of trade is dependent not only on normal market size and market conditions, but also internal risk management factors and is, at all times, at the discretion of Plus500.

8. Trades and Orders

8.1. There are three types of instructions that you may give to execute or initiate a trade with Plus500.

8.1.1. Market Order (trade request) - This is where you give an instruction to immediately buy or sell at a currently quoted price.

8.1.2. Limit Order - This is where you give an instruction to execute an opening trade at a price that is not currently available in the market but may be available at a future date/ time.

8.1.3. Trailing Stop Order/ Guaranteed Stop Order/ Close at Loss Order and Close at Profit Order - These are where you give an instruction to execute a closing trade at a price that is not currently available in the market but may be available at a future date/ time.

9. Specific Instructions

9.1. When a client provides Plus500 with specific instructions as to how to execute an Order, Plus500 shall take all sufficient steps to obtain the best possible result when executing that Order, by following the client's instructions.

9.2. However, specific instructions provided by clients as to how to execute an Order may prevent Plus500 from taking the steps described in its Order Execution Policy to obtain the best result for the client.

9.3. Where a client gives instructions via the use of a Guaranteed Stop Order, specifying the price at which a position is to be closed if the market moves against them, those instructions take precedence over other aspects of Plus500's Order Execution Policy.

9.4. To the extent that specific instructions do not cover every aspect of the Order, as is the case with Market Orders, Plus500 will apply the Order Execution Policy to those parts or aspects of the Order not covered by the client's instructions.

10. Monitoring and Review

10.1. Plus500 will regularly monitor the effectiveness of its Order Execution Policy in order to identify and, where appropriate, correct any deficiencies and to ensure that it complies with all regulatory requirements and obligations.

10.2. The monitoring is conducted at various frequencies and covers trading on the trading platform of all asset classes, and focuses on three key execution factors: price, costs and speed.

(i) Price:

a) Ensuring due regard to its bid/ offer prices being reflective of the market price and movement for the underlying reference product to which the CFD relates.

b) To aid clients to seek reassurance primarily for futures contracts, there is a link on the trading screen to prices on the relevant exchange on which the underlying financial instrument is traded. This facilitates the easy comparison of Plus500's prices and the exchange's prices, although as these prices are provided via newswires there is often a slight time delay. Where the underlying instrument is not traded on a specific exchange, there is a link to Yahoo Finance/ Google Finance for illustrative purposes only.

c) The price for a given contract is calculated by reference to the price of the relevant underlying financial instrument. This price is obtained through Plus500 Ltd from a range of independent third party reference sources, various nominated independent financial market data providers, who source their price feeds from relevant exchanges. Each provider's price feed is subjected to numerous defined checks and verifications, which are carried out by Plus500 Ltd at individual

financial instrument level, before being presented to Plus500, and onto their clients.

d) In the event that the price is outside acceptable defined parameters when compared to the previous price received from the same provider, an alert is triggered for the gap to be investigated by Plus500 Ltd prior to a price being presented to Plus500 and onto their clients. Where the price is verified, as the gap is as a result of, for example, market volatility, the price is presented to Plus500 and is available for clients to trade.

e) Price feeds that do not comply to spread limitations are not provided by Plus500 Ltd to Plus500 and therefore are not presented to clients, until they are within a prescribed variance of the prevailing market spread. Instruments with continual low trading volumes and poor market value that result in a wide bid-ask spread will not generally be available to trade.

f) As the price is obtained through Plus500 Ltd from a range of independent third party reference sources, various nominated independent financial market data providers, who source their price feeds from relevant exchanges, there are various contingency arrangements that preserve the existence of a price feed from Plus500 Ltd to Plus500, and onto clients.

(ii) Costs and Spreads:

a) As there is only one execution venue, cost is deemed the most important aspect to the client, assuming price movements track the underlying market fairly.

b) Spreads and costs are monitored via numerous internal protocols, processes and examination of records.

(iii) Speed:

In the event of price slippage between the time that a client requests a trade and its execution, Plus500 operates symmetric price slippage, and closely monitors this aspect to ensure absolute adherence to this philosophy.

10.3. These checks and verifications are separately monitored by Plus500, as ownership of best execution monitoring resides with Plus500.

10.4. Additional monitoring reviews and investigation of any anomalies is undertaken by a senior independent person at Plus500, from the person(s) carrying out the more frequent reviews.

10.5. The best execution obligation requires Plus500 to take all sufficient steps to deliver the best possible result for clients. There may be instances where it will be apparent that best execution was not provided. There may be legitimate reasons for this, or it may be that Plus500 could have improved the service provided to the client. Plus500 will learn from all incidents, take remedial action to rectify any client detriment and correct any deficiencies identified as a result of its best execution monitoring to ensure that best execution is maintained on an on-going basis.

11. Review of the Order Execution Policy

11.1. Plus500CY reviews this Policy and its order execution arrangements at least annually. A review will be carried out whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for its client orders on a consistent basis using the methods described in this Policy.

12. Contact Details

12.1. Full details of the trading conditions, including trading hours, for particular products are available through the details link for each instrument on the Plus500 Trading Platform.

12.2. 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.

Plus500CY Limited is authorised and regulated by the
Cyprus Securities and Exchange Commission, CIF Licence No 250/14.

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