

## ORDER EXECUTION POLICY

### General provisions

1. RallyTrade will take all reasonable steps and measures in order to obtain the best quality of service for its Clients.
2. The herein Order Execution Policy is an annex and an integral part of the Terms and Conditions (T&C) and should be read and understood in conjunction with the Terms and Conditions and its annexes, therefore, by accepting T&C with RallyTrade the Client also agrees with the present Policy.
3. The present Policy applies when executing transactions with the Client for the Financial Instruments provided by RallyTrade, and contains important information about (without being limited to) detailed principles of executing Clients' requests and instructions, orders for opening/closing positions, pending orders, Take Profit orders, Stop Loss orders, Stop Out etc.
4. The present Policy applies only to Retail Clients.

### Execution principles for Over the Counter (OTC) Financial Instruments

#### 1. General Provisions

- 1.1. Client agrees that OTC Instruments are executed over the counter, meaning outside of the regulated markets or multilateral trading facilities.
- 1.2. The present Policy applies to CFDs OTC instruments.
- 1.3. RallyTrade offers to the Clients a live stream of quotations through its Trading Platform.
- 1.4. RallyTrade provides its Services in order to execute the Clients Orders and Transactions on their Trading Accounts. RallyTrade acts in accordance with the relevant provisions concerning the prevention of the conflict of interests, and makes all efforts, takes all measures and implements internal procedures and policies in order to avoid the conflict of interest with the Client.
- 1.5. RallyTrade might rely on its own counterparties in order to execute certain Clients' Orders.
- 1.6. In order to follow the best interest of the Client and achieve the best possible result for the Client, RallyTrade acts on the basis of the following criteria:
  - a. price (in accordance with T&C);
  - b. type (for example, stop or limit orders);
  - c. size (volume);
  - d. execution costs.
- 1.7. Other factors or criteria, to the extent that they are relevant for achieving the best result for the Client.
- 1.8. In case there is any situation or reason why a Clients' order could be prevented from being executed, RallyTrade may notify the Client in a reasonable period of time.

#### 2. Quotation of prices

- 2.1. RallyTrade systematically quotes on its Trading Platform, during the trading days and hours specified in the Specifications Tables, prices of Financial Instruments on the basis of the prices of the corresponding Underlying Instruments.

2.2. The prices are quoted in the Trading Account on the basis of the current prices made available by the underlying exchanges or leading information agencies or financial institutions or other data sources.

### 3. Execution of orders/instructions on CFDs

3.1. The Stop and Limit Orders may be placed only if the correspondent Financial Instrument is available for being traded.

3.2. The Stop and Limit Orders that are executed at the opening of the market will always be executed at the market opening price.

3.3. The rules of execution for **Basic Account** CFDs are:

3.3.1. On Basic Accounts, Stop and Limit orders can be placed only if the difference between the price of the order and the current price of the Financial Instrument is higher than the minimum limit stipulated in the Limits Table, part of the Specifications Table.

3.3.2. The Limits for Stop and Limit Orders limits can be increased during periods of high volatility or low liquidity, or in case of economic data publication according to the Economic Calendar.

3.3.3. The Limits for Stop and Limit Orders may be increased at market opening, and will be restored to the fix value once the liquidity/volatility allows it. The period with increased limits at market opening might last for 10-20 minutes, however, in case of high volatility or limited liquidity, this period might take longer.

3.3.4. On Basic Accounts, an order to execute a transaction may be placed by the following means:

- a. by placing an instant Order at a current CFD price published in the Trading Account;
- b. by placing a limit Order (buy limit; sell Limit; take profit "TP");
- c. by placing a stop Order (buy stop; sell stop; stop loss "SL").

3.3.5. On Basic Accounts, Limit Orders are executed at the price indicated by the Client or better.

3.3.6. On Basic Accounts, Stop Loss Orders on the open market are guaranteed to be executed at the price indicated by the Client. This condition does not apply to Buy Stop and Sell Stop Orders.

3.4. The rules of execution for **Standard Account** CFDs are:

3.4.1. On Standard Accounts, an order to execute a transaction may be placed by the following means:

- a. by placing an instant Order at a current CFD price published in the Trading Account;
- b. by placing a limit Order (buy limit; sell Limit; take profit "TP");
- c. by placing a stop Order (buy stop; sell stop; stop loss "SL").

3.4.2. On Standard Accounts, Limit Orders are executed at the price indicated by the Client or better.

3.4.3. On Standard Accounts, Stop Orders are executed at market prices at the moment of a given stop level activation.

3.5. The rules of execution for **Professional Account** CFDs are:

3.5.1. On Professional Accounts, an order to execute a transaction may be placed by the following means:

- a. by placing a market Order at a current CFD price published in the Trading Account;
- b. by placing a limit Order (buy limit; sell Limit; take profit “TP”);
- c. by placing a stop Order (buy stop; sell stop; stop loss “SL”).

3.5.2. The orders on Professional Account’s CFDs (market execution) are executed at Volume Weighted Average Price (VWAP). The prices shown in the Trading Account for market orders are only indicative and are not binding for the setting execution price.

3.5.3. On Professional Accounts, Limit Orders are executed at the price indicated by the Client or better.

3.5.4. On Professional Accounts, Stop Orders are executed at market prices at the moment of a given stop level activation.

#### **4. Execution of orders/instructions on Equity CFDs**

4.1. Equity CFD instruments have specific particularities and characteristics, this being different from the above mentioned CFDs. Therefore, the rules of execution of orders on Equity CFDs may differ from the rules of the Normal CFDs as described above. As consequence, prior to entering a transaction with Equity CFD Financial Instrument, a Client must know and understand the differences and the way they might influence the price of the transaction.

4.2. On Equity CFDs, an order to execute a transaction may be placed by the following means:

- a. by placing a market Order at a current price of an Equity CFD;
- b. by placing a limit Order (buy limit; sell Limit; take profit “TP”);
- c. by placing a stop Order (buy stop; sell stop; stop loss “SL”).

4.3. For Equity CFDs, the orders with the price limit or stop Orders described in points 4.2. “b” and “c” are executed as market orders in the moment of a given price limit activation or stop level. RallyTrade does not guarantee the execution of such Orders exactly at the price indicated by the Client.

4.4. On Equity CFDs, Limit Orders are executed at the price indicated by the Client or better.

4.5. On Equity CFDs, in the money Limit Orders are not allowed. For Buy Orders, the highest possible limit is the current Ask price. For Sell Orders, the lowest possible limit is the current Bid price.

4.6. On Equity CFDs, Stop Orders are executed on conditions imposed by the Underlying Exchanges.

4.7. On Equity CFDs, Unexecuted Stop Orders and Limit Orders placed without the specified time limit, shall be considered as orders valid until the end of a given session.

4.8. In some cases of limit or stop Orders on Equity CFDs the required Margin may be blocked at the moment of placing an Order or Instruction.

4.9. On Equity CFDs, the Market orders are not subject to re-quote. Therefore, when the Client gives the instruction “sell at market” or “buy at market”, it means that the Client wishes to sell or buy Equity CFD at the price reflecting current market price of the Underlying Instrument.

4.10. If the Underlying Instrument of the Financial Instrument that the Client wishes to execute by market order is suspended from trading (frozen) for any reason, then, if the market order for Underlying Instrument is not executed within 30 seconds, Client’s market order for Equity CFDs will be rejected.

#### **5. Time of Order execution**

RallyTrade will execute the Orders in the order and sequence they are received, except the situations when something different results from the conditions of an Order specified by the Client, character of an Order or if such sequence of Order’s execution is not in the Client’s best interest.

#### **6. Rules for CFDs**

6.1. RallyTrade executes the Orders and Instructions of the Clients promptly, unless something else is specified by the Client. The time of confirmation of order execution is, in standard and normal market conditions, 90 seconds. However, this condition does not apply in exceptional market situations, in cases of high volatility or low liquidity, or in cases of Force Majeure.

6.2. Opened positions on CFDs expire after 365 days unless they are closed before this term. This means, that such positions will be closed after 365 days from the date of opening, without prior consent from the Client.

#### **7. Modifications of Spreads**

RallyTrade applies the principle of quoting Financial Instruments using fix and floating spreads. The rules for quoting prices are laid down in Terms and Conditions.

#### **8. The size of an Order**

There is a maximum size of an order which is allowed for execution, and this value is indicated for each Financial Instrument in the Specification Tables. If the Order of the Client exceeds such value, it may be cancelled or rejected.

#### **9. The Place of Execution**

RallyTrade will serve as a counterparty for the transactions with Financial Instruments. Therefore, RallyTrade will be considered to be the place of execution, unless it is stipulated differently in the Terms and Conditions.

#### **10. Excessively Erroneous Price**

The Client understands and accepts the fact that prices provided by RallyTrade via the Trading Account may be considered as Excessively Erroneous. The conditions to recognize the price as Excessively Erroneous are described below and in the Terms and Conditions. Prior to concluding any Transaction on the Trading Account, the Client should carefully acquaint himself with these principles and conditions mentioned below.

10.1. For the CFD which have as Underlying Instruments the exchange rates and precious metals, RallyTrade may recognize the quotation as Excessively Erroneous if the quotation indicated by two independent sources differs from the quotations provided by RallyTrade by at least ten times from the actual Spread. The independent source of the RallyTrade prices shall be understood as a recognized broker, a recognized leading information agency or any other sources deemed reliable by RallyTrade.

10.2. For the Professional Account CFDs and Equity CFDs, RallyTrade may recognize quotation as Excessively Erroneous if the price of Transaction conclusion in the Trading Account deviates from the market price provided by two independent sources by more than 0,2% of the Underlying Instrument's value. Independent source shall be considered as reputable broker or information agency.

10.3. For the CFDs based on the futures contracts or CFD contracts, RallyTrade may recognize the quotation as Excessively Erroneous if the quotation of the correspondent futures contract or CFD contract indicated by means of the information agency or counterparty differs from the quotation provided by RallyTrade by at least ten times from the actual Spread.

10.4. For the CFDs based on the futures contracts, RallyTrade may consider the quotation as Excessively Erroneous in the following situations:

- a. If the futures contract (being the basis of the assessment of a CFD based on it) was suspended on the stock exchange, and the Client already concluded the Transaction on his/her Trading Account after the futures contract has been suspended.
- b. If the futures contract (being the basis of the assessment of the CFD based on it) reached the daily limit of the price fluctuations on the stock exchange, and the Client already concluded the Transaction on his/her Trading Account after the futures contract reached the limit.
- c. If the stock exchange where the futures contract (being the basis to make the assessment of the CFD based on it) is traded cancels the transactions concluded within the period in which the Clients' Transactions were made on the Financial Instrument, or if it cancels the transactions on the futures contract at the prices which were the basis to assess the CFD upon concluding the Transaction by the Client.
- d. If the price of the futures contract (being the basis of the assessment of the CFD based on it) is, in the opinion of the recognized information agency, the implied price from the spread transaction or the indicative price and this price differs from the previous transaction price by the amount exceeding ten times actual Spread for the CFD based on the futures contract.

10.5. For CFDs based on the stock exchange indices, RallyTrade may recognize the quotation as Excessively Erroneous in the following cases:

- a. If the average value of the price (average of the bid and ask price) of the CFD upon concluding the Transaction by the Client differs from the value of the index being the basis thereof by a value of more than ten times from the actual Spread for this Financial Instrument. The value of the index must be provided by the recognized information agency.
- b. If not all stocks included in the composition of the index were the subject of the trade in this moment (were suspended or, for other reasons, the trade was impossible), which resulted in reforming the real value of the index.

10.6. For the CFDs based on the prices of the industrial metals (base metals) RallyTrade quotes the prices of the cash market implied from 3-month futures contracts.

10.7. RallyTrade can consider the quotation of the CFD as Excessively Erroneous:

- a. If the futures contract being the basis of the assessment of the CFD based on it was suspended on the stock exchange and the Client already concluded the Transaction on his/her Trading Account after the futures contract has been suspended.
- b. If the stock exchange on which the futures contract (being the basis of the assessment of the CFD based on it) is traded cancels the transactions concluded within this period, in which the Transactions of the Client were made on the Financial Instrument, or if it cancels the

transactions on the futures contracts at the prices which were the basis to assess the CFD upon concluding the Transaction by the Client.

c. If the price of the futures contract being the basis of the assessment of the CFD based on it is, in the opinion of the recognized information agency, the implied price from the spread transaction or the indicative price, and its price differs from the previous transaction price by the amount exceeding ten times actual Spread for the CFD based on the futures contract.

d. In case when the quotations of the futures contract indicated by means of the recognized information agency used for the implication of the cash price of the Financial Instrument differ by at least ten times the actual Spread from the price of the futures contract used by RallyTrade to implicate the cash price of the CFD.

## 11. Technology

RallyTrade shall use its best efforts in order to provide the highest quality of technology and will use adequate means aimed at ensuring the best execution of Client's Order.