

## 1. INTRODUCTION

The purpose of this document is to provide you with information on Fortrade Canada Limited's (**Fortrade, we, or us**) policy on order execution and its approach to achieving the best possible result for you on a consistent basis when entering into trades with you. Our Order Execution Policy (OEP) is in line with IIROC's Dealer Member Rule 3300 on Best Execution.

When you trade with us you are entering into a contract for differences (**CFD**), which is a bilateral (or "principal to principal") contract between you and Fortrade and we are therefore your counterparty for each such transaction. We are therefore also the "execution venue" on which you trade and we determine the price of each CFD that we enter into with you. When you enter into a CFD with us, you have an open contract or position with us which can therefore only be closed with us. Each CFD that you enter into with Fortrade may have a different underlying investment or asset on which the price of the CFD is based on (for example a currency pair, a share, a metal or an index) (**Underlying**). You will have no ownership or rights in that Underlying (please see our risk warnings for more information on the nature of CFDs).

## 2. RULE 3300 – BEST EXECUTION OF CLIENT ORDERS

"**Best execution**" means obtaining the most advantageous execution terms reasonably available under the circumstances for the client. This involves the following factors for consideration:

- (i) price;
- (ii) the speed of execution;
- (iii) the certainty of execution;
- (iv) the overall cost of the transaction, when costs are passed on to clients;

Other factors that a firm needs to identify in order to achieve best execution, include "prevailing market conditions":

- (i) the direction of the market for the security;
- (ii) the depth of the posted market;
- (iii) the last sale price and the prices and volumes of previous trades;
- (iv) the size of the spread; and
- (v) the liquidity of the security.

## 3. ORDER HANDLING PROCEDURES:

Fortrade does not carry out the practice of sending bulk client orders. Rather, each client's order is processed using a straight through processing method with our liquidity provider. We act as a principal for client orders and therefore we do not charge any commission for clients' orders.

## 4. PRICING

When you enter into or close a CFD with us you are accepting the relevant bid/offer price that we display on our trading platform (**Price**). The main way in which we ensure that we obtain the best possible result for you is by ensuring that in the calculation of our Prices, we carefully source reference or market prices for any relevant Underlying (**Reference Price**) on which we base the Price we offer to you for your CFD. We use a number of different data sources in order to ascertain a suitable Reference Price. We usually use a Reference Price supplied to us by a third party bank or investment firm that provides reference prices to us (**Liquidity Provider**). We may simply use a Reference Price supplied by a Liquidity Provider to enter into a CFD with you. We will always hedge our risk of entering into a CFD with you by entering into a back to back bilateral CFD contract between us and our Liquidity Provider. Either way, the

Reference Prices provided by our Liquidity Providers are constantly and objectively monitored by us and checked against independent data sources (for example from data provided by third party vendors) to ensure that we give you consistency of Price and (where relevant) execution. We will provide details on request of the sources that we use for our Reference Prices.

Where there is an exchange or organized market (**Market**) on which a relevant Underlying trades (for example where the Underlying is a share or commodity), it may be difficult to establish a Reference Price if Fortrade offers Prices to you outside the trading hours of any such relevant Market, or if the Market is otherwise suspended or not functioning. In such circumstances, Fortrade will offer you a Price which it deems to be fair and reasonable in the circumstances (for example based upon a Reference Price provided by a Liquidity Provider or based upon factors such as movements on another Market indirectly associated to the relevant Underlying (such as futures exchange)).

When we execute your orders by entering into a CFD with you, there is no aggregation, allocation or re-allocation of your orders or transactions and our own account orders or those of any other client.

All pricing and execution is automated on the Fortrade trading platform, which ensures the prompt, fair and expeditious execution of your orders. However, in some circumstances (such as the Disruption referred to above), we may accept orders by other means (such as by email or telephone in which case we will notify you (for example on our website, by email or telephone). Similarly, in the event of Disruption, our Prices may be determined by us manually.

All executed CFDs are immediately viewable on your account, as is the nominal 'profit and loss' associated with an open CFD or the actual 'profit and loss' for closed CFDs. Our processes are fully automated and all reasonable steps are taken to ensure the accuracy of these figures but they may vary as a result of the quality of the raw data which is input (for example, if incorrect Reference Prices are provided by Liquidity Providers).

Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions and you should be aware that doing so may prevent us from following our Order Execution Policy. However, where your specific instruction relate to only part of an order, we will continue to follow our Order Execution Policy for those aspects of the order not covered by your specific instruction.

## 5. SLIPPAGE

In certain circumstances, where our quoted Price may no longer be representative of the underlying Market price, for example, in the event of a technical breakdown of our trading platform, internet communications problems, unusual market volatility or simply in times of unusually high demand for Prices or executions (**Disruption**), but within a predetermined permitted tolerance level set by us, then your order will be executed at what we determine to be the best price available at that time, irrespective of whether the market movement is in your favor or our favor. However, where Disruption is such that the Price has moved more than the predetermined permitted tolerance levels set by us, then your trade request might be rejected by us, and/or the Price of the executed CFD transaction may be adjusted by us and/or the executed CFD transaction may be cancelled.

## 6. EXECUTION COSTS

As mentioned above, our Prices are based on Reference Prices obtained from Liquidity Providers and other independent sources. We will usually add a mark-up or mark-down to the relevant Reference Price when we set our Prices and enter into a CFD transaction with you (known as our “**spread**”). Occasionally, rather than using a spread, we may charge you commission at a rate which we would agree with you in advance. Full details of our spread or commission rates and any changes from time to time will always be available to you on our dealing system or website, or will otherwise be provided to you on request.

## 7. MONITORING AND REVIEW

We shall monitor the Reference Prices we use and ensure that our calculation methods for Prices are applied consistently. Reviews will occur on an annual basis, or when a material change to the trading environment or market structure that could have a potential effect on the firm’s best execution policy takes place (whichever is most frequent). The review will be undertaken by the Producing Supervisor of the firm. The information sources that will be employed are that as available by our Transaction Reporting service provider. On this platform, there are tools to benchmark of pricing and compare our submissions to the industry average.

Specific events that would trigger an additional review during the year would include such event as unprecedented high impact market movement in any instrument. At such an instance, Fortrade will evaluate its policies and procedures’ effectiveness for complying with best execution principles in accordance with Rule 3300 by reviewing the number of failures highlighted on our transaction reporting service provider that is also providing us with best execution reviewing facilities. These will be reviewed by the Producing Supervisor and submitted for approval to the Chief Compliance Officer. Such reviews will remain on file for a minimum of 7 years in an accessible format.

## 8. DISCLOSURE

This Order Execution Policy Disclosure is provided for information only. It is not intended to form part of our Terms and Conditions of Business or otherwise be contractually binding or create any fiduciary duties beyond those that we have under our Terms and Conditions of Business or applicable law.