

Order Execution Policy

Effective date: 3 April 2020

LMAX Global Order Execution Policy

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This document forms part of the client agreement with LMAX New Zealand Limited.

LMAX New Zealand Limited will take reasonable steps to obtain the best possible result when executing orders on your behalf, taking into account a range of factors. This is referred to as providing you with best execution.

Our Order Execution Policy (this "Policy") describes (a) our execution approach for carrying out orders from origination to execution (b) the venue we use (c) an explanation of how the different factors influence the firm's execution approach and (d) why that approach is considered to deliver the best possible result.

This Policy, together with the documents set out below, as amended from time to time, form our agreement with you:

- Terms of Business
- Trading Manual
- Risk Warning Notice
- Privacy Policy and Cookie Policy

The current version of this Policy (and also the current versions of the documents referred to above) can be found on our Website.

We are wholly owned by LMAX Exchange Group which also consists of two Financial Conduct Authority regulated entities, LMAX Broker Limited (LMAX Global) and LMAX Limited ("LMAX"), which operates LMAX Exchange.

Upon opening an account for you, we provide you with direct access to the prices on LMAX Exchange via LMAX Global. The prices on which you trade with us will be the prices we obtain on LMAX Exchange via LMAX Global. These prices may differ from the prices that are displayed on LMAX Exchange at the time that you place your order to trade with us. You trade with us as principal and not as agent on your behalf on the prices we obtain on LMAX Exchange via LMAX Global.

If you provide us with specific instructions on how to execute your orders, as is the case with limit orders, we will have taken all reasonable steps to obtain the best possible result when executing your order by following your instructions. To the extent that your instructions are incomplete, as is the case with market orders, we will follow this Policy for those parts or aspects of the order not covered by your instructions.

For orders that are not wholly covered by your specific instructions, we shall take account of the following execution factors to deliver the best possible result when executing orders on your behalf.

The execution factors which we take account of when we execute orders on your behalf are the following:

LMAX Global is a trading name of LMAX New Zealand Limited, a company incorporated in New Zealand (number 5626391) who is a registered Financial Service Provider (register number FSP612509). Our registered address is Quigg Partners, Level 7, 36 Brandon Street, Wellington, 6011, New Zealand. Our operating address is LMAX c/o Generator, Level 10-12, 11 Britomart Place, Britomart, Auckland 1143, New Zealand. LMAX Global is part of the LMAX Group, whose registered address is Yellow Building, 1A Nicholas Road, London W11 4AN.

➤ **Price – relative importance we attach is High**

The prices we display are taken from LMAX Exchange, which is a secondary market.

LMAX Exchange prices and its trading hours, and consequently our prices and trading hours which mirror those of LMAX Exchange¹, may differ from those on other exchanges.

An order placed with us for a specific size can result in a number of trades being executed to fill that order in whole or in part. Where multiple Back to Back Trades are executed to fill the Back to Back Order, we will open multiple trades with you to fill your Order and the Opening Price for each such trade may be different.

- In the case of a limit order and contingent profit target orders the price you receive at execution will be the price in your instruction or better.
- In the case of market order and contingent stop loss orders, the price you receive at execution will be the best price available at the time the Back to Back Order would have been executed in whole or part on LMAX Exchange. This could be better or worse than the price on LMAX Exchange at the time your order is placed with us.

➤ **Cost – relative importance we attach is High**

We will levy a separate commission charge for each trade that is opened or closed on your account. You do not incur an additional ‘spread’ charge with us.

Financing charges or adjustments may apply to your trades. If applicable, these charges or adjustments will result in a debit or credit being made to your account at the time the charge or adjustment becomes effective. This will usually occur whilst the affected trade(s) is open on your account but may occur after that trade(s) has been closed.

Details of all our charges can be found in the Trading Manual.

➤ **Speed, consistency and likelihood of execution – relative importance we attach is High**

You may place orders with us using our trading platform or over the telephone during our helpdesk hours. We are under no obligation to accept an order from you. However, we shall normally do so if you have sufficient funds in your account with us and are not otherwise in breach of your agreement with us.

The times at which you are able to submit orders to us are restricted. Please see the Trading Manual for further details. It is important that you familiarise yourself with the restrictions on the submission of orders before you commence trading with us, for these restrictions may affect your trading strategy.

In order to provide protection against the potential adverse consequences of erroneous orders on LMAX Exchange, LMAX Exchange will reject any orders that lie outside of a defined range. The ranges are through

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necessity constantly changing due to the volatile nature of financial markets. Details of the restrictions that LMAX Exchange imposes on orders from time to time are set out in the Instrument Information on the Trading Platform as soon as these restrictions are communicated to us.

In the event that the bid and ask prices of an instrument quoted on LMAX Exchange widen beyond the 'trusted' range prescribed by LMAX Exchange, LMAX Exchange will not accept any new Orders until the affected bid and ask prices fall back to within the 'trusted range'. This measure is deployed by LMAX Exchange with the aim of maintaining an orderly trading market.

Additionally whilst an Instrument is deemed to be 'untrusted':

- unmatched limit orders and contingent take profit orders already on the order book will remain on the order book and it will not be possible to change them (although it will still be possible to cancel them)
- Stop loss Orders will not trigger until normal pricing resumes

We may be unable to execute all or part of your order if there is insufficient liquidity on LMAX Exchange in the Instrument you wish to trade. If this occurs, the following will apply:

- In the case of limit and contingent orders, the remaining quantity will stay on the order book until (a) the end of the day for "GFD" limit orders and (b) until cancelled for "GTC" limit orders (c) until cancelled for contingent profit target and stop loss orders. It is important to note that if the price moves back below your Take Profit level or above your stop loss level then the remaining quantity will not execute until the price moves back to your required level.
- In the case of market orders, the part of the order that did not execute will be cancelled.

➤ **Quantity available to trade – relative importance we attach is High**

We have restrictions in place in terms of the minimum and maximum size of position you may hold in an Instrument at any one time. Any opening order you place with us will be subject to these restrictions. Our minimum and maximum position sizes are set by us for each Instrument and may vary depending on current market conditions. Our minimum and maximum position sizes as they vary from time to time can be found in the Instrument Information on the Trading Platform.

We shall wherever possible seek to comply with this Policy when we are required to exercise our judgement in obtaining the best outcome for the execution of your orders.

We will review this Policy at regular intervals. If at any time we identify any deficiencies we shall take appropriate remedial action and where necessary shall amend this Policy to give effect to the action we have carried out. Amendments to this Policy shall be effective immediately. We shall wherever possible endeavour to give you advance notice of any changes we make to this Policy, but this may not always be possible. You can always find the latest published version of this Policy on our website.

By commencing trading with us, you will be taken as having agreed to the contents of this Policy.

Website: <https://nz.lmax.com>

Email address: info@LMAX.NZ

Telephone: +64 4889 4510