

## Best Execution Policy

### Introduction

BlueMax Capital Ltd, (referred to herein as “we”, “us” or “our”) is committed to treating its customers fairly and when executing orders on your behalf in relation to financial instruments, will take reasonable steps to achieve what is called “best execution” of your orders. This means that we will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders and the market in question and which provides, in our view, the best balance across a range of sometimes conflicting factors.

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

This policy explains how your orders and trades are managed and executed and the factors that can affect that execution.

By trading with us you consent to your orders being executed as described herein.

### Part One: Summary of Important Points

1. Unless stated to the contrary we provide products and services to you that are off-exchange transactions (‘OTC contracts’) and deal with you as principal.
2. In relation to standard accounts, your orders are executed on our trading platform(s) exclusively, and not on any exchange or other external execution venue. In relation to our ECN offering your orders are executed via our trading platform(s) with external bank liquidity.
3. Placing an order on our platform(s) does not guarantee that a trade will be entered into.
4. In times of volatile markets, the price that a trade is executed at may be different to the one shown on our platform(s) at the time you place your order.
5. In times of illiquidity, including but not limited to, market open, market close, economic data, natural disasters and other force majeure events our spreads may widen due to the underlying market conditions.
6. In certain circumstances, any specific instructions from you may prevent us from taking the steps that we have designed and implemented in our execution policy to obtain the best possible result for the execution of those orders, in respect of the elements covered by those instructions.

### Part Two: Execution Factors

Our policy is based on offering the best possible outcome for you based upon the following main criteria:

- Price
- Speed of execution
- Cost of execution
- Likelihood of execution and size of order

Price (this is assigned the highest degree of importance)

Prices shown on our trading platform are based on the prevailing market prices that we receive from our multi-contributor price feed sources. These prices are filtered to eliminate rogue and stale prices and are generated electronically by our platform. We undertake to provide competitive spreads on these prices on a continuous basis but cannot guarantee that the prices we quote will always be more aggressive than those quoted by other firms, since they may choose to quote inside the market or on a loss-leading basis, in special circumstances.

Importantly, the price at which you place your order may differ to the price your trade is executed at if there is a price fluctuation between the time you place your order and the time we receive and process it. These price movements are not a result of intervention on our part but a consequence of a number of possible factors such as market open/close times, trading breaks, internet connection or general volatility in the underlying market. The outcome of these movements can be either positive or negative, depending on your type of order.

You may see fluctuations during extreme and volatile market conditions when underlying spreads are widened and liquidity is reduced. Finally, there may be rare occasions where we are unable to show prices on our platform due to circumstances beyond our control. Please refer to the Client Agreement for more information.

Speed of Execution (this is assigned very high importance). ECN results in the fastest possible execution. However, there are some circumstances when this is not possible, for instance if

- The price quoted is outside certain preset parameters and is therefore deemed materially incorrect
- The underlying market is illiquid relative to the size of your order
- Important data is being released

Cost of Execution (this is assigned high importance)

We commit to being entirely transparent in relation to all costs associated with your trading:

#### Commission

Apart from in relation to our ECN services, where we pass on our brokerage costs, we do not charge commission. Any commission charges applied to your account will be advised to you in advance of your trading. Such commissions may be repaid to any Introducing Broker responsible for introducing your account. Full details of this can be provided on request.

In addition, in some circumstances where you have been introduced to us, you may receive slightly wider spreads than those published on our website. The spreads applicable to your account will be advised to you in advance of your trading and may be rebated to your Introducer. Full details of this can be provided on request.

#### Interest

Open positions held overnight may incur finance fees which will be debited or credited (as applicable) to your account at the close of the day. Please contact us for more information.

**Likelihood and Size of Order** (this is assigned high importance)

We can commit that if the underlying market has sufficient liquidity and there is a price available against which we can offset your trade, we will make a market.

### **Part Three: Order Types**

#### **Market Orders**

An order to buy or sell a derivative or instrument immediately, at the best available price.

#### **Limit Orders**

An order placed by you to buy (Buy Limit) or sell (Sell Limit) a set number of derivatives at a specified price or better. To remove a limit order you can either select an expiry or manually cancel it. As a general market rule, limit orders are not improved; however, we will improve limit orders on market open should the price move in your favour.

#### **Stop Orders**

An order placed by you to buy (Buy Stop) or sell (Sell Stop) a security when its price reaches a particular point. Once the price is reached, it becomes a market order. Stop orders are subject to slippage in the event underlying market prices move aggressively or widen due to market data release or general market volatility.

#### **Trailing Stops**

An order that can only be placed when an open position has a floating profit. The order is attached to your open position and is set at a fixed distance away from the opening price. If the market moves in your favour the stop price moves as per the predefined distance from the price. If the market moves against you the stop remains at its last profitable trailing price to ensure a profit is locked in.

#### **Contingent Orders**

A limit or stop order that is attached to a currently 'working' limit or stop order. The contingent order will only start 'working' itself once the original stop or limit order has been executed.

### **Part Four: Electronic Communication Network**

In relation to our ECN offering, you are now trading with the underlying market and therefore there will be no quotes; in the event the market moves higher or lower you simply receive the best available price at that time.

### **Part Five: Monitoring and Review of Policy**

We will regularly monitor and review the effectiveness of this policy and amend it as necessary.