

**CMC Spreadbet Plc (referred to below as “CMC Spreadbet”, “we”, “us” or “our”) is committed to treating you fairly and acting in your best interests when we execute your Orders. In this document, we summarise the process by which our Platform executes your Orders in accordance with our regulatory duty to take all sufficient steps to obtain the best possible result for you. When you enter into a Bet, Digital 100 and/or Countdown through our Platform you consent to your Orders being executed in the manner described below, outside of a Trading Venue.**

The words and expressions in this document that begin with capital letters have the meanings set out in Schedule 4 of our Financial Betting Terms of Business.

#### 1. Key points.

*This section identifies the key points of this order execution policy summary.*

- 1.1 We are the sole execution venue for your Orders. This means that your Orders are executed via a bilateral transaction with us as the counterparty to your trades, through our Platform and not through a transaction on any Trading Venue or other external execution venue.
- 1.2 Our Platform is fully automated for pricing and Order execution. By placing an Order, you are giving our Platform an instruction to place that Order on your Account on the basis of the Prices and/or Settlement Prices generated by our Platform. Please see our Financial Betting Terms of Business and our Website for further details on how your Orders are placed and executed, as well as further details on pricing.
- 1.3 Our Prices and Settlement Prices are electronically generated by our Platform, and such Prices and Settlement Prices may be different to prices generated by Trading Venues, other markets, execution venues or providers. The Prices and Settlement Prices for a Product may differ depending on whether they relate to a Bet, Digital 100 or Countdown.
- 1.4 You must contact our client management team to enter into or close a Bet relating to:
  - 1.4.1 a Manual Product; or
  - 1.4.2 if we have agreed to provide you with the sales trader service, a Manual Order.

Our client management team will provide the relevant Price and other terms relating to the opening or closing of that Bet which you will be free to accept or reject.
- 1.5 In accordance with clause 3.3.5 of the Financial Betting Terms of Business, where you have appointed an introducing broker, discretionary investment manager or similar person as an Authorised Person to act on your behalf and that person also acts on behalf of other clients of CMC Spreadbet, the Authorised Person may decide to place a single, aggregated order for Bets for multiple clients in respect of a Product and then allocate a portion of that order to you to represent your Order. We are not responsible for the aggregation and allocation of such orders, and such aggregation and allocation may operate to your disadvantage.
- 1.6 The Price at which a Digital 100 will be opened will be generated by and displayed on the Platform. Where the Price of a Digital 100 is nearer to 100 it means the event is more likely to happen, and nearer to 0 the event is less likely to occur. Digital 100s are executed in accordance with clause 3.
- 1.7 The Settlement Price for Countdowns is a reference price used to determine whether the particular event applicable to the relevant Countdown has occurred. Countdowns are executed in accordance with clause 4.
- 1.8 As a result of rapid price movements, the Price at which our Platform executes an Order for a Bet or Digital 100 may be less favourable to you than the Price displayed on our Platform when you place the Order.
- 1.9 From June 2018, you can find our most recent execution quality data on our Website.

#### 2. How our Platform handles the different types of Orders for Bets.

- 2.1 This clause 2 provides information on the different types of Order for Bets, including the standard and alternate triggers for the execution of such Orders.
- 2.2 **Market Order** Our Platform will execute a Market Order to sell at the **first available Sell Price** and a Market Order to buy at the **first available Buy Price**, and will do so as soon as possible after the Order is accepted, provided the Market Order is made during Trading Hours and that the Platform is available at the time the Market Order is made. The Sell Price or Buy Price will always reflect the size of the Market Order and the corresponding Price on the Price Ladder at the time of execution. Our Platform will automatically cancel (and not execute) a Market Order if the first available Sell Price or Buy Price is outside of any preferences in relation to Orders that you have set in your Account.
- 2.3 **Limit Order** A Limit Order to **buy** at a Target Price will be executed **at** the Target Price or lower, **when** the Buy Price is **equal to or lower** than the Target Price.  
A Limit Order to **sell** at a Target Price will be executed **at** the Target Price or higher, **when** the Sell Price is **equal to or higher** than the Target Price.
- 2.4 **Roll-Over** An Auto Roll-Over on a sell Bet on any particular Forward will be carried out by our Platform automatically executing a Market Order to buy at the Level 1 Buy Price

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(regardless of the size of the Order). This Order will be executed (if possible) after the Last Roll-Over Date but on or before the Expiry Date. Our Platform will then immediately execute a Market Order to enter into a sell Bet on a Forward based on the same underlying asset but with the next available Expiry Date, at the Level 1 Mid-Price.

An Auto Roll-Over on a buy Bet will be executed on the same basis, save that our Platform will automatically execute a Market Order to sell at the Level 1 Sell Price and the corresponding Market Order will be to enter into a buy Bet at the Level 1 Mid-Price.

A Manual Roll-Over on a sell Bet on any particular Forward will be carried out on your instructions by our Platform executing a Market Order to buy at the Level 1 Buy Price (regardless of the size of the Order) as soon as possible after the Manual Roll-Over is accepted by our Platform (provided that this is before the Last Roll-Over Date). Our Platform will then immediately execute a Market Order to enter into a sell Bet on a Forward based on the same underlying asset but with the next available Expiry Date, at the Level 1 Mid-Price.

A Manual Roll-Over on a buy Bet on any particular Forward will be executed on the same basis, save that our Platform will execute a Market Order to sell at the Level 1 Sell Price and the corresponding Market Order will be to enter into a buy Bet on a Forward at the Level 1 Mid-Price.

Any Pending Orders on a Forward on which a Bet is being closed as part of a Roll-Over will automatically be cancelled by our Platform, and an equivalent Pending Order with an equivalent Target Price will be placed automatically by our Platform on any Forward (based on the same underlying asset but with the next available Expiry Date) on which a new Bet is being entered into as part of the Roll-Over.

A Roll-Over on any Bet on any particular Forward will not be executed if a Forward based on the same underlying asset but with a later Expiry Date is not available at the time the Roll-Over would otherwise have been carried out. In such circumstances, the Bet will be closed at the Expiry Date and settled on the Cash Settlement Date, with any relevant Pending Orders also cancelled on the Cash Settlement Date.

## 2.5 Stop Entry Order

### **Standard triggers**

Unless you elect otherwise:

- a Stop Entry Order to **buy** at a Target Price will be executed **when** the Buy Price for the Level 1 Price is equal to or higher than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Order; and
- a Stop Entry Order to **sell** at a Target Price will be executed **when** the Sell Price for the Level 1 Price is equal to or lower than the Target Price and will be executed **at** the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Order.

### **Alternate triggers**

Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Stop Entry Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.

Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Stop Entry Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Stop Entry Order to **buy** is the Level 1 Sell Price, and the reference price for a Stop Entry Order to **sell** is the Level 1 Buy Price.

In each case, whether you use a standard trigger or one of the alternate triggers:

- our Platform will automatically cancel (and not execute) a Stop Entry Order if the first available Sell Price or Buy Price is outside of any preferences in relation to Orders that you have set in your Account; and
- the Price at which the Order will be executed may be less favourable to you than the Target Price.

## 2.6 Stop Loss Order

### **Standard triggers**

Unless you elect otherwise:

- a Stop Loss Order to **buy** at a Target Price will be executed **when** the Buy Price for the Level 1 Price is equal to or higher than the Target Price and will be executed **at** the first available Buy Price on the Price Ladder corresponding

to the size of your Order at the time our Platform executes the Stop Loss Order; and

- a Stop Loss Order to **sell** at a Target Price will be executed **when** the Sell Price for the Level 1 Price is equal to or lower than the Target Price and will be executed **at** the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Stop Loss Order.

A Stop Loss Order is not guaranteed and may be subject to gapping.

#### **Alternate triggers**

Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.

Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Stop Loss Order to **buy** is the Level 1 Sell Price, and the reference price for a Stop Loss Order to **sell** is the Level 1 Buy Price.

In each case, whether you use a standard trigger or one of the alternate triggers, the Price at which the Order will be executed may be less favourable to you than the Target Price.

## 2.7 Trailing Stop Loss Order

#### **Standard triggers**

Unless you elect otherwise:

- a Trailing Stop Loss Order to **buy** at a Target Price will be executed **when** the Buy Price for the Level 1 Price is equal to or higher than the Target Price and will be executed **at** the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Trailing Stop Loss Order; and
- a Trailing Stop Loss Order to **sell** at a Target Price will be executed **when** the Sell Price for the Level 1 Price is equal to or lower than the Target Price and will be executed **at** the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Trailing Stop Loss Order.

A Trailing Stop Loss Order is not guaranteed and may be subject to gapping.

#### **Alternate triggers**

Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Trailing Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.

Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Trailing Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Trailing Stop Loss Order to **buy** is the Level 1 Sell Price, and the reference price for a Trailing Stop Loss Order to **sell** is the Level 1 Buy Price.

In each case, whether you use a standard trigger or one of the alternate triggers:

- the Prices at which the Order will be executed may be less favourable to you than the Target Price; and
- the Target Price of a Trailing Stop Loss Order is adjusted in the direction of your Bet by our Platform and is calculated from the most favourable Price in respect of that Bet since that Order was last modified plus/minus (as relevant) the Stop Distance, as set by you.

## 2.8 Guaranteed Stop Loss Order or GSLO

A Guaranteed Stop Loss Order to **buy** at a Target Price will be executed **when** the Buy Price for the Level 1 Price on the Price Ladder (regardless of the size of your Order) is equal to or higher than the Target Price and will be executed **at** the Target Price.

A Guaranteed Stop Loss Order to **sell** at a Target Price will be executed **when** the Sell Price for the Level 1 Price on the Price Ladder (regardless of the size of your Order) is equal to or lower than the Target Price and will be executed **at** the Target Price.

In each case:

- the Guaranteed Stop Loss Order will only ever be executed at the Target Price; and
- the Target Price for any Guaranteed Stop Loss Order must meet the GSLO Minimum Distance at the time the Guaranteed Stop Loss Order is placed (including by modifying another type of Pending Order), unless it is a Pending Order on a Forward and the Bet is being placed automatically by our Platform as part of a Roll-Over (in which case clause 2.4 of this Order Execution Policy Summary for Financial Betting will apply).

- 2.9 Take Profit Order A Take Profit Order to **buy** at a Target Price will be executed **at** the Target Price or lower, **when** the Buy Price is equal to or lower than the Target Price.  
A Take Profit Order to **sell** at a Target Price will be executed **at** the Target Price or higher, **when** the Sell Price is equal to or higher than the Target Price.
- 2.10 Our Platform may aggregate any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order to either buy or sell the same Product which are triggered by the same Price and which are due to be executed by our Platform at the same time. Such Orders will be executed at the first available Buy Price or Sell Price (as applicable) on the Price Ladder corresponding to the size of the relevant aggregated Orders.

### 3. How our Platform handles Orders for Digital 100s

- 3.1 For the avoidance of doubt, clause 2 and 4 of this Order Execution Policy Summary for Financial Betting are not applicable to Digital 100s.
- 3.2 The Price at which a Digital 100 may be executed will determine the amount of your profit or loss.
- 3.3 An Order to **buy** a Digital 100 will be opened at the Buy Price and closed at the Sell Price if closed by you prior to the end of the Digital 100 expiry. An Order to **sell** a Digital 100 will be opened at the Sell Price and closed at the Buy Price if closed by you prior to the end of the Digital 100 expiry. All Digital 100s left to run to the end of their Digital 100 expiry will be settled at a Price of one hundred (100) if the event occurs; and a Price of zero (0) if the event does not occur.
- 3.4 The Settlement Price is the reference price used to determine whether the particular event applicable for the relevant Digital 100 has happened. It will be described or displayed on our Platform and is relevant only for determining whether or not you have won or lost a Digital 100 and not for determining the amount of your profit or loss.
- 3.5 The Platform will display the Strike Price (i.e. the target Settlement Price which will be the subject of any Digital 100 you enter into) available for a Product and the Strike Price you have selected when opening any particular Digital 100.
- 3.6 The types of Digital 100 available on the Platform are detailed below:
- 3.6.1 Ladder - A Digital 100 that allows you to speculate on whether the Settlement Price will be at or above a specified level (the Strike Price) at the end of the Digital 100 Expiry. If the Settlement Price is at or above the Strike Price at the end of the Digital 100 Expiry, the outcome of the event will be a 'yes'.
- 3.6.2 Up/Down - This Digital 100 works the same as a Ladder but is displayed differently on the Platform.
- 3.6.3 OneTouch – A Digital 100 that allows you to speculate on whether the Settlement Price will reach the Strike Price before or at the end of the Digital 100 Expiry. If the Settlement Price reaches the Strike Price at any time before the end, or at the end, of the Digital 100 Expiry, the outcome of the event will be a 'yes'.
- 3.6.4 Range - A Digital 100 that allows you to speculate on whether the Settlement Price will be within a specified range at the end of the Digital 100 Expiry. If the Settlement Price falls within this range at the end of the Digital 100 Expiry, the outcome of the event will be a 'yes'.
- Further information on the different types of Digital 100 can be found on our Platform.
- 3.7 Orders used to enter Digital 100s of the same type, in the same Product and with the same Digital 100 expiry will, if and when executed:
- 3.7.1 open a new Digital 100, even if there is already an open Digital 100 in the same direction; or
- 3.7.2 if there is one or more open Digital 100s in the opposing direction, reduce the Position by closing the Digital 100s on a first in, first out basis.

### 4. How our Platform handles Orders for Countdowns

- 4.1 For the avoidance of doubt, clauses 2 and 3 of this Order Execution Policy Summary for Financial Betting are not applicable to Countdowns.
- 4.2 Whether you win or lose a Countdown will be determined by whether you are correct in your prediction that the Settlement Price will be above, below or equal to the Countdown Opening Price at the time of expiry. The Countdown Opening Price and Settlement Price do not determine your Countdown Profit, and your potential

loss for any individual Countdown is limited to the size of your Stake. Further details on how we calculate Countdown Profit are provided on our Platform.

- 4.3 The Platform will display the Countdown Opening Price available for any Product and the Countdown Opening Price you have selected when opening any particular Countdown.
- 4.4 The Settlement Price is the reference price used to determine whether the particular event applicable for the relevant Countdown has happened. It will be described or displayed on our Platform. All Countdowns will be settled against the Settlement Price of the relevant Product applicable at the expiration of the relevant Countdown.
- 4.5 All Countdowns open on the same Product at the same time on an Account are aggregated and subject to netting for the purposes of calculating the size of your Position in the relevant Product.
- 4.6 Orders used to enter Countdowns in the same Product will, if and when executed, open a new Countdown, even if there is already an open Countdown in the same Product in the opposing direction.

## **5. Factors we consider when determining best execution**

- 5.1 When executing orders, we will take all sufficient steps to obtain the best possible result for you taking into account the type of financial instrument the Order relates to, and other execution factors.
- 5.2 We will take into account the following execution factors when executing your Order, ranked in order of importance from highest to lowest:
  - 5.2.1 Price,
  - 5.2.2 speed of execution;
  - 5.2.3 likelihood of execution and settlement; and
  - 5.2.4 size of your Order.

## **6. Prices and Settlement Prices generated by our Platform.**

*This section provides you with information about Prices and the execution of your Orders.*

- 6.1 The best possible result when executing your Order will be determined in terms of the total consideration (i.e. the price of your Order and costs related to execution).
- 6.2 The Prices and Settlement Prices of Products are generated electronically by our Platform. These Prices and Settlement Prices will take into account market data from various sources, in order to enable us to check whether our prices are fair and we are delivering on our best execution obligation. However, Prices and Settlement Prices may not match prices that you see elsewhere (including prices quoted on Trading Venues or by other providers). Prices and Settlement Prices include our reasonable margin.
- 6.3 Market fluctuations and technical conditions, in addition to Circumstances Outside of Our Control, may mean that the Prices and/or Settlement Prices you see on your device and/or (if we agree to provide you with our sales trader service) which you are provided by our client management team when you place an Order, may not be identical to the Price at which the Bet or Digital 100 is executed and/or the Settlement Price used to determine whether you have lost a Digital 100 or Countdown. If changes occur in the applicable Price and/or Settlement Price (as applicable) between the time an Order is placed by you and the time the relevant Order is received by us or the Order is executed or settled by our Platform, the Order is generally executed at (or by reference to) the Price and/or Settlement Price applicable when the Order is executed or settled by our Platform. This may either be to your advantage or disadvantage.
- 6.4 Digital 100s are subject to rapid price movements. As such, if the Price at which a Digital 100 will be executed differs from the Price displayed on our Platform when you place the Order by more than the tolerance set by CMC Spreadbet in our discretion the Order may be rejected. Depending on the direction of movement of the Price, this may be to your advantage or disadvantage.
- 6.5 There will be times when circumstances may prevent our Platform from generating Prices or Settlement Prices or affect the Prices or Settlement Prices being generated. Please refer in particular to clauses 4.2.1 ("Accessing our Platform") and 8.2 ("Circumstances Outside Our Control") as well as paragraph 10 of Schedule 1 ("Corporate Actions, Adjustment Events and Insolvency") of our Financial Betting Terms of Business for more information.
- 6.6 Please refer to the 'Our Pricing' section of the Website for further information on pricing.

## **7. Size, speed and likelihood of execution.**

*This section provides you with information about the speed at which our Platform executes Orders for Bets, Digital 100s and Countdowns, the likelihood of execution, and size of Orders for Bets.*

- 7.1 Our Platform executes Orders (except Orders for Manual Products or Manual Orders) on an automated basis and does not rely on any manual intervention or dealing. However, Orders for Manual Products and Manual Orders are executed by our client management team.
- 7.2 Our Platform will, apart from in a limited number of exceptions, execute Orders as soon as practicable following receipt. Our Platform will only execute Orders during Trading Hours.
- 7.3 Our Platform will accept or reject Orders or the modification of Pending Orders in accordance with their respective Attributes and our Financial Betting Terms of Business, including if any applicable limits would be

breached and/or you have or would have an insufficient Account Revaluation Amount to cover your Margin, your Stake for a Countdown or Digital 100 Amount (as applicable), where your Account Revaluation Amount is below the applicable Close-Out Level or you have insufficient Cash to pay any premium (if applicable).

- 7.4 If our Platform has accepted an Order, there may still be circumstances which prevent or otherwise affect the execution of an Order, for instance, where doing so would breach any applicable limit where market restrictions apply, where you have or would have an insufficient Account Revaluation Amount to cover your Margin, your Stake for a Countdown or Digital 100 Amount (as applicable), where your Account Revaluation Amount is below the applicable close-out level or any circumstance under clauses 4.2.1 (“Accessing our Platform”), and 8.2 (“Circumstances Outside Our Control”), paragraph 10 of Schedule 1 (“Corporate Actions, Adjustment Events and Insolvency”), paragraph 8 of Schedule 2 and/or paragraph 7 of Schedule 3 (“Pricing Errors”) (as applicable) of our Financial Betting Terms of Business.
- 7.5 Our Platform automatically takes into account the size of your Order for Bets at the point of execution.
- 7.6 Our client management team rather than our Platform execute:
- 7.6.1 Orders for Manual Products; and
- 7.6.2 if we have agreed to provide you with the sales trader service, Manual Orders. Our client management team may, in their sole discretion and with your consent, waive any applicable limits for Manual Orders.

## **8. Factors not taken into account when executing Orders.**

*This section outlines the factors our Platform does not take into account when executing Orders.*

- 8.1 Except as described in section 2 above for Orders for Bets, our Platform and/or our client management team do not differentiate between the different types of Orders.
- 8.2 We are the sole execution venue for all Orders. We will not use any other execution venues to execute your Orders. Accordingly, this Order Execution Policy Summary does not include a list of other execution venues.

## **9. How your Bets are closed without instructions from you.**

- 9.1 There are some circumstances where the whole or a portion of your Bets will be closed without instructions from you. This includes where Account Close-Out occurs, where you fail to reduce any Position to below the applicable limit within the relevant time limit specified by us or where we exercise our rights to close your Bets. Please refer to our Financial Betting Terms of Business for more information.
- 9.2 Unless closed by you or us beforehand, any Bet will be closed and settled by our Platform automatically at the time and date of expiry on a Forward (and any Pending Order will also be cancelled on this basis).
- 9.3 Where the whole or a portion of your Bets and/or Positions are to be closed without instructions from you, or Account Close-Out is to occur in accordance with the elections you have made in your Account, certain procedures apply. Further information on these procedures can be found on our Platform.
- 9.4 We reserve the right to aggregate any Bets in the same Product being closed at or around the same time and execute the relevant Market Orders to close those Bets at the corresponding Price on the Price Ladder for an Order of the size of the aggregated Bets.
- 9.5 If we have agreed to provide you with the sales trader service, you may be subject to different Account Close-Out procedures. Further information on these procedures can be found in paragraph 11 of Schedule 1 to our Financial Betting Terms of Business.

## **10. How your Digital 100s are closed without instructions from you.**

- 10.1 Unless closed by you or us beforehand, all Digital 100s will be closed and settled by our Platform automatically at the end of the relevant Digital 100 Expiry.
- 10.2 Digital 100s will not be closed during Account Close-Out.

## **11. How your Countdowns are closed.**

- 11.1 Once a Countdown has been entered into, it cannot be closed by you. All Countdowns will be closed and settled by our Platform automatically on expiration of the Countdown.
- 11.2 Countdowns will not be closed during Account Close-Out.

## **12. Specific instructions.**

- 12.1 Since there is no external market for our Bets, Digital 100s or Countdowns, your Orders can only be executed on our Platform and/or through our client management team. Any instruction to execute your Order on a different execution venue will lead to rejection of your Order.
- 12.2 If you provide us with instructions on how to execute your Order, complying with those instructions may prevent us from taking the steps that we set out in this Order Execution Policy Summary for Financial Betting to obtain the best possible result for the execution of your Order. In those circumstances, our execution in accordance with your instructions will be deemed best execution.

### **13. Monitoring and review.**

- 13.1 We will regularly monitor and review our policies and procedures and associated arrangements in order to ensure we comply with our regulatory obligations, making appropriate amendments if necessary.
- 13.2 From June 2018, you can find our most recent execution quality data on our Website.
- 13.3 We will notify you in writing of any material changes to this document.