

Best Execution Policy of OANDA TMS Brokers S.A.

1. Introduction

- 1.1. This *Best Execution Policy of OANDA TMS Brokers S.A.* (hereinafter, the **Policy**) sets out detailed rules of conduct of OANDA TMS Brokers S.A. (hereinafter, OANDA TMS or the **Company**) in connection with the execution of orders to buy or sell financial instruments and the best execution obligations imposed on the Company in respect thereof.
- 1.2. The Policy applies to financial instruments and products specified in the Terms of Business and Financial Instruments Specifications for the following service options:
 - CFDs (TMS Trader or TMS Connect),
 - TMS Direct and TMS MiniDirect (hereinafter jointly referred to as **TMS Direct**),
 - TMS Markets,
 - Stocks.
- 1.3. The Policy sets out in particular: Order Execution Models and Venues (Chapter 3), Best Execution Factors (Chapter 4), General and Specific Terms of Order Execution (Chapters 5 and 6), Method of Creating Quotations (Chapter 7), Process of Verifying and Monitoring the Best Execution (Chapter 8).
- 1.4. All retail and professional clients (hereinafter collectively, **Client** or **Clients**) of OANDA TMS are required to read this Policy and understand and accept the rules set out herein.
- 1.5. Before executing orders, OANDA TMS must provide the Client with this Policy on a durable medium. By executing orders, the Client agrees to the Policy and confirms that it was made available to him or her by OANDA TMS before the execution of the relevant Framework Agreement.
- 1.6. OANDA TMS shall conduct its business activity in a fair, reliable, professional manner and in accordance with the best interest of the Client. OANDA TMS shall take all reasonable steps to obtain the best possible results when executing Client orders.

2. Definitions

- 2.1. **Liquidity Provider** — an entity with which OANDA TMS enters into hedging transactions.
- 2.2. **OTC market financial instruments** — OTC derivatives available in the OANDA TMS offer — including, but not limited to, contracts for difference (CFDs) and forwards.
- 2.3. **Relevant terms and conditions** — terms and conditions, defining the procedure and principles for order execution services by OANDA TMS under the relevant Framework Agreement.
- 2.4. **Reference entity** — an entity that provides OANDA TMS with market data, based on which the Company assesses whether orders were executed at market prices.
- 2.5. **Execution Venue** — OANDA TMS, a regulated market, an MTF, a systematic internaliser, or a market-maker, or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
- 2.6. **Trading Venue** — any regulated market or MTF.
- 2.7. **Framework Agreement** — an agreement for the provision of services consisting of the execution of orders for the purchase or sale of financial instruments and the storage and registration of financial instruments, including the maintenance of cash accounts and currency exchange by OANDA TMS, together with all appendices that form an integral part thereof.
- 2.8. **Price Source** — the entity that provides the price of the relevant financial instrument. This applies to the Stocks service variant.

2.9. **Quotation Source** – an entity that provides OANDA TMS with the information on prices available on the market at a given time. Such entities may include financial institutions and reputable information agencies, including Liquidity Providers of OANDA TMS. This applies to the following service variants: CFDs , TMS Markets and TMS Direct.

3. Order Execution Models and Venues

3.1. As part of the services related to the execution of orders to buy or sell financial instruments, OANDA TMS provides the following distinct order execution models:

- 3.1.1. acting for its own account, being the only Execution Venue and a party to the transaction - this applies to: MT4 and MT5 (CFD based on currency pairs, silver and gold, CFD based on indices, CFD based on commodities, CFD based on bonds, CFD based on cryptocurrencies, CFD based on cash indices and cash commodities, CFD based on shares, CFD based on ETFs),
 - 3.1.2. acting for its own account, being the only Execution Venue and a party to the transaction, at the same time fully hedging all transactions with Liquidity Providers - this applies to: MT4 and MT5 (CFD based on currency pairs, silver and gold, CFD based on indices, CFD based on commodities, CFD based on bonds, CFD based on cryptocurrencies, CFD based on cash indices and cash commodities, CFD based on shares, CFD based on ETFs), and the TMS Direct service for all OTC market financial instruments,
 - 3.1.3. acting in its own name on behalf of the client - in the case of financial instruments for which regulated markets are the Execution Venue – this applies to the TMS Direct service option.
 - 3.1.4. acting in its own name on behalf of the client – in the case of financial instruments for which the Execution Venue is not OANDA TMS. This applies to the Stocks service variant.
- 3.2. The models referred to in clauses 3.1.1 and 3.1.2 apply to orders concerning financial instruments available under the CFDs service variant and TMS Markets. Client's orders are executed only in OANDA TMS, which means that they are executed outside a Trading Venue. By placing an order, the Client agrees to the execution of their order outside a Trading Venue.
- 3.3. Execution of orders outside a Trading Venue means that the Client is additionally exposed to the counterparty's credit risk, i.e., the risk of OANDA TMS failing to fulfil the obligation resulting from the transaction prior to the final settlement of cash flows related to the transaction. At the request of the Client, OANDA TMS shall provide additional information about the consequences of such manner of order execution.
- 3.4. In the case of the TMS Direct service variant, for all OTC market financial instruments referred to in clause 3.1.2, the Liquidity Provider is Saxo Bank A/S, while in the case of financial instruments for which the Execution Venue is a Trading Venue (i.e., the model referred to in clause 3.1.3), orders are executed through Saxo Bank A/S.
- 3.5. In the case of the Stocks service variant, OANDA TMS executes orders through KBC Group N.V. (the "Broker"). Please note that orders may be executed by the Broker outside a Trading Venue if doing so will enable the best possible result for the Client. Such an execution model involves additional risk on the part of the counterparty responsible for the execution of the transaction. At the Client's request, OANDA TMS shall provide additional information on the consequences of executing orders outside a Trading Venue.
- 3.6. In respect of the models described above, please note that:
- 3.6.1. in the case of the model referred to in clause 3.1.1. – OANDA TMS quotations are based on prices from Quotation Sources - in accordance with the provisions of Chapter 6 of this Policy – due to technical and organisational conditions as well as the market risk management strategy, Clients' transactions may be secured with Liquidity Providers,
 - 3.6.2. in the case of the model referred to in clause 3.1.2. – OANDA TMS quotations are based on prices from Liquidity Providers with whom the Company concludes hedging transactions, in which case the order confirmation time may be extended because upon receipt of the Client's order OANDA TMS will execute a hedging transaction and only after

receipt of the confirmation of such execution from its Liquidity Provider OANDA TMS will confirm the order execution to the Client.

- 3.6.3. in the case of the model referred to in clause 3.1.3. – OANDA TMS quotations are identical to prices from regulated markets.
- 3.6.4. in the case of the model referred to in clause 3.1.4.– OANDA TMS quotations are identical to the prices from the Execution Venues.
- 3.7. Quotations referred to in clause 3.6 are for information purposes only. The actual execution of the order will be done at the best available price for the Client at the time of the execution of the order, taking into account, among other things, the market depth (i.e., price levels depending on the transaction volume). The strike price of an order can be different from the price visible at the moment when the Client sent the order from his terminal, i.e., it can be significantly better or significantly worse for the Client. This situation is independent of OANDA TMS. The final price will be given after completing the execution of the order.
- 3.8. The speed of the Internet connection, the performance of mobile applications and other access channels and trading systems such as MT4 / MT5, as well as market volatility, may affect the execution prices of orders in the time between the order placement by the Client and the moment the order is executed.
- 3.9. OANDA TMS provides a list of the Execution Venues it relies on to ensure the best possible execution of clients' orders. The list of Execution Venues is available on the OANDA TMS website under the "Documents" tab and is adopted in the form of a supplement to the Policy.
- 3.10. For the model referred to in clauses 3.1.1, 3.1.2 and 3.1.4, OANDA TMS specifies a list of Price/Quotation Sources, Liquidity Providers and Reference Entities. This list is available on the OANDA TMS website under the "Documents" tab and is adopted in the form of a supplement to the Policy.
- 3.11. When selecting the entities referred to in clause 3.10, OANDA TMS takes into account in particular the best execution factors referred to in Chapter 4. OANDA TMS implemented a number of solutions allowing the monitoring and verification of the best execution process (Chapter 7), which may lead to changes of the entities referred to in clause 3.10.
- 3.12. OANDA TMS does not discriminate between individual Execution Venues on which the Company relies in ensuring the best execution of Client orders, by applying higher fees and commissions, unless this is due to objective factors, e.g., costs incurred by OANDA TMS in connection with the maintenance of such a venue.
- 3.13. As part of the provision of services related to the execution of orders to buy or sell financial instruments for the CFDs, TMS Direct and TMS Markets and Stocks service options, OANDA TMS does not aggregate the Client's order with one or more orders of other Clients or with transactions executed for its own account.
- 3.14. Within Stocks service variant, OANDA TMS may execute transactions in financial instruments, together with such transactions made on behalf of other Clients in the cases and under the conditions set out in the relevant terms and conditions of service.

4. Best Execution Factors

- 4.1. In the case of order execution services, OANDA TMS takes all reasonable steps to obtain the best possible results for the Client, taking into account in particular the price of the financial instrument, costs related to the execution of the order, speed and time of the transaction, likelihood of execution and settlement, the size of the order, nature of the order as well as other factors that may affect the order execution, such as the technological stability of the solutions used.
- 4.2. When determining relative importance of the factors referred to in clause 4.1, OANDA TMS takes into account the following criteria:
 - 4.2.1. the characteristics of the Client including the categorisation of the Client as a retail or professional Client;
 - 4.2.2. the characteristics of the Client order;
 - 4.2.3. the characteristics of the financial instruments that are the subject of that order;

4.2.4. the characteristics of the Execution Venues to which that order can be directed.

4.3. The following table shows the relative importance that OANDA TMS attributes to the individual factors specified in clause 4.1. (taking into account the criteria set out in clause 4.2.), as well as a description of how these factors affect the process of obtaining the best possible result for the Client:

Factor	Description	Importance
Price of the financial instrument	OANDA TMS pays special attention to the quality of price quotations provided by external sources (Quotation/Price Sources, Liquidity Providers) on the basis of which the Company creates quotations for Clients, making every effort to ensure that the quoted price of a given financial instrument is competitive and reflects its market value as closely as possible.	High
Costs related to order execution	OANDA TMS strives to keep transaction costs as low as possible for the Client when charging its mark-up on transactions and commissions. The Company presents to Clients the amount of the most probable transaction costs, such as commissions, spreads, swap points, rollover mark-ups, etc., specified in the following documents relevant for a particular offer variant: financial instruments specification, rollover table, swap points table and table of fees and commissions before execution of the transaction by the Client.	High
Time of order execution	Bearing in mind the high importance of this factor of the order execution service for the Clients, OANDA TMS makes every effort to ensure that this time is as short as possible while taking into account other best execution factors. In the vast majority of cases, the Company executes orders as quickly as possible in automatic mode (without dealer's participation). In order to determine the best transaction price - transaction prices may sometimes require confirmation by a dealer manually, which may extend the execution time. Manually executed orders are executed without undue delay after confirming the price. The Client should keep in mind that if the order is executed in models referred to in clauses 3.1.2, 3.1.3 or 3.1.4, the execution time may be longer - however, the order will be executed by OANDA TMS without undue delay.	High
Success rate of order execution and order settlement	OANDA TMS makes every effort to, if possible, execute all Clients' orders while taking into account other best execution factors. The success rate of order execution has a significant impact on the quality of the service provided to the Client. Therefore OANDA TMS monitors the percentage of rejected orders and makes every effort to make it as low as possible.	High
Order size	The size of the order may have a significant impact on the exercise price, due to the available liquidity. The Client should be aware that the higher the nominal	High

	value of the order, the higher the possibility of the order being executed at a price that significantly differs from the price quoted in the trading system. OANDA TMS inputs the minimum and maximum order size in the Specification of Financial Instruments or List of Financial Instruments for a given service variant.	
Nature of the order	Orders are executed in accordance with the principle of price/time priority. Depending on the nature of the order (e.g., a market order, pending orders), the method of determining the final exercise price may differ, as described in detail in Chapter 6 of this Policy and in the Terms and Conditions of individual services.	Medium
Technological stability	Due to the fact that orders are executed via transaction systems, OANDA TMS considers their proper operation to be of key importance and therefore it makes every effort to ensure the continuity of mechanisms and IT tools supporting these systems, including with regard to the provision of the information on prices to Clients.	High
Other factors	OANDA TMS will review and update the Policy from time to time. If any factors other than those mentioned above are identified as impacting the best execution for the Client, these factors will be reflected in the Policy.	-

4.4. In the case of a retail Client order, the best possible result is determined on an overall basis taking into account the price of the financial instrument, the likelihood of execution of the order, the costs related to the execution of the order, which include all costs that the retail Client would incur in connection with the execution of such order, including fees charged by the Execution Venue, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

4.5. OANDA TMS executes orders immediately after the fulfilment of the condition indicated in the order (in particular, in relation to market conditions) in the sequence they were received, unless the Client's instructions or order nature requires otherwise, or if such sequence would be against the Client's interest.

4.6. OANDA TMS immediately notifies the Client of any circumstances that prevent the execution of the order. Notification shall be made in the manner and on the terms specified in the relevant Terms and Conditions via the transaction system.

5. Execution of Orders — General Information

5.1. OANDA TMS uses automated trading systems to execute Client orders.

5.2. OANDA TMS makes every effort to ensure that delays do not occur during the execution of the order, in particular for orders placed via online trading systems. The Client should be aware that the speed of order execution depends on the form of its submission (e.g., by phone, via the trading system, personally at the headquarters of OANDA TMS), the method and model of its execution.

5.3. Some orders placed via online trading systems can be handled manually. In the event of an Extraordinary Change of Relations or Exceptional Circumstances (as defined in the relevant Terms and Conditions), OANDA TMS may be forced to interrupt the normal procedures of automatic order execution and redirect the handling of these orders to manual execution,

which may lead to extending the time required for the order execution. To minimise such a risk, OANDA TMS has in place solutions that ensure the fast, accurate and fair execution of Client orders to the greatest possible extent.

- 5.4. For the CFDs service option and TMS Markets, handling orders manually consists in verifying the quoted price manually (as opposed to the automatic order assessment process).
- 5.5. Orders may also be handled manually if their nominal value exceeds the value threshold specified in the Specification of Financial Instruments for a given CFDs service option and TMS Markets or in the List of Financial Instruments for the Stocks service option.
- 5.6. Orders of individual Clients may be reviewed by OANDA TMS prior to execution if there is a reasonable ground to suspect market abuse (MAR), money laundering (AML), or attempts to exploit non-market prices or an information advantage within the software used or if orders are entered in a time interval of less than 2 minutes.
- 5.7. The Client is able to place orders as indicated in the relevant Terms and Conditions, the Specification of Financial Instruments or the List of Financial Instruments.
- 5.8. The method of activation and execution of orders for each service is set out in the relevant Terms and Conditions, the Specification of Financial Instruments or the List of Financial Instruments.
- 5.9. OANDA TMS may reject a Client's order in cases specified in the relevant Terms and Conditions, the Specification of Financial Instruments or the List of Financial Instruments.
- 5.10. OANDA TMS presents once a quarter the standard time of order execution for OTC financial instruments broken down into individual classes of underlying assets. The standard order execution time shall be understood as the time of execution of 99% of all orders.
- 5.11. Statistics concerning the standard order execution time will be presented on <https://www.tms.pl/dokumenty> in the form of a supplement to the Policy. A change in the supplement shall not constitute a change of the Policy.
- 5.12. The statistics do not form part of the contractual relationship and do not constitute any obligation for OANDA TMS to execute current orders on the basis of the historical results and are presented solely for illustrative/information purposes.
- 5.13. OANDA TMS expects that in the following circumstances the order execution may take longer than usual:
 - confirmation of transactions executed by a human dealer (manual confirmation);
 - failure of IT systems and data communication networks;
 - suspension or halting of quotations of financial instruments or underlying instruments or other similar situations;
 - price gaps;
 - incorrect quotation provided by price providers or liquidity providers;
 - inconsistent quotations provided by liquidity providers;
 - delays in data transmission;
 - high price volatility of the underlying instrument;
 - low liquidity in the market for the financial instrument or the underlying instrument;
 - extraordinary events in the relevant market for the financial instrument or the underlying instrument;
 - force majeure;
 - the imposition of specific conditions for transactions by the relevant market for the financial instrument or the underlying instrument;
 - market opening/closure;
 - publication of macroeconomic data;
 - significant market events;
 - specific Client instructions;
 - conditions for the execution of the order specific to a given financial instrument;
 - distance of the Client from the transaction server;
 - connection quality;
 - waiting for confirmation or execution of a transaction by a liquidity provider;

- order size.
- 5.14. If a Client requests, OANDA TMS must prove to the Client that the order was executed in accordance with the Policy.
- 5.15. For the CFDs service option, TMS Markets and TMS Direct, OANDA TMS must publish on its website the information on:
- The average order execution time calculated as the quotient of the aggregated time required for the completion of all orders in the analysed quarter and the total number of executions in the analysed quarter,
 - The percentage of the number of orders executed in less than 1 second.
- 5.16. Notwithstanding the foregoing, for the CFDs service option and TMS Markets, the Company executes orders within 180 seconds (after that time, orders are rejected), except for CFDs based on equities or ETF's for which the Company does not specify a maximum execution time, which depends on the liquidity of the underlying market. For the TMS Stocks service option, the Company does not specify a maximum execution time.
- 5.17. For each trading system and type of financial instrument, OANDA TMS specifies in the relevant supplement to the Policy the Quotation/Price Sources, Liquidity Providers and Reference Entities, in accordance with clause 3.10 of the Policy. Depending on the trading system and financial instrument, the Client has the opportunity to check the price at which his order was executed. If the Client finds that the order was executed at an incorrect price, within the meaning of the relevant Terms and Conditions, the Client has the right to ask for a change in the transaction price or withdraw from the transaction executed, under the terms of the relevant Terms and Conditions.
- 5.18. OANDA TMS has the right to close a position or dispose of a Client's financial instrument in the cases and under the conditions set out in the relevant Terms and Conditions or contractual documentation.
- 5.19. In cases of above-average volatility, limited liquidity, as well as in other cases specified in the relevant Terms and Conditions, OANDA TMS may widen trading spreads. Such a change shall not require a notice to the Client on each occasion. Details of the circumstances in which spreads are widened are set out in the relevant Terms and Conditions. If the target spread is not determined, market spreads are applied, increased by a potential mark-up (specified in Table of Fees and Commissions). OANDA TMS may refuse to execute an order if it is unable to quote a market price or there is no source that would allow verification of the price at the time the order is executed.
- 5.20. OANDA TMS may change the Quotation/Price Sources, e.g., if the source ceased to provide quotations or had an interruption in the delivery of quotations or there were interruptions caused by a loss of Internet connection or in other cases such as after a review of the quality of a given source, subject to the commitment to act in the best interest of the Client. Such a change shall not require a notice to the Client on each occasion.
- 5.21. OANDA TMS allows Clients to execute orders in the market mode. The final price of the order which is executed in the market mode may differ from the quotation available at the moment when the order was placed by the Client for execution, i.e., OANDA TMS does not guarantee the execution of the order at the price shown in Transaction System (price slippage).
- 5.22. In the event of Exceptional Circumstances (as defined in the relevant Terms and Conditions), OANDA TMS may decide to suspend quotations or to quote financial instruments in the request mode. In the request mode, the Client must send an inquiry about the price applicable to the instrument each time, and the order is executed based on the Company's response.
- 5.23. If the Client requests, OANDA TMS must provide the Client with information on the current status of the order execution (applies to pending orders).

6. Detailed Rules for the Execution of Orders in Trading Systems

- 6.1. For the CFDs service variant and TMS Markets.

6.1.1. In executing market orders in the mode referred to in clause 3.1.1, OANDA TMS executes orders (other than pending orders or stop-out orders) on the following principles:

6.1.1.1. Orders are also requoted or rejected in situations where there is a reasonable suspicion that the sources of quotations may contain outdated prices.

6.1.1.2. Manual mode of executing orders:

6.1.1.2.1. The manual mode of order execution occurs if the order received in the IT system is handled manually by OANDA TMS.

6.1.1.2.2. As part of the trade supervision, OANDA TMS verifies the correctness of the transaction price, as a result of which the order may be executed or rejected or requoted.

6.1.1.2.3. The manual mode of order execution involves the risk of a longer execution time or rejection time or re-quote time than orders carried out in automatic mode, but not longer than the time described in clause 5.15.

6.1.2. Market orders that the Company implements in the mode referred to in clause 3.1.2. are based on prices from the Liquidity Provider. OANDA TMS verifies from time to time the quality of pricing and execution of individual Liquidity Providers.

6.1.3. The price level specified in the limit order or stop order is only the level that activates the order (does not apply to CFDs whose price is based on the share price or ETF funds). After the order is activated, it enters the market execution mode. This means that the order may be executed at a better, worse or the same price as specified in the order. In the case of financial instruments in the trading system MT4 or MT5, the price of which is based on the share price or ETF funds, limit orders will be executed at the price indicated in the limit order or better.

6.1.4. In the case of Financial Instruments whose price is based on the price of equities or ETFs, orders may be partially executed ("partial execution"). For other financial instruments, orders in the MT4 and MT5 Trading System are executed in full or not at all ("fill or kill"). The final execution price will be indicated upon execution of the order as VWAP (volume-weighted average price).

6.1.5. A stop-out order is a special type of market order, the activation of which is carried out pursuant to the rules set out in the relevant Terms and Conditions.

6.1.6. Market orders for the MT4 and MT5 trading System, where the Quotation Source is an OANDA Group company, are executed based on prices from the Quotation Source. OANDA TMS periodically reviews the quality of order execution in accordance with the principles set out in clauses 8.2.1.1 – 8.2.1.3.

6.2. TMS Direct trading system:

6.2.1. TMS Direct trading system – Client orders in the TMS Direct trading system are executed in accordance with the principles set out in the "Saxo Bank Order Execution Policy." The Client may read this document at <https://www.home.saxo/pl-pl/legal/general-business-terms/saxo-general-business-terms>. At the Client's request, OANDA TMS will provide the Client with a Polish translation of the above-mentioned document. This translation is only auxiliary, and the language version available on the above-mentioned website is binding.

6.3. Stocks service option:

6.3.1. Orders that the Company executes in the mode referred to in clause 3.1.4 are executed based on prices from the Execution Venue.

6.3.2. Client orders are executed in accordance with the rules set out in the relevant Broker's Execution Policy, i.e., KBC Securities Services' Best Execution Policy, which is published on the Broker's website at: <https://securitiesservices.kbc.be/en/legal-information/documents.html>. At the Client's request, OANDA TMS will provide the Client with a Polish translation of the above-mentioned document. This translation is only auxiliary, and the language version available on the above-mentioned website is binding.

- 6.3.3. Orders may be executed in part ("partial execution"). Should this be the case, the final execution price will be indicated upon execution of the order as VWAP (volume-weighted average price).
- 6.3.4. Market and limit orders are transmitted for execution to the Broker via the MT5 Trading System without undue delay, taking into account all instructions, and according to the sequence in which they are received, during the order acceptance hours as specified in the List of Financial Instruments.
- 6.3.5. A pending stop order (sell stop, buy stop) will be transmitted to the Broker as soon as it is activated in the MT5 Trading System as a market order.
- 6.4. Limit orders will be executed at the price indicated in the limit order or better. If the size of an order that can be executed at the Client's price or a more favourable price is below the liquidity available at the time, the order will be executed at the maximum possible size. The remainder of the order remains active until it is executed or cancelled.

7. Quotations of Prices of Financial Instruments

- 7.1. Quotations available in the MT4 and MT5 Trading System for the CFDs service option and TMS Markets may be quotations created by OANDA TMS based on information from the Quotation Sources (processed data) or may be quotations directly from the Quotation Sources or Liquidity Provider. In such a case, the Client has the right to request information from OANDA TMS about the Quotation Source or Liquidity Provider.
- 7.2. Spreads cannot be negative.
- 7.3. OANDA TMS offers a fixed or variable transaction spread in the offer options. In the case of a fixed transaction spread, its target value has been defined in the Specification of Financial Instruments, subject to the relevant Terms and Conditions.
- 7.4. OANDA TMS may add a mark-up to the prices from Quotation Sources or Liquidity Providers (indicated in the Table of Fees and Commissions).
- 7.5. Creating quotations for the CFDs service option and TMS Markets (financial instruments with variable spreads).
 - 7.5.1. Prices (*bid* and *ask*) reflecting bids and offers for trades are sourced from Quotation Sources or Liquidity Providers for the underlying market/asset/reference products (the full catalogue of Quotation Sources and Liquidity Providers is disclosed in the supplement to the Policy, available on the OANDA TMS website under the "Documents" tab).
 - 7.5.2. If the model referred to in clause 3.1.2 is used, – the Quotation Source is the Liquidity Provider or Quotation Source.
 - 7.5.3. In the case of CFDs based on currency pairs and CFDs based on metals (gold and silver) where the Quotation Source is a company in the OANDA Group, the prices (*bid* and *ask*) are derived from the Reference Entities in the Supplement to the Policy. In this case, the price is created based on the best bid and best ask price from the Reference Entities, taking into account the available market depth, minimum sales or mark-up disclosed in the Table of Fees and Commissions for a given service variant.
 - 7.5.4. In the case of CFDs based on spot indices, where the Quotation Source is a company from the OANDA Group, the prices (*bid* and *ask*) are created by reference to the respective prices of the futures contract with the nearest maturity, taking into account the Fair Value (Fair Value = spot price * ((1 + % rate of the quoted currency/ number of days according to the convention adopted for the currency)) ^ (number of days to contract expiry) - (dividends + spot price)) relative to the underlying futures contract and the mark-up disclosed in the Table of Fees and Commissions for the respective service variant. Other adjustments may also be made, for certain CFDs on indices and spot commodities, to take into account inefficiencies in the underlying markets. Prices (*bid* and *ask*) can be sourced from independent third-party quotation providers.
 - 7.5.5. In the case of CFDs based on spot commodities, when the Quotation Source is a company in the OANDA Group, the prices (*bid* and *ask*) are created on the basis of the value of the

nearest futures contract discounted by the percentage resulting from the difference between successive series of the futures contract, taking into account the mark-up disclosed in the Table of Fees and Commissions for the respective service option. Other adjustments may also be made to take into account inefficiencies in the underlying markets. Prices (bid and ask) can be sourced from independent third-party quotation providers.

- 7.5.6. In the case of CFDs based on futures contracts, where the Quotation Source is a company within the OANDA Group, the price (bid and ask) is created on the basis of the value of the futures contract taking into account the available market depth, minimum spread or mark-up disclosed in the Table of Fees and Commissions for the respective service option.
- 7.6. Creating quotations for the TMS Trader service option (financial instruments with fixed spreads).
 - 7.6.1. The prices (bid and ask) reflecting the bids and offers for a transaction are derived from the Quotation Sources, subject to the provisions of clauses 7.6.2 to 7.6.5.
 - 7.6.2. If the model referred to in clause 3.1.2 is used, the Quotation Source is the Liquidity Provider or a Quotation Source.
 - 7.6.3. To determine the final price, the average (mid) price is calculated from the bid and ask quotations and the mark-up (determined as the target spread indicated in the financial instruments specification) is added.
 - 7.6.4. Spreads cannot be negative.
 - 7.6.5. In Exceptional Circumstances (as defined in the relevant Terms and Conditions), the spread may significantly exceed the value of the target spread indicated in the specification of the financial instruments.
- 7.7. Creating quotations for the TMS Direct service option
 - 7.7.1. Quotations available on the Trading System are derived from Quotation Sources.
 - 7.7.2. Prices in the TMS Direct Trading System are created by adding a mark-up in the form of a spread to the quotations received from Saxo Bank A/S for CFDs and forwards. In the case of futures and exchange-traded options the price is equivalent to the price received by OANDA TMS from Saxo Bank A/S with no additional mark-up.
- 7.8. Prices available on the MT5 Trading System for the Stocks service option are derived from Price Sources.

8. Verification and Monitoring of Best Execution

- 8.1. OANDA TMS regularly monitors and verifies the compliance with the provisions of this Policy in order to ensure the best execution of orders for Clients.
- 8.2. The above duty is satisfied by:
 - 8.2.1. *Ex-post* price verification – OANDA TMS verifies periodically the quality of executed orders in order to identify the vulnerabilities of order execution processes and low quality of Quotation Sources. As a consequence of this verification, the Quotation Source may be changed. The above is implemented by:
 - 8.2.1.1. comparing transaction prices with prices from other Quotation Sources/Price Sources/Reference Entities or a reputable news agency (*benchmarks*),
 - 8.2.1.2. verifying statistics regarding rejections and requotations,
 - 8.2.1.3. monitoring complaints about the quality of order execution.
 - 8.2.2. *Ex ante* price verification – OANDA TMS carries out *ex ante* verifications of the quality of orders executed by:
 - 8.2.2.1. Having in place an appropriate process for creating and reviewing the Policy, which takes into account new services or products offered by OANDA TMS,
 - 8.2.2.2. Systematic review and verification of the technological solutions used in the order execution process (e.g., parametrisation of the MT4 and MT5 Trading Systems) carried out as part of functional control, internal control or internal audit,

- 8.2.2.3. Quality assessment of Quotation/Price Sources.
- 8.3. Benchmarks for the purpose of assessing the quality of order execution are:
- 8.3.1. For transactions in CFD instruments, for which the underlying is an instrument listed in organised trading — prices (offers to buy and sell) of underlying instruments on the market specified in the financial instruments specification or in Supplement to the Policy in the “List of reference entities” column;
- 8.3.2. For transactions based on market spreads (fixed or floating) on unlisted underlying instruments — transaction prices will be compared with the quotations received from entities other than the Quotation Source which is used for quoting the given financial instrument.
- 8.4. In addition, once a year, the processes specified in this Policy as well as the Policy itself are subject to independent review in terms of their effectiveness as part of internal control, compliance control or internal audit. OANDA TMS may also order external audits in this area. Such a review shall also be carried out whenever a material change occurs that affects the Company’s ability to obtain the best possible result for Clients during the execution of Client orders on a consistent basis with regard to the services covered by the Policy.
- 8.5. Having regard to the special role of information technologies for the processes set out in this Policy, OANDA TMS implemented processes for the management of operational risk, including the risk related to IT systems, as well as business continuity processes. The efficiency of the IT systems used (in particular, transaction platforms) is monitored on a regular basis, and if potential weaknesses are identified, OANDA TMS takes the necessary steps to ensure the continuity and high quality of services provided with the use of these systems.
- 8.6. OANDA TMS publishes at least once a year information on the best Execution Venues and the quality of order execution. The information includes a list of the top five Execution Venues in terms of trading volume, in which OANDA TMS executed Client orders in the previous year, as well as information on the quality of execution achieved. Information is published on the OANDA TMS website under the “Documents” tab.
- 8.7. Clients have the right to submit to OANDA TMS requests for information on the manner of execution of orders and rules for reviewing the manner of order execution. Upon receiving a valid request from the Client, OANDA TMS must provide clear answers within a reasonable time.

9. Derogations and Warnings

- 9.1. OANDA TMS makes all reasonable efforts to adhere to its principles concerning the execution of Client orders subject to the provisions of this Chapter.
- 9.2. Specific instructions of the Client specifying the specific terms of order execution may prevent OANDA TMS from taking the steps described in this Policy that it has designed and implemented to obtain the best possible result in the execution of such order in respect of the elements covered by those instructions. The rules applicable in some markets may prevent OANDA TMS from applying certain instructions of the Client.
- 9.3. OANDA TMS may not be able to comply with the principles laid out in this Policy in the event of an Extraordinary Change in Relationships or Exceptional Circumstances (as defined in the relevant Terms and Conditions) or in case of other circumstances laid out in this Policy. Submission of an order does not guarantee its execution.
- 9.4. In the cases specified in Chapter 3, in order to execute a Client order, OANDA TMS will execute transactions directly with the Client, i.e., it becomes the counterparty to the executed transaction. This transaction is a potential source of a conflict of interest. A conflict of interest occurs when the Client opens a position that is the opposite of the OANDA TMS position, wherein the Client’s loss on the transaction is the profit of OANDA TMS.
- 9.5. Detailed information on the basic rules followed by OANDA TMS in the event of a conflict of interest, including receiving and giving inducements, is available on the OANDA TMS website

under the "Documents" tab, in the document titled "Regulations on the management of conflicts of interest."

9.6. This Policy presents an approach to the collective execution of orders, and not how each order is or will be handled separately.

9.7. Execution of orders and transactions through electronic systems is subject to the risk of errors or delays including in the transmission of data. Factors contributing to errors and delays are identified in the document titled "Characteristics of financial instruments and description of risks." available on OANDA TMS website in the "Documents" section.

10. Final Provisions

10.1. OANDA TMS may amend the Policy, based on the principles specified in the relevant Terms and Conditions.

10.2. If the Client submits an order after being notified by OANDA TMS about a change to this Policy, the new Policy reflecting such change shall apply.

10.3. The obligation of OANDA TMS to ensure the best execution of the Client order does not mean that OANDA TMS must undertake any additional obligations beyond the relevant regulatory obligations.

10.4. This Policy is an integral part of the agreement for the execution of orders and should be read and interpreted in conjunction with the agreement for the execution of orders and any relevant Terms and Conditions.

10.5. The Policy applies to retail Clients as well as to professional Clients. The Policy does not apply to eligible counterparties, as defined in the Act of 29 July 2005 on Trading in Financial Instruments.

10.6. The Policy is effective as of November 6, 2023.

Supplement to the Order Execution Policy at OANDA TMS Brokers S.A. - list of order execution systems

I. CFDs / TMS Markets

For CFDs available in CFDs service variants (TMS Trader, TMS Connect) and TMS Markets, the order execution system is OANDA TMS Brokers S.A.

II. Stocks

For financial instruments available in the Stocks service variant, the order execution systems are the entities and systems set out in the applicable terms of business. The following are the most frequently used order execution systems:

American	Polish
NYSE	GPW (WSE)
Nasdaq	-
NYSE Amex	-
NYSE Arca	-
OTC BB	-
BATS US	-
KCG SI	-

Clients' orders in the Stocks service variant are executed through the Broker – KBC Bank N.V.

III. TMS Direct

For OTC financial instruments available in the TMS Direct and TMS MiniDirect offering variants, the order execution system is OANDA TMS Brokers S.A..

For futures contracts, the order execution system is the following regulated markets:

American	European	Asian
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COMEX	ICE-EUROPE	SGX
NYMEX	EEX	OSAKA
CME	EUREX	HKEK
CBOT	EURONEXT	TSE
CBOE	OMX NORDIC	SFE
MONTREAL	MEFF	
ICE-US	IDEM	

For stock options orders, the following regulated markets are the execution system:

American	European	Asian
COMEX	ICE-EUROPE	SGX
NYMEX	EUREX	OSAKA
CME	EURONEXT	HKEK
CBOT	MEFF	ASK
CBOE	OSLO BORS	
OCC	IDEM	
ICE-US	OMX	

Detailed information on order execution systems for exchange-traded instruments is indicated in the documents:

(a) Futures Contract Specifications;

(b) Contract Option Specifications;

available at: <https://www.home.saxo/pl-pl/legal/general-business-terms/saxo-general-business-terms>

Orders on TMS Direct and TMS MiniDirect variants on exchange-traded instruments are executed directly through Saxo Bank A/S, registered in the Kingdom of Denmark, with banking license number 1149, supervised by Finanstilsynet: <https://www.finanstilsynet.dk/en>

Supplement to the Order Execution Policy at OANDA TMS Brokers S.A. – list of quotation sources, reference entities and liquidity providers

Type of instrument	Quotation source, the list of liquidity providers	List of reference entities
For CFDs service variant (TMS Connect, TMS Trader) and TMS Markets		
CFD based on currency pairs and GOLD.pro, GOLD.std, GOLD, SILVER.pro, SILVER.std, SILVER, XAUUSD, XAGUSD, XAUUSD.stp, XAGUSD.stp)	Oanda Australia Pty	JP Morgan, UBS, Deutsche Bank, Credit Suisse, Morgan Stanley, Citibank, Jump Trading, Citadel, OANDA Australia Pty
CFD based on indices (except PL20.pro, PL20.std, PL.20 oraz GB100.pro, GB100.std, UK.100)	Oanda Australia Pty	Regulated market
CFD based on commodities (except COTTON.pro, COTTON.std, SUGAR.pro, SUGAR.std COFFEE.pro, COFFEE.std, COCOA.pro, COCOA.std OILWTI.pro, OILWTI.std, Oil.WTI)	Oanda Australia Pty	Regulated market
CFD based on indices PL20.pro, PL20.std, PL.20	ICE, X-Trade Brokers DM S.A.,	Regulated market

CFD based on indices GB100.pro, GB100.std, UK.100	Oanda Australia Pty, X-Trade Brokers DM S.A.	Regulated market
CFD based on commodities: COTTON.pro, COTTON.std, SUGAR.pro, SUGAR.std, COFFEE.pro, COFFEE.std, COCOA.pro, COCOA.std, OILWTI.pro, OILWTI.std, OIL.WTI)	Oanda Australia Pty X-Trade Brokers DM S.A.,	Regulated market
CFD based on prices of bonds	Oanda Australia Pty	Regulated market
CFD based on US equities	ICE*(CBOE US), Saxo Bank A/S	CBOE US, Saxo Bank A/S
CFD based on German equities	ICE (Equiduct, CBOE EU*) , Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on Spanish equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on British equities	ICE (CBOE EU), Saxo Bank A/S	CBOE EU, Saxo Bank A/S
CFD based on Polish equities	ICE (GPW), Saxo Bank A/S	GPW, Saxo Bank A/S
CFD based on French equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S

CFD based on Dutch equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on Belgian equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on Danish equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on Finnish equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on Portuguese equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on Swedish equities	ICE (Equiduct, CBOE EU*), Saxo Bank A/S <i>* Equiduct is the main source of quotes, while the CBOE EU is a backup source</i>	Equiduct, CBOE EU, Saxo Bank A/S
CFD based on ETF	ICE (CBOE US), Saxo Bank A/S	Regulated market
CFD based on cryptocurrencies BCHUSD, BTCUSD ETHUSD, LTCUSD	Oanda Australia Pty LMAX Global	LMAX Global
CFD based on cryptocurrency DOTUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, Poloniex, OkEx, Binance, Huobi

CFD based on cryptocurrency EOSUSD	XTB, Oanda Australia Pty	Bitfinex, OkEx, Binance, Huobi
CFD based on cryptocurrency XLMUSD	XTB, Oanda Australia Pty	Poloniex, OkEx, Binance
CFD based on cryptocurrency ADAUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, OkEx, Binance, Huobi
CFD based on cryptocurrency LINKUSD	XTB, Oanda Australia Pty	Coinbase Pro, Poloniex, OkEx, Gemini, Bitstamp, Binance, Huobi
CFD based on cryptocurrency DOGEUSD	XTB, Oanda Australia Pty	Coinbase Pro, Poloniex, OkEx, Gemini, Binance, Huobi
CFD based on cryptocurrency XTZUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, Poloniex, OkEx, Gemini, Binance, Huobi
CFD based on cryptocurrency BNBUSD	XTB, Oanda Australia Pty	Poloniex, Binance
CFD based on cryptocurrency UNIUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, Poloniex, OkEx, Gemini, Bitstamp, Binance, Huobi
CFD based on cryptocurrency MATICUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, Poloniex, OkEx, Gemini, Bitstamp, Binance, Huobi, HitBTC
CFD based on cryptocurrency SOLUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, Poloniex, OkEx, Gemini, Binance, Huobi, HitBTC
CFD based on cryptocurrency GLMRUSD	XTB, Oanda Australia Pty	OkEx, Binance, Huobi

CFD based on cryptocurrency KSMUSD	XTB, Oanda Australia Pty	Bitfinex, OkEx, Binance, Huobi, HitBTC
CFD based on cryptocurrency AVAUSD	XTB, Oanda Australia Pty	Coinbase Pro, Bitfinex, Poloniex, OkEx, Bitstamp, Binance, Huobi, HitBTC
for service variants TMS Direct and TMS MiniDirect		
OTC instruments	Saxo Bank A/S	Saxo Bank A/S

The currency buying and selling rates, available in the transaction systems, that are used in issuing CFDs shall also be used as the rates at which the currency exchange takes place when an operation on account is carried out in a currency other than the Account's Base Currency. On the above mentioned rates, an additional commission may be imposed as indicated in the Table of Fees and Commissions appropriate for the selected service variant.