



FX-EDGE
TRADING VENUE

Best Execution Policy
March 2023

Best Execution Policy

Introduction

Pursuant to the applicable law, DNKR ZA (Pty) Ltd (hereinafter the „**Company**”) is required to take all sufficient steps to act in the best interest of its Clients either when executing or receiving and transmitting Client orders for execution and to achieve the best execution results when executing Client orders and to comply, in particular, with the principles set out in the applicable law when providing investment services.

This Policy provides an overview of how the Company executes orders on behalf of Clients, the factors that can affect the timing of execution and the way in which the market volatility plays a part in handling orders when buying or selling a financial instrument.

By opening a Trading Account, you agree/consent to the fact that your orders will be executed outside a Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility or an Organized Trading Facility (e.g. European Financial Trading System).

Contracts for Differences (“**CFDs**”) are also referred to as financial instruments in this Policy.

The Company shall review this Policy at least annually and shall update it whenever any material change in the Company's execution process is taking place. The last and current version in force shall be the one posted by the Company website.

Scope

The Company will always act honestly, fairly and professionally, and communicate in a way, which is fair, clear and not misleading, taking into account the nature of the Client and his business.

This Policy applies when executing Client orders for the Client for all the types of CFDs offered by the Company.

The Company does not offer its services to retail clients.

The Policy applies to Clients' orders in the financial instruments which the Company is authorized to provide.

Best Execution Factors

The Company will take all sufficient steps to obtain the best possible result/outcome (“**Best Execution**”) for its Clients when receiving, transmitting and executing Client orders, taking into account prices, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order (“**Best Execution Factors**”), as follows:

- a) Price: For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price of a given CFD is the spread. Such orders as Buy Limit, Buy Stop and Stop Loss, Take Profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take Profit for opened long position are executed at BID price. The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources (i.e. price feeders or executive venues). The Company's prices can be found on the Company's trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third-party external reference sources from time to time to ensure that the data obtained continues to remain competitive. The Company will not quote any price outside the Company's operations time therefore no orders can be placed by the Client during that time. Certain ex-ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to Clients remain competitive. Such checks include, but not limited to, reviewing system settings/parameters, comparing prices with reputable price sources, ensuring symmetry of spread and checking the speed of price updating. If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price fluctuations, if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or this may occur at the opening of trading sessions.
- b) Costs: For opening a position in some types of CFDs the Client may be required to pay commission and/or financing fees.

Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts.

In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a financing fee "swap rate" throughout the life of the CFD (i.e. until the position is closed). Financing fees are based on prevailing interest rates, which may vary over time.

For all types of CFDs that the Company offers, the commission, if applicable, and financing fees are not incorporated into the Company's quoted price and are instead charged separately to the trading account.

The Company may provide a currency conversion quote from the Client's base currency to the currency of the relevant CFD. This will not reflect an actual conversion of currency in the Client's account, and serves the purpose of calculating consideration in the base currency only. Should the Company at any period of time decide not to charge such costs, it shall not be construed as a waiver of its rights to apply them in the future.

- c) Speed of execution: The Company arranges for the execution of Client orders with third party execution venues. The Company places a significant importance when executing Client's orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his orders at a delay and hence the orders to be executed at better or worst prevailing price offered by the Company.

- d) Likelihood of execution: When the Company transmits orders for execution or executes it with another party, execution may be more difficult. The likelihood of execution depends on the availability of prices of other market makers/financial institutions. In some case it may not be possible to arrange an order for execution, for example but not limited in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred. In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any order or request or instruction of the Client in circumstances explained in the contractual documentation. In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include,

but not limited to, symmetric slippage checks, number of trades subject to slippage and comparing our average speed of execution with industry standards.

- e) Likelihood of settlement: The Company shall proceed to a settlement of all transactions upon execution of such transactions. The financial instruments of CFDs offered by the Company do not involve the delivery of the underlying asset, so there is no settlement as there would be for example if the Client had bought shares. All CFDs are cash settled.
- f) Size of order: All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different for each type of CFD. The minimum size of an order is different for each type of Trading Account. If the Client wishes to execute a large size order, in some cases the price may become less favorable. The Company makes every effort to fill the order of the Client but reserves the right to decline an order in case the size of the order is large and cannot be filled by the Company or for any other reason as explained in the contractual documentation.
- g) Market impact: Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all sufficient steps to obtain the best possible result for its Clients.

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Any factors which affect the best possible result and are identified by the Company and are not listed above, they will be rectified accordingly in order to provide the Client with the best possible result. Nevertheless, whenever there is a specific instruction from the Client, the Company shall make sure that the Client's order shall be executed following the specific instruction and this will be treated as having satisfied the Company's best execution obligations only in respect of the part or aspect of the order to which the client instructions relate.

Types of Trading Accounts in CFDs

The Company may offer different types of Trading Accounts from time to time. In this respect, the initial minimum deposit, the spreads, costs, size commissions, if any etc. may differ according to each type of Trading Account.

Execution Practices in financial instruments

Slippage (Market Orders)

You are warned that slippage may occur when trading in CFDs. This is the situation when at the time that an order is presented for execution, the specific price showed to the Client may not be available; therefore, the order will be executed close to or a number of pips away from the Client's requested price. So, slippage is the difference between the expected price of an order, and the price the order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that slippage is a normal element when trading in financial instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an order at a specific price impossible to execute. In other words, your orders may not be executed at declared prices. It is noted that slippage can occur also during Stop Loss, Take Profit and other types of orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your order will be executed at the next best available market price from the price you have specified under your Pending Order.

Re-quoting (Instant Execution)

This is the practice of providing a secondary quote to the Client after an 'instant order' has been submitted; the Client must agree to this quote before the order is executed. The Company will requote 'instant orders' if the requested price originally specified by the Client is not available. The secondary quote provided to the Client is the next best available price received by the Company from its execution venue. The Company does not re-quote 'pending orders' or 'market orders. Re-quotes apply to all types of Accounts.

Types of order(s) in trading financial instruments

The particular characteristics of an order may affect the execution of the Client's order. Please see below the different types of orders that a Client can be placed:

Market Order

A Market Order is an order to buy or sell a CFD as promptly as possible at the prevailing market price that is available. Execution of this order results in opening a trade position. CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit orders can be attached to a Market Order.

Instant Order

An Instant Order is an order to buy or sell a CFD to the most recently available price. In Instant Execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (re-quote).

Pending Order

A Pending Order is an order that allows the user to buy or sell a CFD at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these orders at the Client's requested price. In this case, the Company will execute the order at the next best available price. This may occur, for example, at times of rapid price fluctuations of the price, rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions. This is an order to buy or sell a CFD in the future at the next best available price once a certain price is reached. The Company offers the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders to trading accounts for CFDs.

Buy Stop: This is an order to buy at a specified price ('the stop price') that is higher than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a Market Order.

Sell Stop: This is an order to sell at a specified price ('the stop price') that is lower than the current market price. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a Market Order.

Buy Limit: This is an order to buy at a specified price ('the limit price') that is lower than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a Market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

Sell Limit: This is an order to sell at a specified price ('the limit price') that is higher than the current market price. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. The 'limit order' is treated as a Market Order. 'Limit orders' can be placed as close to the current market price as possible; there is no restriction.

Take Profit: Take Profit order is intended for gaining the profit when the CFD's price has reached a certain level. Execution of this order results in complete closing of the whole position. It is always connected to an open position or a pending order. Under this type of order, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price). Take Profit Orders can be modified and can be cancelled.

Stop Loss: Stop Loss order is used for minimizing of losses if the CFD's price has started to move in an unprofitable direction (opposite direction of the expected one). If the CFD's price reaches this stop loss level, the whole position will be closed automatically. Such Orders can be connected to an open, market or a pending order. Under this type of Orders, the Company's trading platform checks long positions with Bid price for meeting of this order provisions (the order is always set below the current Bid price), and it does with Ask price for short positions (the order is always set above the current Ask price). Stop Loss orders can be modified and can be cancelled. The execution of the Stop Loss order at a given price is not guaranteed by the Company.

Price levels specified in Pending Orders are only the levels that activate the order. Realization of your order after its activation goes into the "market" mode, This means that the order can be made at a better, inferior or same price as specified in the order.

Pending orders can be deleted by us in the following situations:

- a) stop out;
- b) rollover;
- c) failure to meet the requirements necessary for the relevant transaction;
- d) closing the account;
- e) corporate event;
- f) 365 days after its submission;
- g) after removing the financial instrument being the subject of the offer;
- h) after the financial instrument offered has been transferred to the "close only" mode.

Determination of the relative importance of the Best Execution criteria

The Company will determine the relative importance of the above Best Execution Factors by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- a) The characteristics of the Client;
- b) The characteristics of the Client order;
- c) The characteristics of the financial instruments that are the subject of that order;
- d) The characteristics of the execution venue to which that order is directed;
- e) Any other circumstance that the Company may deem to be relevant for the execution of a specific instruction.

The Company assigns the following importance level to the Best Execution Factors:

Factor	Importance level	Remarks

Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources in order to provide our Clients with competitive price quotes.
Costs	High	We take all reasonable steps to keep the costs of your transactions as low and competitive, to the extent possible.
Speed of execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor this factor to ensure we maintain our high execution standards.
Likelihood of execution	High	Even though we reserve the right to decline a order we aim to execute all Client orders, to the extent possible.
Likelihood of settlement	Medium	See relevant description in Best Execution Factors.
Size of order	Medium	See relevant description in Best Execution Factors.
Market impact	Medium	See relevant description in Best Execution Factors.
Nature of order	Medium	See relevant description in Best Execution Factors.

Client's specific instruction

Whenever there is a specific instruction from or on behalf of a Client (e.g. fills in the required parts on the Company's trading platform when placing an order), relating to the order or the specific aspect of the order the Company shall arrange – to the extent possible – for the execution of the Client order strictly in accordance with the specific instruction.

It is noted that any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions. However, when the Company executes an order following specific instructions from the Client, it will be treated as having satisfied its best execution obligations only in respect of the part or aspect of the order to which the Client instructions relate.

Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

Execution on Client orders

The Company will satisfy the following conditions when carrying out Client orders:

- a) ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- b) carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- c) informs its Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

Client's consent

By entering into a contractual documentations with the Company for the provision of investment services, the Client is consenting to an application of this Policy on him.