



ORDER EXECUTION POLICY

1. THE ORDER EXECUTION POLICY

1.1 Background

- 1.1.1 The purpose of this document is to explain GCEX FZE's Order Execution Policy ('the Policy'), as required under the Virtual Assets Regulatory Authority ("VARA") in the Emirate of Dubai. Under such rules, GCEX is required to establish and implement Best Execution policies and procedures, which cover all Virtual Asset products and all capacities in which it is acting in as match principal basis.
- 1.1.2 The best execution obligation requires GCEX to take all sufficient steps to obtain the best possible result when executing Orders or transmitting Orders for execution on behalf of its clients ("you", or "Client(s)"), taking into account the Execution Factors, which include price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the Order.
- 1.1.3 This Policy will be published and updated on GCEX's website at <https://www.gc.exchange/orderexecution-policy>. If you have any queries as to particular aspects of the Policy, you should address them compliance@gc.exchange.
- 1.1.4 This document applies to GC Exchange FZE ("GCEX"), which is regulated by the Virtual Assets Regulatory Authority in the Emirate of Dubai in its dealings with Qualified Investors or Institutional Investors for Orders executed or transmitted in Virtual Assets.
- GCEX does not provide its services to Retail clients.
- 1.1.5 We do not owe you any fiduciary responsibilities as a result of the matters set out in this Policy, over and above the specific regulatory obligations placed upon us, or as contractually agreed with you.

1.2 Legitimate Reliance

- 1.2.1 Where GCEX executes an Order on your behalf or receives and transmits an Order for execution, it will provide you with Best Execution in accordance with this Policy. GCEX will be executing Orders "on your behalf" where you legitimately rely on GCEX to protect your interests in relation to the pricing or other aspects of the execution of the Order ("legitimate reliance").
- 1.2.2 This may be the case where GCEX contracts with you as principal i.e. purchases or sells Virtual Assets in its own name but does not assume any price risk because it has simultaneously executed a matching "back-to-back" trade in the market (known as riskless principal execution).
- 1.2.3 Where GCEX is under an obligation to provide Best Execution, it will take all sufficient steps to do so in accordance with both this Policy and with relevant rules and regulations. This does not mean that GCEX assumes or accepts any fiduciary, contractual or other duty to provide best execution except in accordance with those rules and regulations.

- 1.2.4 For these purposes, “all sufficient steps” means that GCEX will satisfy itself that it has processes and procedures in place that lead to the delivery of the best result on a consistent basis when it owes Best Execution to Clients and will take all sufficient steps to follow those processes and procedures based on the resources available to it.
- 1.2.5 It is important to be aware that even in the circumstances where the Best Execution obligation does not apply, GCEX is still required to act honestly and treat its Clients fairly and to manage any conflicts of interest that may arise. GCEX also has clear standards in place that strive for a fair and transparent outcome for our Clients.

1.3 Execution Factors

- 1.3.1 When executing an Order, GCEX will take into account the following factors: price, cost, speed, size, and likelihood of execution and settlement, nature or any other relevant considerations in relation to the execution of the Order (the “Execution Factors”).
- 1.3.2 The relative importance of these factors is dynamic and depends upon several variables including the following, together the “Execution Criteria”:
- The characteristics of the Client (including categorisation as a Qualified Investor);
 - The characteristics of the Client Order (including size and scope);
 - The characteristics of the VA that are the subject of that Order (likelihood of execution and speed); and
 - The characteristics of the Venue(s) to which that Order can be directed.
- 1.3.3 Subject to any specific Instructions, considering the criteria above, GCEX generally regards price as being the most important execution factor when seeking to obtain the best possible outcome for its Clients. The remaining execution factors are generally given equal ranking. However, in certain circumstances GCEX may decide in its absolute discretion that the other factors mentioned above are more important than price.
- 1.3.4 In determining the Best Execution GCEX will not compare the results that can be achieved for you based on this Policy, and fees, with results that may be achieved for you by another firm on the basis of that firm’s order execution policy and fees. Nor will we compare the differences in our own commissions or fees to which are attributable to the nature of the services we are providing to our Clients.

- 1.3.5 When the fees applied by GCEX differ depending on the Execution Venue or entity used, information will be provided to Clients to allow them to understand both the advantages and the disadvantages of GCEX's choice of one Execution Venue or entity over another.
- 1.3.6 Furthermore, where GCEX invites its Client to choose the Execution Venue or entity, this information shall be fair, clear, not misleading, and sufficient to prevent the Client choosing one Execution Venue or entity rather than another on the sole basis of the price policy applied by GCEX. For the purposes of delivering best possible result, where there is more than one competing Execution Venue, in order to assess and compare the results for the client that would be achieved by executing the order on each of the Execution Venues listed below that is capable of executing that order, GCEX's own commissions and the costs for executing the order on each of the eligible Execution Venues shall be taken into account in that assessment.
- 1.3.7 GCEX does not charge different fees or costs depending on the Execution Venue used, to ensure that costs are transparent and fully disclosed to the Client. For all transactions, GCEX offers a clear and transparent charging structure. GCEX may charge a minimum trading fee and it does not apply any additional commission or costs except as set forth below. All implicit costs are therefore disclosed to the Client for complete clarity and transparency.

1.4 Execution Costs

- 1.4.1 GCEX will provide its Clients with a single "all-in" price that includes:
- the price of the financial instrument (including any bid/offer spread);
 - the execution costs (including venue fees, clearing and settlement fees and other fees paid to third parties involved in the execution of the transaction); and
 - financing costs
- 1.4.2 It is the general principle of GCEX that all prices charged should be fair, reasonable and justifiable. What constitutes a fair and reasonable price should be based on a number of factors influencing the cost and resource limitations of doing business. Any spread, mark-up, fee or commission applied to an Order subject to this Policy will not be set to unfairly discriminate between Execution Venues, and any difference will be to reflect actual differences in the cost to the firm of executing on those Execution Venues.
- 1.4.3 For the purposes of delivering the best possible result where there is more than one competing Execution Venue on which to execute an Order, in order to assess and compare results for the Client that would be achieved by executing the Order, GCEX will take into account its own commissions and the costs for executing the Order on each of the eligible Execution Venues.

- 1.4.4 GCEX does not receive “Payment for Order Flow”, meaning, that it does not receive commissions or fees for arranging transactions with market makers, thereby ensuring that there is no conflict created by fees in its execution arrangements.
- 1.4.5 GCEX must not receive any remuneration, discount or non-monetary benefit for routing orders to a particular Execution Venue as this could give rise to a conflict of interest between the benefit received by GCEX and its obligation to achieve the most favourable terms for the professional client.

1.5 Execution Venue

- 1.5.1 GCEX executes Orders on the following possible Execution Venues:
- Regulated markets,
 - MTFs,
 - Market makers, and
 - other liquidity providers
- 1.5.2 GCEX places significant reliance in meeting its obligation to take sufficient steps to obtain on a consistent basis the best possible result for the execution of Client Orders. Therefore, where relevant, GCEX will prioritise Regulated Markets and MTFs in such a way as to ensure execution as soon as market conditions allow.
- 1.5.3 GCEX regularly assesses whether the Execution Venues it accesses, and the counterparties to whom GCEX transmits Orders continue to provide the best possible outcome for its Clients.
- 1.5.4 The following factors are assessed during the selection of Execution Venues:
- type of execution service;
 - type of instruments executed by the venue or counterparty;
 - details of any liquidity analysis undertaken;
 - explicit and implicit costs of execution;
 - details of any comparison against other venues and counterparties;
 - GCEX’s ability to monitor the delivery of Best Execution;
- 1.5.5 The following factors are assessed during the monitoring of an existing venue or counterparty:
- details of any complaints regarding the quality of execution by the venue or counterparty;
 - details of any monitoring against other venues, counterparties or appropriate benchmarks;
 - details of any changes in the agreed remuneration structure; and
 - details of any changes to the costs of execution.

1.6 Other Factors

- 1.6.1 We reserve the right to modify our spread under certain market conditions, including but not limited to fundamental market announcements where there is fast moving market or low liquidity.
- 1.6.2 The majority of the transactions should be automatically priced and executed over our Trading Platform. However, in certain circumstances, such as for example, unusual market conditions or the size and nature of your Order may be wholly or partly manually priced and/or an Order may be manually executed.
- 1.6.3 During times of high demand, manual pricing and/or execution may cause delays in processing your Order, which in turn can have an impact on the price at which your Order is executed. We have invested substantially in our technology to minimize the risk of such delays.

1.7 Specific Client Instructions

- 1.7.1 Where you provide us with specific instructions as to the execution of an Order, we will execute the Order in accordance with those specific instructions, so far as it is reasonably possible in accordance with those instructions. This may prevent us from taking the steps that we have put in place to obtain the best possible result for the execution of your Orders. However, it will be deemed in compliance with the VARA requirements.
- 1.7.2 Where your instructions relate to only part of the Order or your instructions are incomplete, we will continue to apply this Policy to obtain the best possible result in respect of the elements covered by those instructions.
- 1.7.3 In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account, for the purpose of providing you with Best Execution.

1.8 Review of this Policy

- 1.8.1 GCEX will review this Policy annually, or whenever there is a Material Change that affects GCEX's ability to achieve Best Execution for its Clients or adhere to any other aspect of this Policy. A change is a material where its disclosure is necessary to enable the Client to make a properly informed decision about whether to continue utilising the services of the firm. Examples of a Material Change would include but are not limited to: (i) a change to GCEX's business model; (ii) the introduction of a new product range; or (iv) the implementation of a new trading platform.
- 1.8.2 GCEX will notify its Clients of any material change to this Policy by posting an updated version of this document on our Website.

1.9 Consent

- 1.9.1 This Order Execution Policy forms part of the Standard Terms of Business, and your consent to it will be deemed to be provided when you provide your consent to our Standard Terms of Business.

1.10 Definitions

Best Execution is the term used to describe the obligation to ensure that all reasonable steps are taken to achieve the most favourable terms for the client, when either executing trades or passing orders to be executed;

Execution Factors include price, speed, size, and likelihood of execution and /or settlement where it considers this appropriate or necessary; nature or any other consideration relevant to the execution of the Order;

Execution Venue means market makers and other liquidity providers that have similar functions to Trading Venues, or other sources of liquidity, as well as other third party brokers;

Material Change means a significant event that could impact parameters of best execution, such as the Execution Factors;

Matched Principal Trading means a transaction where SFL interposes itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where SFL makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction;

MTF - Multilateral Trading Facility means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in Virtual Assets— in the system and in accordance with non-discretionary rules - in a way that results in a contract or facility providing substantially equivalent or analogous services and operating under the applicable law of any jurisdiction;

Order means an instruction to buy or sell a Virtual Assets which is accepted by GCEX for execution or transmission to a third party;

Payment for Order Flow (PFOF) means the practice of an investment firm which executes client orders (as a counterparty) receiving commission both from the client originating the order and also from the counterparty with whom the trade is then executed (the market maker);

Retail Client means a Client that is not a Qualified Investor;

Standard Terms of Business shall mean the agreement(s) entered into, or to be entered into, between you and GCEX for the purpose without limitation of conducting transactions in Virtual Assets with GCEX.

Qualified Investor means an individual at the minimum age of eighteen (18) and which maintains a Net Income of AED500.000

References in this Policy to any law, statute, regulation or enactment shall include references to any modification, amendment, extension, or re-enactment thereof.

In this Policy, references to an individual person shall include body corporates, unincorporated associations, partnerships, and individuals.

Headings and notes in this Order Execution Policy are for reference only and shall not affect the contents and interpretation thereof.