

Disclosures on eFX Trading Practices

Disclosure Cover Sheet

XTX has signed a Statement of Commitment adhering to the FX Global Code and we are committed to conducting our foreign exchange market activities in a manner consistent with the principles of the Code. In relation to the Code, the Global Foreign Exchange Committee has developed disclosure cover sheets for liquidity providers to improve the accessibility and clarity of existing disclosures and to allow clients to easily compare key disclosure items across their liquidity providers. Please see our cover sheet below.

The cover sheet should be used to locate and navigate the information you require from your liquidity providers to make informed decisions about the nature, impact and risks of interacting with them. Please note that cover sheets should be read alongside the below disclosures, and are not a substitute for reading the disclosures. You should read the disclosures in full, as your entry into foreign exchange transactions with XTX will be on the basis that you have read and understood the below disclosures.

XTX's Disclosure Cover Sheet can be found on the Disclosures page of the XTX Markets website.

Disclosures

XTX Markets Limited ("XTX") believes in greater transparency in the foreign exchange market for its end users. As part of its efforts to promote this, the below disclosures provide transparency on XTX's business practices and the pricing streams and algorithmic execution that XTX provides. Your entry into foreign exchange transactions with XTX will be on the basis that you have read and understood the below disclosures. These disclosures may be updated from time to time by notice to you and/or on XTX's website (<https://www.txmarkets.com/disclosures/>) and your continued trading with XTX following such notice shall be deemed to constitute acceptance and acknowledgement that you have read and understood the terms. If you have any questions or would like any further information, please contact your XTX representative.

XTX's view is that the manner in which it trades, and the level of transparency (as outlined below) that it provides, reflects best market practice and should be a standard to which all market participants should adhere to. XTX has signed a Statement of Commitment adhering to the FX Global Code and we are committed to conducting our foreign exchange market activities in a manner consistent with the principles of the Code. If you have any questions or would like any further information, please contact your XTX representative.

About XTX's eFX Business

XTX is a leading quantitative-driven electronic market maker that provides liquidity to counterparties, exchanges and e-trading venues globally. XTX provides liquidity to many different counterparties and trading venues. In relation to its market making activities, XTX will also enter into transactions in order to source liquidity, as part of its own trading activity and in order to manage its risk. Such transactions may impact the prices that XTX offers you. Although trades are given up to XTX's prime broker, XTX trades in a principal capacity when dealing with you and does not act as agent or in any other advisory capacity.

XTX's trading is fully automated. It has no human discretionary traders. As there is no human discretion involved with any execution of your trade request by XTX, conflict issues which may

arise with other liquidity providers who utilise human discretionary traders (i.e. deciding at what time that order is executed as against other counterparty orders and orders in relation to own account activity, how orders at a fixing rate are executed, what venue the order should be executed on and how that order should be handled given the person's knowledge of the counterparty's intended trading activity) are unlikely to occur. XTX does not take orders at a fixing rate, so no conflict arises with respect to any trading activity carried out at times when a fixing rate is being determined. XTX does take counterparty orders and, although such orders are executed algorithmically without human discretion, conflicts may arise between the execution of these orders and its proprietary trading. For more information on how these conflicts are managed, please refer to the Execution Algo FAQ as mentioned in the paragraph headed "XTX Execution Algo" below.

Liquidity Streams/Last Look – Zero Hold Time/No Last Look Disclosures

Every counterparty has its own trading style and liquidity requirements, which can vary greatly from counterparty to counterparty. XTX aims to tailor the liquidity it provides to each counterparty on a case by case basis, so as to meet each counterparty's specific needs and requirements, while taking into account the market impact and volume of their anticipated trading. In order to do this, XTX provides two different types of liquidity streams, each as outlined below. Following a discussion with you as to your requirements, and with your agreement, XTX will provide you with one of the below streams. Over time, your liquidity requirements and trading volumes may change and, upon your request, XTX may agree to change the type of stream that you receive. The impact of this tailoring of liquidity are differences in pricing and trade acceptance rates between counterparties. If you require any further information as to any of the below streams, please contact your XTX representative.

Last Look Stream – Zero Hold Time: When you submit a request to trade at the price currently displayed, it will be subject to a "last look" by XTX i.e. XTX retains the ability to accept or reject the request. "Last look" is a widely used term in the spot FX electronic trading market but it can mean different things to different market participants. Last Look is used by XTX in the manner as described in the FX Global Code: as a risk control to (i) compare the price at which the trade request is made with the then current market price; and (ii) ensure that the trade request is within the credit, settlement and other operational limits to which XTX's trading is subject to.

These checks are applied as soon as your trade request is received by XTX's systems (which may vary depending on your technology and the location of the matching engine). Your trade request is not subject to any additional holding period or delay before the checks are applied; what we call "Zero Hold Time".

In respect of the price check, the standard setting is for the price check to be applied symmetrically and without any tolerance applied i.e. if the price has moved at all, in either direction, the trade request will be rejected. We understand that the application of the price check in this manner may not be suitable to your trading strategy. If that is the case, we can discuss tailoring the price check to suit your trading strategy, trade flow and your execution objectives. The price check can potentially be adjusted so that (i) the price check is applied asymmetrically (the trade request is rejected only in the circumstances where the price moves against XTX); and/or (ii) a pricing tolerance is applied so that the trade request is rejected if the price moves outside of a pre-determined range of pricing tolerance (rather than it being rejected if there is any price movement). If this is something you would like to discuss or you require further information on our application of

last look, please contact your XTX representative. XTX may determine to apply a tolerance if it determines, in its sole discretion, to do so would enhance the quality of your execution and/or increase your trade ratio. This tolerance can be helpful e.g. when XTX notices that a counterparty is unable to process and respond to its rejected trade requests fast enough. XTX is happy to provide further detail of how the last look stream operates and how to mitigate the number of trade request rejections you may receive.

XTX applies Zero Hold Time on all of its last look streams, whether with disclosed bilateral counterparties or with undisclosed counterparties on anonymous trading platforms.

No Use of Rejected Trade Requests: We will never use information in relation to your unexecuted orders or rejected trade requests in order to deal on our own account, to manage your risk or use it as an input in our pricing. We may only use your information in relation to unexecuted orders or rejected trades for the purposes of optimising your trading with us. Only once we have executed a trade with you is information on our trade with you managed in conjunction with our other proprietary trading activity (see “Use of Counterparty Information” below).

No Last Look Stream: When you submit a request to trade at the price currently displayed, it will be accepted by XTX regardless of whether there is any difference between the trade request price and the then current market price, except in the case where your trade request is for an amount larger than the maximum transaction amount that XTX displays or where such transaction if executed would breach position and/or risk limits. A counterparty on this stream will get certainty of execution but the spreads provided by XTX will be wider than a ‘Last Look’ stream, the availability of the pricing stream is subject to latency thresholds and the pricing stream may be unavailable at times of market announcements, so that XTX can manage the increased risk to which XTX is exposed.

Use of Counterparty Information

XTX understands that the confidentiality and security of your information is paramount and it has systematic and procedural protections in place to prevent misuse of your information. All XTX personnel adhere to the XTX Code of Conduct (which is available at: www.txmarkets.com/regulatory-disclosures) and various policies identified in such statement, that are designed to protect the confidentiality of your information, XTX’s trading is fully automated. It has no human discretionary traders. This minimises the conflicts which may arise as personnel are not able to execute discretionary proprietary trades for XTX.

As per XTX’s terms of business (and other than where it is aggregated and anonymised with other counterparty data), your information will remain confidential within XTX and shall only be disclosed externally where required by applicable law, rules or regulation, upon request from any court of competent authority or any regulator, or as otherwise agreed by you.

In line with market practice and to ensure that XTX can provide you with competitive pricing, XTX may utilise your identity and observed transaction execution characteristics to determine how it manages the risk that it accepts. This means that XTX will have the ability to tailor its risk management strategy (including the period of time for which it holds the risk in relation to your executed transactions) to your transaction execution characteristics. However, XTX will never use information from rejected trade requests for this purpose; only information from executed transactions is used. Counterparties have the ability to opt-out of their information being used in

this manner, provided that this is consistent with its trading with all other liquidity providers. For more information, please contact your XTX representative.

No Partial Fills

Unless otherwise requested or in respect of execution of Execution Algo orders (as described in the paragraph headed “*XTX Execution Algo*” below), any trade request accepted by XTX shall be executed in its entirety. There will be no partial fills of trade requests.

No Application of Mark-Up

XTX does not apply mark-up to any of its prices. The prices that XTX provides to you will only include a bid-offer spread which may vary from counterparty to counterparty for the same or similar transactions. The spread may also vary for different trade requests that you send for the same type of transaction. The factors that XTX take into account to determine the amount of spread to be applied includes, but is not limited to, market conditions, the trading venue which we deal with you on and the size, type and direction of the transaction. However, XTX does not include any cost of staff or capital charges as part of any spread. For further information on the factors taken into account to determine the amount of spread, please contact your XTX representative.

XTX Execution Algo

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XTX offers an algorithmic execution service which allows you to place orders with XTX for execution at XTX’s prevailing mid-price (the “**Execution Algo**”). XTX executes Execution Algo transactions with you as principal and not as your agent. Acceptance of your order by XTX does not create a contract or commit XTX to execute all, or part of, your order in any particular manner and, where XTX accepts an order with specific price parameters, it is indicating that it will attempt to execute the order within such parameters. Within the parameters specified for your order and XTX’s internal risk, operational and credit controls, the Execution Algo will determine when and how to execute your orders including, but not limited to, whether to execute orders by partial fills at different prices. XTX does not guarantee execution of the full amount of your order or execution at any particular price.

Orders will be executed at XTX’s prevailing mid-price plus an execution fee (so that you receive an “all-in” price). The execution fee applicable to Execution Algo transactions will be notified to you separately by your XTX representative. The level of execution fees may vary from counterparty to counterparty for the same or similar transactions. The prevailing XTX mid-price at which your transaction is executed may differ from the price at which XTX executed a fill in the market or the prevailing market price. The level of XTX’s prevailing mid-price may be impacted by other counterparty Execution Algo orders, XTX’s liquidity provision to counterparties and/or XTX’s market making or hedging activities.

For more information on how your orders will be handled, including (but not limited to) prioritisation of counterparty orders and how conflicts are managed between XTX’s proprietary trading and execution of Execution Algo orders, please refer to the Execution Algo FAQ, which will be provided to you by your XTX representative.

