



Hedging Counterparties Policy

TabTrade (TabTrade Ltd.)

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Trading CFDs and margin foreign exchange involves a high degree of risk and is not suitable for all investors. Leveraged trading carries the possibility of losses that may exceed your initial investment. You should carefully consider your investment objectives, level of experience, and risk appetite before engaging in trading. You do not own or have rights in the underlying assets. Past performance is not a reliable indicator of future results, and tax laws are subject to change. All information provided on this website is general in nature and does not take into account your personal circumstances. We strongly recommend that you seek independent advice if necessary, and read our legal documents carefully before trading with us.

1. Introduction

This policy describes the methodologies that TabTrade Ltd. (“TabTrade”, “we”, “us”, “our”) uses to manage Market Risk, Credit Risk, and determine our Hedging Counterparties. This policy has been developed with reference to applicable regulatory guidance.

2. Definitions

In this document, the following terms shall have the meanings set forth below, unless the context requires otherwise or unless otherwise specified:

“Counterparty”, “Hedging Counterparty”, or “Hedging Counterparties” means any entity or entities that we use to offset or hedge risk arising from client positions.

“Counterparty Risk” means the risk that a Counterparty fails to meet its obligations, resulting in a loss.

“Credit Risk” means the risk of changes in the solvency, liquidity, credit quality, or financial stress of our Hedging Counterparties - resulting in financial loss to us. We manage our Credit Risk to protect both TabTrade and our clients from sudden changes that could impact our operations or obligations.

“Market Risk” means the risk that the value of positions may fluctuate adversely as a result of movements in market variables - including, but not limited to, prices, rates, exchange rates, spreads, volatilities, or other observable market factors.

3. Market Risk Management

We aim to monitor relevant news, events, trading activity and exposures that may impact our business and take mitigation measures in response.

We have risk management systems that allow us to monitor exposures in real time as well as detecting other risks from client trading activity.

We may take multiple factors into consideration when determining our hedging activity - including, but not limited to, our overall exposures, the volume of a trade or group of trades, available liquidity and the nature of the trading activity.

To facilitate the execution of client trades, we may from time to time have a net position arising from residual unhedged positions - resulting in exposure to Market Risk. Where exposure exceeds internal thresholds, we may hedge exposures.

Any substantial changes to our internal Market Risk procedures require approval by TabTrade’s management team.

4. Credit Risk Management

TabTrade maintains internal procedures for assessing our Credit Risk with our Hedging Counterparties. These procedures are reviewed regularly, with any proposed changes requiring approval by TabTrade’s management team.

We review the credit quality of our Hedging Counterparties on an ongoing basis, with a formal review for each Counterparty conducted annually, and

more frequently if we become aware of any significant changes to that Counterparty or market conditions.

information about our approach to Hedging Counterparties can be made available on request.

We continuously monitor exposures to each Hedging Counterparty, and ensure they are within internal risk thresholds, to mitigate the Credit Risk from an individual Counterparty.

5. Hedging Counterparty Criteria

Prior to acceptance, each potential Hedging Counterparty is evaluated against the following criteria:

- a. valid regulatory authorisation in its home jurisdiction;
- b. sufficient operational and capital resources; and
- c. established industry standing with no adverse regulatory history.

The approval of new Hedging Counterparties, and any changes to existing Counterparty arrangements, is subject to TabTrade's internal risk management procedures.

6. Hedging Counterparties

TabTrade may maintain relationships with a range of hedging counterparties in order to manage Market Risk and ensure continuity of execution. We diversify our Counterparty relationships to reduce exposure to any single institution and to mitigate Counterparty risk.

We regularly review the suitability of our Hedging Counterparties, taking into account factors such as described in our Hedging Counterparty Criteria. Further