Order Execution Policy

Purpose

1. The purpose of this policy is to establish effective arrangements for obtaining the best possible result for Company’s Clients when the Company is executing Clients’ orders. It aims to set out those arrangements and to ensure compliance with the requirements of the Law and the internal procedures of the Company.

Policy

2. Senior Management shall review the policy on an annual basis or whenever a material change occurs that will have an impact on the Company’s ability to continue offering best execution of its Clients’ orders using the Company’s trading platform.

3. The Company shall establish and maintain the present Order Execution Policy in order to ensure compliance with the obligation to execute orders on terms most favourable to the Clients and to achieve the best possible results for its Clients, taking into consideration its Clients’ ability, needs and trading policies, where applicable and possible.

4. The policy outlines the process that the Company follows for executing trades, and assures taking all reasonable steps to consistently obtain the best possible result for Clients through its Order Execution Policy. It is noted however that when executing an order following a specific Client instruction, the Company will execute the order in line with those instructions and will consider that it has discharged its best execution obligations.

Best Execution Criteria

5. The Company will take into account the best execution criteria for determining the relative importance of the execution factors:
   - The characteristics of the Client;
   - The characteristics of the Client’s order;
   - The characteristics of the financial instruments that are the subject of that order;
   - The characteristics of the execution venues to which that order can be directed.

6. The best possible result will be determined in terms of the total consideration, representing the price of the contract and the cost related to execution. The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most case, be secondary to price and cost considerations, unless they would deliver the best possible result for the Client in terms of total consideration.

Execution Factors

7. The Company, when managing Clients’ orders, takes into account various execution factors provided that there are no specific instructions from the Client to the Company about the way of execution of the orders. The execution factors include:
   - Price;
   - Speed and likelihood of execution;
   - Costs or commissions;
   - Size and nature of the order;
   - Market conditions and variations;
   - Execution capability;
   - Any other direct consideration relevant to the execution of the order.
Specific Instructions

8. In circumstances where the Client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company will execute the order in accordance with that specific instruction.

9. Nevertheless, if the Client provides a specific instruction to carry out an order, then by executing that order the Company will be complying with the Company’s duty to provide the Client with best execution. This may result in being unable to follow the Company’s Order Execution Policy for that particular order.

Execution Venues

10. Execution venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Company will enter into transactions with the Client as principal (counterparty) or as an agent. Depending on whether the Company transmits the Client’s order to another (external) brokerage which is a member of an exchange or to a liquidity provider for execution, or via STP through a dedicated trading platform, the Company may or may not be contractual counterparty to the Client. Therefore, the Company will act as an Execution Venue for some Client orders whereas a multilateral trading system may serve as the Execution Venue for STP trades.

11. When the Client deposits funds with the Company and places an order via a trading platform, the Company is responsible for safeguarding Clients’ funds. Upon receipt of the order, the Company opens an exactly identical order on its name with a third party brokerage or a market maker, per order received or accumulatively. In this respect, the Company executes the Client order by acting as a riskless principal (i.e. enters into true back to back trades without assuming any market risk).

Pricing

12. The Company will provide its own tradable prices which will be derived from independent price providers. The main way in which the Company will ensure that the Client obtains the best execution will be to ensure that the price provided to the Client is made with reference and compared to a range of underlying price providers and data sources. The Company reviews its independent price providers at least once a year to ensure that correct and competitive pricing is offered.

Costs

13. When the Client opens a position in some types of financial instruments a commission or a financing fee will apply.

Size of order

14. All orders are placed in monetary value. The Client will be able to place his order as long as he/she has sufficient balance in his trading account. If the Client wishes to execute an order of a significant size in a thin market he should consider the negative effect on the price.

Speed

15. Obviously, prices change over time. The frequency with which they do vary with different financial instruments and market conditions. Considering that the tradable prices are distributed via the Company’s trading platform/terminal, the technology used by the Client to communicate with the Company plays a crucial role. For instance, the use of a wireless connection, or dial up connection, or any other communication link that can cause a poor internet connection can cause unstable connectivity to the Company’s trading platform/terminal. The result for the Client is to place his orders at a delay and the order to be executed at better or worst prevailing market price offered by the Company via its platform/terminal.

Likelihood of execution

16. The Company seeks to provide Client orders with the fastest execution reasonably possible.

Likelihood of settlement

17. The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.
Market Impact

18. The Company’s quoted prices which are derived from its independent price providers may be affected by various factors which could also affect the abovementioned factors. The Company will take all reasonable factors to ensure the best possible result for its Clients.

Conclusion

19. Appropriate information is provided to the Client on the content of the execution policy. The prior consent of the Clients is obtained regarding the documented Order Execution Policy that needs to be followed. In addition, a clear and prominent warning is disclosed to the Company’s Clients (within the Client agreement) that any specific instruction from a Client may prevent the Company from taking the steps that it has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.

20. Adequate information is provided to the Clients through the Order Execution Policy in relation to the factors that are taken into consideration by the management when handling Clients’ orders. Also, the Order Execution Policy is reviewed periodically by the Company and the Clients are informed accordingly in relation to any material changes.

Counterparties

21. The Company may give authorisation to its Counterparties to carry out the execution of its orders on different execution venues. Client transactions may be executed only with or through Counterparties that meet prescribed minimum requirements applied by the Company.

22. In the Counterparty selection process (as well as their evaluation) for trades, the Company considers a number of factors including the following:

* the quality and effectiveness of a Counterparty’s execution policy, if relevant, in order for a Counterparty to reach the best possible result for the Company’s clients;
* the Counterparty’s ability to provide the best price and to maximise the opportunity for price improvement;
* the Counterparty’s ability to provide favourable access to new issues;
* the Counterparty’s ability to search for and obtain liquidity to minimise market impact and accommodate unusual market conditions;
* the Counterparty’s ability to close open positions and meet its cash and other obligations in a timely manner;
* the Counterparty’s ability to maintain and commit adequate capital when necessary to complete trades;
* the external credit of the counterparty if available;
* the Counterparty’s ability to complete trades quickly and to minimise the number of incomplete trades;
* flexibility: is the Counterparty able to execute unique trading strategies/execute and settle difficult trades as well as unusual trading volumes;
* quality, offering, speed of electronic execution methods and program trading (ability to execute multiple transactions);
* discretion: is the Counterparty able to maintain the confidentiality of an order;
* efficiency and accuracy of the Counterparty’s clearance and settlement process, including our split across clients.

In general, the selection process of Counterparties in relation to best execution is largely driven by the specific characteristics of the type of instruments, their characteristics and specific markets.

23. In all cases, the Company remains solely responsible for the execution of clients’ orders. It remains fully responsible for discharging all of its obligations under the Law. Such counterparty risks shall be assessed by the Company’s Risk Manager in the counterparty selection process as well as during the ongoing monitoring review of the performance of existing counterparties.