

## APPENDIX V. POLICY TO ACT IN THE BEST INTEREST OF THE CLIENT

### 1. INTRODUCTION

1.1 Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and its transposition in France with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2007, Law 144(I)/2007, the Company is required to provide its Clients and potential Clients with its Policy to act in the Best Interest of the Client (hereinafter the "Best Interest Policy").

1.2 Under the Law, the Company is required to take all reasonable steps to act in the best interest of the Client when receiving and transmitting Orders for execution. In addition, these rules require Cyprus Investment Firms to put in place a relevant Policy and to provide appropriate information to their Clients on the Best Interest Policy.

### 2. SCOPE OF POLICY

2.1 The Policy applies to Retail and Professional Clients. So, if the Company classifies a Client as an Eligible Counterparty, this policy does not apply to such a Client.

### 3. BEST EXECUTION FACTORS

3.1 The Company shall take all reasonable steps to obtain the best possible results for its Clients taking into account the following factors when dealing with Clients Orders against the Company' quoted prices:

#### 3.1.1 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 they are referred to as the Company' price. The difference between the lower and the higher price of a given CFD is the spread.
- The Company' price for a given CFD is calculated by reference to the price of the relevant Underlying Asset (i.e. cash indices, index futures, bond futures, commodity futures, spot crude oil, spot gold, spot silver, single stocks, currencies or any other asset offered by the Company in its discretion from time to time), which the Company obtains from third party external reference sources. The principal trading terms for CFDs are available in the Contract Specifications.
- The Company provides Quotes by taking into account the Underlying Asset price, but this does not mean that these Quotes are within any specific percentage of the Underlying Asset price. When the relevant Underlying Market is closed, the Quotes provided by the Company will reflect what the Company thinks to be the current Bid and Ask price of the relevant Underlying Asset at that time. The Client acknowledges that such Quotes will be set by the Company at its absolute discretion.
- The Quotes on the Company Website and the Client Terminal are indicative Quotes.

- Orders are executed as follows:

a) CFDs on Currencies:

- Take Profit (T/P) Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.
- Stop Loss (S/L) Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.
- Stop Loss (S/L) Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.
- Limit orders are executed at the limit price or better price.
- Buy Stop and Sell Orders for opening a position are executed as described. These Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.

b) CFD on other Underlying Assets:

- Take Profit (T/P) Orders are executed as described; These Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.
- Limit Orders are executed as described; In relation to CFDs on single stocks, Limit orders will be executed at the limit price or better. In relation to CFDs on Index, commodities and bonds Limit Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.
- Stop Loss (S/L) Orders are executed as described; These Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.
- Buy Stop and Sell Orders for the opening positions are executed as described. These Orders are released into the market as market orders when they have been triggered and as such might be susceptible to Slippage. They are executed at the best price available in the market.

3.1.2 Costs:

- The provision of Services from the Company to the Client is subject to the payment of costs, fees, commissions, charges to the Company (the "Costs"). Costs to the Company are set out in the Contract Specifications or the Company Website.
- In addition to Costs, other commissions and charges may be due by the Client directly to third parties. The Client shall be obliged to pay all such costs.

- For opening a position in some types of CFDs the Client may be required to pay financing charges, disclosed on the Company Website (under Contract Specifications). These may be charged either in the form of a percentage of the overall value of the trade or as fixed amount.
- All CFDs on Futures will have an expiry and will have no financing charge.
- CFDs on spot crude will have a "roll charge" upon expiry of the underlying future.
- CFDs on Currencies and spot Gold and Silver will have a daily financing charge (variable month to month according to the underlying market prices).
- CFDs on single stocks will also have a daily financing charge.
- It is noted that the Company has the right to change the Contract Specifications (including the financing charges) at any time without prior notice to the Client; therefore the Client must check the Contract Specifications of the Financial Instrument before placing an Order.

### 3.1.3 Speed of Execution:

- Orders can be placed, executed and (if allowed) changed or removed within the trading time appearing in the Contract Specifications for each Financial Instrument or the Company's Website and if they are not executed they shall remain effective through the next trading session (as applicable).
- All open spot positions will be rolled over to the next business day at the close of business in the relevant Underlying Market, subject to the Company's rights to close the open spot position.
- Any open forward positions will be rolled over at the expiry of the relevant period into the next relevant period subject to the Company's rights to close the open forward position.
- The Company shall not be obliged to, but may, at its absolute discretion, arrange for the execution of the Client's Orders in respect of any Financial Instrument out of normal trading hours which appear in the Contract Specifications for each Financial Instrument or the Company's website.
- Company may establish cut-off times for instructions or Orders which may be earlier than the times established by the particular Market and/or clearing house involved in any Transaction and the Client shall have no claims against the Company arising out of the fact that an Order was not placed by the Client ahead of the cut-off time.
- Orders with the Company may only be placed on the Company's Online Trading System via the Client's computer. The use of wireless or dial up connection or any other form of unstable connection or lack of signal strength or connectivity problems or any telecommunication malfunctions may cause delays in the transmittal of messages between the Client and the Company when using the Company's Online Trading System. The delay may result in sending Orders out of the Company's operating times or after cut-off times imposed by the Company and so such Orders may be declined by the Company or arranged for execution at the following trading session. It is noted that the Company will not send back an updated price (re-quote) for which it is willing to trade.

- The Company places a significant importance when transmitting Client's Orders for execution but within the limitations of technology and communications links at all times.
- It is noted that when receiving and transmitting Client Orders, the Company is not the execution venue but some other third Financial Institution is the execution venue. This means that the Company will not be the counterparty in a CFD transaction but it will transmit the Order to some other Financial Institution for execution, which other Financial Institution will be the counterparty and this process may cause delays.

#### 3.1.4 Likelihood of Execution:

- When the Company transmits Orders for Execution, execution may be more difficult. The likelihood of execution depends on the availability of prices of other market makers/financial institutions.
- In some cases 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 Company will not send a re-quote to the Client with the price it is willing to deal. So the Order will not be executed.
- 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 Client Agreement.

#### 3.1.5 Likelihood of settlement:

- The Company shall proceed to a settlement of all transaction upon execution of such transactions.

#### 3.1.6 Size of Order:

- The 1 (one) standard lot size is the measurement unit specified for each Financial Instrument. The Company may offer standard lots, micro-lots and mini-lots, in its discretion, defined from time in the Contract Specifications.

#### 3.1.7 Market Impact:

- Some factors may affect rapidly the price of the Underlying Asset from which the Company's quoted price is derived and may also affect the rest of the factors herein. The Company will take all reasonable steps to obtain the best possible result for its Clients.

3.1.8 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. Nevertheless, whenever there is a specific instruction from the Client the Company shall make sure that the Client's Order shall be transmitted for execution following the specific instruction.

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#### 4. BEST EXECUTION CRITERIA

4.1 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 the criteria described below:

- a) The characteristics of the Client including the categorization of the Client as retail or professional;
- b) The characteristics of the Client Order;
- c) The characteristics of financial instruments that are the subject of that Order;
- d) The characteristics of the execution venues to which that Order can be directed.

4.2 For Retail Clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

#### 5. EXECUTION VENUES

5.1 Execution Venues are the entities with which the Orders are placed. For the purposes of Orders for the Financial Instrument of CFDs, some third Financial Institution(s) will be the Execution Venue and not the Company. A list of these financial institution(s) will be made known to Clients in a durable medium or may be publicized on the main website of the Company. The list may be changed at the Company's discretion by giving at least one business day prior notice to the Clients.

5.2 The Client acknowledges that the transactions entered in CFDs with the Company are not undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions. Therefore the Company may not manage to have an Order executed, or it may change the opening (closing) price of an Order in case of any technical failure of the trading platform or quote feeds.