

Order Execution Policy

Introduction

Colmex Pro Ltd (hereinafter called the “Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license number 123/10).

Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) in Cyprus, the Company is required to provide its clients and potential clients with its Order Execution Policy (hereinafter the “Policy”).

Under the above legislation, the Company is required to take all reasonable steps to obtain the best possible result (or “best execution”) on behalf of its clients either when executing client orders or receiving and transmitting orders for execution. These rules require firms to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its Clients on its order execution policy.

This Policy forms part of our agreement. Therefore, by entering into an agreement with the company, the client also agreeing to the terms of our order execution policy, as set out in this document.

The Best Execution obligation

CySEC rules place a high-level obligation on firms to ensure that client orders are executed on terms that are most favorable to that client, which is referred to as the ‘best execution obligation’. MiFID II has further enhanced this standard, by requiring that firms take ‘all sufficient steps’ to obtain the best possible result for its clients on a consistent basis when executing orders. For the purposes of this Policy and in relation to the best execution rules more generally, the term “client order” should be understood to mean all orders in financial instruments, whether they are executed direct in the market or transmitted to another firm to execute on the Company’s behalf that are carried out on behalf of a client.

The Company’s commitment to provide best execution does not impose any additional fiduciary duty upon the Company over and above the regulatory obligations in place or any terms agreed on a contractual basis between the Company and its clients.

Scope and Services

The Policy applies to retail and professional clients.

This Policy applies when executing transactions with the client for the financial instruments provided by the Company. It is up to the Company's decision to decide which types of Financial Instruments to make available and to publish the prices at which these can be traded.

All transactions shall be executed by the Company as the Principal, unless the Company acts as an Agent of its Client. When the Company acts as an agent with respect to transactions whose underlying assets are transferable securities the execution venue will be the relevant exchange to which the order was routed. When the Company shall act as an Agent with respect to the rest of the offered financial instruments, the Counterparty (or Principal) to every trade shall be one of the Company's execution venues.

The Client, when trading **Securities and Exchange Traded Derivatives**¹, is given the option to place with the Company the following orders for execution in the following ways, subject to an available counterparty in the market:

- Buy (long) financial instrument at Market price – the trade will be executed immediately after the order will be accepted by the stock exchange computers.
- In order to close opened Long positions for a particular financial product the trader has an order to sell at market price - the trade will be executed immediately after the order will be accepted by the stock exchange computers.
- Selling short (Short) financial instrument at the Market price - the trade will be executed immediately after the order will be accepted in the stock exchange computers.
- In order to close (cover) opened Short positions for a particular financial product the trader has an order to Buy at Market price - the trade will be executed immediately after the order will be accepted by the stock exchange computers.
- Buy (long) financial instrument at price Limit, the trader will place a maximum price he is willing to buy particular financial instrument – the trade will be executed immediately if the market price provided by the company for specified financial instrument is lower or equal to the price limit placed and after the order will be accepted by the stock exchange computers.
- In order to liquidate opened Long positions for particular financial product the trader has an order to Sell at price Limit - the trade will be executed immediately if the market price provided by the company for specified financial instrument is higher or equal to the price limit placed and after the order will be accepted by the stock exchange computers.

¹ Not all order types apply when trading options.

- Selling short (Short) financial instrument at price Limit, the trader will place a minimum price he is willing to get for particular financial instrument - the trade will be executed immediately if the market price provided by the company for specified financial instrument is higher or equal to the price limit placed and after the order will be accepted in the stock exchange computers.
- In order to liquidate opened Short positions for particular financial product the trader has an order to Buy at price Limit - the trade will be executed immediately if the market price provided by the company for specified financial instrument is lower or equal to the price limit placed and after the order will be accepted by the stock exchange computers.
- Stop Order- placing future (pending) order to cut losses in order to protect or take profit on specific opened financial instrument. The trader has three types of Stop Orders: Market, Limit and Range.
 1. Stop Order at Market – The trader will place a price trigger that he is willing to get - the trade will be executed immediately if the market price provided by the company for specified financial instrument crossed the price trigger and after the order will be accepted by the stock exchange computers.
 2. Stop Order Limit - The trader will place a price trigger that he is willing to get and the maximum / minimum price limit – the trade will be executed immediately if the market price provided by the company for specified financial instrument crossed the price trigger and did not cross price limit and after the order will be accepted by the stock exchange computers.
 3. Stop Order Range - The trader will place a high price and the low price that he is willing to get – the trade will be executed immediately if the market price provided by the company for specified financial instrument crossed high or low price and after the order will be accepted by the stock exchange computers.
- The client may not modify an existing Stop Order. The client will be required to cancel an existing Stop Order and place a new Stop Order with new conditions.
- It is not possible to cancel or replace orders in place 2 minutes before the market opens.
- The trader can configure the execution routes he/she will be using.
- The trader can configure orders for the NASDAQ stocks, NYSE stocks and Options separately.
- In order to exercise an option, client must send an email with complete details of the request. The request should include the total amount of options to be exercised or not to be exercised including the symbol. A phone call is also required to make sure the Dealing Desk have received and confirmed client's instructions.

The above must be followed to insure proper execution of client's request.

The Client, when trading **FX, CFDs on Equities, Indices, and Commodities**, is given the option to place with the Company the following orders for execution in the following ways:

- Buy (long) financial instrument at Market price – the trade will be executed immediately after the order will be accepted by the Company's computers.
- In order to close opened Long positions for a particular financial product the trader has an order to sell at market price - the trade will be executed immediately after the order will be accepted by the Company's computers.
- Selling short (Short) financial instrument at the Market price - the trade will be executed immediately after the order will be accepted in the Company's computers.
- In order to close (cover) opened Short positions for a particular financial product the trader has an order to Buy at Market price - the trade will be executed immediately after the order will be accepted by the Company's computers.
- Buy (long) financial instrument at price Limit, the trader will place a maximum price he is willing to buy particular financial instrument – the trade will be executed immediately if the market price provided by the company for specified financial instrument is lower or equal to the price limit placed and after the order will be accepted by the Company's computers.
- In order to liquidate opened Long positions for particular financial product the trader has an order to Sell at price Limit - the trade will be executed immediately if the market price provided by the company for specified financial instrument is higher or equal to the price limit placed and after the order will be accepted by the Company's computers.
- Selling short (Short) financial instrument at price Limit, the trader will place a minimum price he is willing to get for particular financial instrument - the trade will be executed immediately if the market price provided by the company for specified financial instrument is higher or equal to the price limit placed and after the order will be accepted in the Company's computers.
- In order to liquidate opened Short positions for particular financial product the trader has an order to Buy at price Limit - the trade will be executed immediately if the market price provided by the company for specified financial instrument is lower or equal to the price limit placed and after the order will be accepted by the Company's computers.
- Stop Order- placing future (pending) order to cut losses in order to protect or take profit on specific opened financial instrument. The trader has three types of Stop Orders: Market, Limit and Range.

1. Stop Order at Market – The trader will place a price trigger that he is willing to get - the trade will be executed immediately if the market price provided by the company for specified financial instrument crossed the price trigger and after the order will be accepted by the Company's computers.
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 3. Stop Order Range - The trader will place a high price and the low price that he is willing to get – the trade will be executed immediately if the market price provided by the company for specified financial instrument crossed high or low price and after the order will be accepted by the Company's computers.
- The client may not modify an existing Stop Order. The client will be required to cancel the existing Stop Order and to place a new Stop Order with new conditions.

In case the client uses MT4 platform, the client may use the mentioned below:

- The client may attach to a market order a Stop Loss and/or Take Profit. Stop Loss is an order to limit the Client's loss, whereas Take Profit is an order to limit the Client's profit.
- The client may enter, cancel or modify the Stop Loss and/or Take Profit of an open position at any given moment. Once the position has been closed the client cannot alter the Stop Loss and Take Profit levels.
- The Client may place a "pending order", which is an order to be executed at a later time at the price that the Client specifies. When the price provided by the Company reaches the price specified by the Client, the order will be executed at a market price.
- The following types of entry orders are available: Buy Limit, Sell Limit, Buy Stop and Sell Stop.
- The Client may modify an order before it is executed.

In case the client uses platforms other than MT4, the Limit Orders cannot be placed within 3 cents from the current market price.

Best Execution

The company shall take all sufficient steps to obtain the best possible result for its clients taking into account the following considerations when executing Clients' orders against the Company's quoted prices, subject to an available counter party on the market:

1. Price:

For any given financial instrument the Company will quote two prices: the higher price (ASK) at which the client can buy (or cover short) that Financial Instrument, and the lower price (BID) at which the client can sell (or go short) that Financial Instrument. The difference between the lower and the higher price of a given Financial Instrument is the spread.

- Short positions will be closed at the ASK price (whether the transaction is closed manually by the client or through the Stop Orders).
- Long positions will be closed at the BID price (whether the transactions are closed manually by the client or through the Stop Orders).
- All Buy Order will be executed at the ASK price and all Sell Orders will be executed at the BID price.

Price Composition (in relation to CFDs)

MT4 Platform:

The company's prices for a given Financial Instrument are calculated by referencing the price of the relevant underlying financial instrument, which the Company obtains from third-party external reference sources such as liquidity providers and data vendors.

The Company updates its prices as frequently as the limitations of technology and communications links allow and can be found on the Company's trading platform.

The company reviews its third-party external reference sources periodically, to ensure that the data obtained continues to be competitive. The Company will not quote any price outside the Company's operations time (see execution venue below) therefore no orders can be executed during that time.

Other platforms:

The company's prices are NBBO (National Best Bid/Offer) prices streamed to the client terminal from Company's data vendors, who in turn receive the prices directly from Nasdaq OMX and NYSE exchanges. The NBBO prices are formed by the rules of the relevant venue, are not processed/adjusted by the Company in any way and provided to the client as is. Clients' orders are triggered by the NBBO prices quoted in the system. Since the Company strives to provide trading conditions identical to the underlying exchange, client's order will be filled according to the market depth ("level 2 quotes") but

will be protected from receiving an execution price more than 3 cents away from the NBBO prices in case there is not enough liquidity in the underlying asset.

A couple examples to illustrate the abovementioned:

Example 1

Order: Buy Limit 100 shares of XYZ @ 45.50

Level 2 data:

| Size | Bid | Ask | Size |
|------|-------|-------|------|
| 100 | 45.49 | 45.50 | 100 |
| 100 | 45.48 | 45.51 | 100 |
| 100 | 45.47 | 45.52 | 200 |
| 100 | 45.46 | 45.53 | 100 |
| 100 | 45.45 | 45.54 | 100 |
| ... | ... | ... | ... |

Once the NBBO (in this case the ASK price) will reach 45.50 the order will be triggered and send for execution.

Since there is enough liquidity in the first tier of the market depth, the price of the order execution will be 45.50.

Example 2

Order: Buy Limit 1,000 shares of XYZ @ 45.50

Level 2 data:

| Size | Bid | Ask | Size |
|------|-------|-------|------|
| 100 | 45.49 | 45.50 | 100 |
| 100 | 45.48 | 45.51 | 100 |
| 100 | 45.47 | 45.52 | 200 |
| 100 | 45.46 | 45.53 | 100 |
| 100 | 45.45 | 45.54 | 100 |
| ... | ... | ... | ... |

Once the NBBO (in this case the ASK price) will reach 45.50 the order will be triggered and send for execution.

Since there is not enough liquidity in the first tier of the market depth, next tiers will be swept for additional shares to fill the order. The execution will be as follows:

100 shares @ 45.50

100 shares @ 45.51

200 shares @ 45.52

600 shares @ 45.53 (3 cent protection kicks in and fills the remaining amount)

The price of order execution will be 45.523

Considering the provided prices are de facto direct prices from the Stock exchanges, the Company or its data vendors cannot control the availability of prices or their correctness. However, the Company reviews periodically the prices provided by the data vendors to ensure that they match with the prices quoted by the stock exchanges.

If market price has reached one of the client's orders such as Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, and Sell Stop, they will be immediately executed. But under certain trading conditions it may be impossible to execute these orders on a financial instrument at the requested price. In this case the Company has the right to execute the order at the next best price. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted, trading session start moments, during volatile markets where prices may be moving significantly up or down and away from declared price and during news time.

2. Costs:

For opening a position in some types of financial instruments the Client may be required to pay commission or financing fees, the amount of which is disclosed in the Contract Specifications on the Company's website.

Trading Commissions may be charged either in the form of an addition to the spread of the price of financial instrument provided by the Company or as fixed amount per traded volume.

- In trading **securities and CFDs on securities**, for holding a position longer than one day, a daily financing fee (margin interest) might be applied throughout the life of the contract. The above-mentioned financing fee can be found in the "Contract Specifications" found on the Company's website which is the client's sole responsibility to review.
- In trading **Forex, CFDs on Indices, and Commodities**, in the case of financing fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee "swap" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees are available on the financial instruments Contract Specifications section in the Company's website which is the client's sole responsibility to review.

3. **Speed of Execution:** The Company strives to offer fully automated high-speed execution within the limitations of technology and communication links. The use of any form of unstable internet connection (such as wireless or Dial up connection) may result in delays

in the transmission of data between the Client and the Company when using the Company's electronic trading platform. The delay might result in sending to the Company out of date "market orders" which might be declined by the Company or cause the Company to send an updated price for approval before execution.

The Company monitors the speed of execution on a continuous basis by randomly sampling executed trades to ensure it maintains its high execution standards.

4. **Likelihood of Execution:** Although the Company executes all orders placed by the Clients, it reserves the right to decline an order of any type or to offer the Client a new price for "market order". In the latter case the Client can either accept or refuse the new price.
5. **Likelihood of settlement:** The Company shall proceed to a settlement of all transactions upon execution of such transactions.
6. **Size of order:**

In securities CFDs on securities trading, the minimum size of an order is One (1) share.

In Forex trading, the minimum size of an order is 0.01 lot (one hundredth of a lot). A lot is a unit measuring the transaction amount and it is different for each type of financial instrument. Please refer to the financial instruments contract specifications on the Company's website for the value of each lot for a given financial instrument type.

The Company reserves the right to decide on the minimum/maximum size of an order based on the client's profile and/or initial deposit.

Although there is no maximum size of an order, the client can place with the Company, the Company reserves the right to decline an order as explained in the Company's Terms and Conditions.

7. **Market Impact:** Some factors may affect rapidly the price of the underlying Financial Instruments from which the quoted Company price for Financial Instrument is derived. These factors may influence some of the considerations listed above. The Company will take all reasonable steps to obtain the best possible result for its Clients.

The Company does not consider the above list to be exhaustive and the order in which the above considerations are presented shall not be construed as a priority list.

Nevertheless, whenever there is a specific instruction from the client, the Company shall ensure that the client's order shall be executed following the specific instructions.

The Company will determine the relative importance of the above considerations 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:

- 1) The characteristics of the client including the categorization of the client as retail or professional
- 2) The characteristics of the client's order
- 3) The characteristics of financial instruments that are the subject of that order
- 4) The characteristics of the execution venues to which that order can be directed

For retail clients, the best possible result shall be determined reflecting 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.

Best Execution applies when the Company executes a transaction on behalf of a client in the following financial instruments:

1. CFD on Forex
2. CFD on Indices
3. CFD on Futures
4. CFD on Commodities
5. CFD on Equities
6. CFD on Cryptocurrencies

Best Execution does not apply to:

1. Equity stocks transactions for which Company acts as agent and all orders are executed on the relevant exchanges.
2. Foreign exchange transactions undertaken with the intention of converting money from one currency to another. For example, converting deposit in EUR to trading account's base currency which is USD.
3. Transactions arising from the exercise of an option. The Company will treat an instruction to exercise an option as a specific instruction from the client to exercise his rights under the option contract and will not take account of the state of the underlying market at the time.

Execution Venues

Execution Venues are the entities to which the Company transmits orders for execution. For the purposes of execution of clients' orders, for the Financial Instruments provided by the Company and in the case where the Company acts as an Agent on the Clients' behalf, the Company has carefully assessed and chose the following execution venues:

1. Over-the-counter market (OTC)
2. Regulated markets
3. Multilateral trading platforms

Due to the fact that the Market for the Financial Instruments the company provides is the OTC market, at present, the Company shall deal with the following entities while executing the Clients' orders, to ensure the best possible result:

- ViewTrade Securities
- AxiCorp Limited
- Swissquote Bank Ltd

Therefore, the OTC market is the sole Execution Venue for the execution of the Clients' orders when the company acts as an Agent on the client's behalf.

The Company's operations time for the Trading Platform(s) trading securities is Monday to Friday from 9:30- 16:00 NY time, regular trading hours – relatively to the stock market timing in NY. The client has an option to trade on the pre-market and after-market hours depending whether the trader's configured execution routes, to allow premarket and/or after-market hours trading. Holidays are announced at the Company's main website or/and by email.

The Company's operation time for the Trading Platforms trading Forex, CFDs on Equities, Indices, and Commodities is round – the – clock from Sunday 22:00:01 Greenwich Mean Time (GMT) to Friday 21:00.00 Greenwich Mean Time (GMT). Non-working periods: Friday 21:00:01 Greenwich Mean Time (GMT) to Sunday 22.00.00 Greenwich Mean Time (GMT). Holidays are announced at the Company's main website or/and by email.

The Company places significant reliance to the aforementioned Execution Venues based on the above-mentioned considerations and their relevant importance. It is the Company's policy to maintain internal procedures and principles in order to act for the best interest of its clients and provide them with the best possible result (or "best execution") when dealing with clients' orders.

The Client hereby acknowledges that the transactions entered in Contract for Difference provided by the Company are not undertaken on a recognized exchange, rather, they are undertaken through the Company's Trading Platform(s) and accordingly, they may expose the Client to greater risks than regulated exchange transactions.

The Company, therefore, may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the trading platform or quoted feeds. The terms and conditions and trading rules are established by the counterparty which is the Company acting as a market maker or a third-party broker and the laws and regulations governing the respective Execution Venue. The client is obliged to close an open position of

any given Financial Instrument during the opening hours of the Company's Trading Platform and with the same counterparty.

Important Notice

CFDs are not eligible for sale in specific jurisdictions or countries. The Notice is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including the U.S.A or Canada. The Notice does not constitute an offer, invitation or solicitation to buy or sell CFDs. The Notice is not intended to constitute the sole basis for the evaluation of the Client's decision to trade in CFDs.

WARNING: The Company states that any specific instruction of the client contained in the client's order can prevent the Company from implementing the considerations and measures which it has developed in accordance with its Order Executions Policy, aiming to achieve the best possible result for its clients when executing Clients' orders.

Monitor and Review

The Company will monitor on a regular basis the effectiveness of this Policy and in particular, the execution quality of the procedures explained in the Policy and, where appropriate, reserves the right to correct any deficiencies.

In addition, the Company will review the Policy annually. A review will also be carried out whenever a material change occurs that affects the ability of the Company to achieve the best possible result for its clients when executing clients' orders, on a consistent basis, using the venues included in this Policy. The Company will notify any affected clients of any changes in its Policy.

The Company has procedures and processes in place to analyse the quality of execution, as well as to monitor best execution. The Company measures and monitors the competitiveness of our prices against our major competitors, the speed of execution and the symmetry of slippage.

Client's Consent

Order Execution Policy is an integral part of the Company's Terms and Conditions. By accepting the Terms and Conditions the Client accepts the Legal Information/Documentation uploaded on the Company's website, including the Order Execution Policy.

The Company may obtain the above consent in the form of a general agreement where the Client is informed that for any orders placed with the Company for Financial Instruments, the Company acts as a Principal or an Agent on the Client's behalf and the Execution Venue for the execution of the Client's orders is the OTC market, which is a non-regulated market.