

Order Execution Policy

1. INTRODUCTION

- 1.1. Colmex Pro Ltd. ("**ColmexPro**", "**Company**", "**We**" or "**Us**") is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") with [license number 123/10](#). Our registered address is 11 Makariou III & Sissifou str. 3021, Limassol, Cyprus and we are registered in Cyprus with company number HE 260064.
- 1.2. We are required, under Applicable Laws and regulations to establish and implement an Order Execution Policy (the "**Policy**"). This Policy outlines the measures and procedures we adopt to ensure the best possible outcome for our clients when executing their Orders ("**best execution**").
- 1.3. We are committed to taking all sufficient steps to achieve best execution in accordance with our regulatory obligations. However, this Policy does not create any fiduciary duty or obligation beyond those expressly imposed by applicable regulations or contractual agreements between the Company and its clients.
- 1.4. All words and phrases highlighted and not defined in this Disclosures, shall have the same meaning as defined in our Terms and Conditions (as applicable).

2. SCOPE

- 2.1. This Order Execution Policy applies to all clients of ColmexPro, both retail and professional, when executing orders in Financial Instruments. However, it does not apply when we enter into Transactions with eligible counterparties, arrange transactions between such counterparties or receive and transmit orders on behalf of such counterparties.
- 2.2. The Policy outlines the execution procedures for Financial Instruments offered by the Company, including but not limited to CFDs on forex, indices, commodities, shares traded over-the-counter, as well as Securities and ETFs traded on regulated markets. However, it does **not apply** in certain cases where the execution process is inherently different from standard market transactions.
- 2.3. Specifically, this Policy does not apply to foreign exchange transactions undertaken solely for the purpose of currency conversion. For example, when a Client converts a deposit in EUR to the Trading Account's base currency in USD, such conversions are not considered trading Orders and therefore fall outside the scope of best execution requirements.
- 2.4. Additionally, this Policy does not apply to Transactions arising from the exercise of an option. When a Client provides an instruction to exercise an option contract, the Company treats this as a specific instruction to exercise the Client's contractual rights, without consideration of the prevailing market conditions at the time of exercise. As a result, best execution factors do not apply to these Transactions.
- 2.5. We are committed to acting honestly, fairly, and professionally, always considering the best interests of our clients. We take all sufficient steps to achieve the best possible outcome when



executing or transmitting client Orders. While we have measures in place to obtain the best execution, this does not guarantee the best result in every transaction, as outcomes depend on market conditions, Order specifics, and any instructions provided by the client.

2.6. Before trading with us, you must read, understand, and consent to this policy.

3. TYPE OF EXECUTION

3.1. We execute client orders through different methods, depending on the Financial Instrument traded. We may act as **either Principal or Agent**, as outlined below:

3.2. OTC Transactions (CFDs)

For CFDs, the Company may act as either Principal or Agent when executing Client Orders.

When acting as Principal, we are the sole Execution Venue, meaning clients transact directly with us rather than through an exchange or external market.

When acting as Agent, we execute client orders on their behalf through liquidity providers or external Execution Venues.

To ensure best execution, we have direct agreements with exchanges who supply market data and raw pricing, providing Clients with accurate and transparent price feeds. The Company continuously assesses these providers based on execution quality, pricing, and market conditions to ensure competitive quotes. When a Client submits an Order, it is executed based on the most recent available price, as determined by real-time market data sources and our technology.

3.3. Direct Market Access (DMA) – Equities, Options, ETFs

For stocks, options, exchange-traded funds (ETFs), and similar instruments, the Company may act as either Principal or Agent when executing Client Orders.

When acting as Principal, we are the sole Execution Venue, meaning clients transact directly with us rather than through an exchange or external market. In certain instances, while an Order, along with its execution characteristics, is confirmed internally by the Company in its Principal capacity, assuming the associated risk, execution may take place later within the trading day. Notwithstanding this approach, settlement and settlement date shall remain unaffected in all instances, regardless of execution timing.

When acting as Agent, the Company transmits Client Orders to one of the Execution Venues it collaborates with for execution. These Orders are directed to regulated exchanges or other trading venues through the Company's selected Execution Venues, ensuring access to market liquidity.

4. EXECUTION CRITERIA

4.1. The Execution Criteria that will be taken into account are the characteristics of:

(a) the Client (and the Client's categorisation),



- (b) the characteristics of the Order including any specific instructions given,
- (c) the characteristics of the Financial Instruments that are the subject of that Order,
- (d) the prevailing level of liquidity at the time of execution, and
- (e) the Execution Venues to which that Order can be directed.

5. EXECUTION FACTORS

5.1. We apply the same order of importance to execution factors across all ColmexPro products and markets. For all applicable Clients, the best possible result is primarily determined by total consideration, which includes both the price of the financial instrument and any costs related to execution.

5.2. Price

5.2.1. For every Financial Instrument offered by Colmex Pro, we quote two prices:

- **ASK price** – the lowest price at which clients can **buy** or **cover a short position**.
- **BID price** – the highest price at which clients can **sell** or **open a short position**.

The difference between these two prices is known as the **spread**.

5.2.2. In exceptional market conditions, such as high volatility or low liquidity, We may adjust spreads on CFD products to align with market dynamics.

5.2.3. Our prices are derived from the relevant Underlying Instrument, sourced from third-party reference providers, based on the type of Financial Instrument, as follows:

- **US Stocks Instruments (Securities & CFDs)**: The Company's prices are based on the National Best Bid and Offer (**NBBO**), streamed in real-time to the client terminal from Company's data vendors. These vendors receive prices directly from Nasdaq OMX and NYSE exchanges. NBBO prices are determined according to the rules of the relevant exchange and provided to the Client as received from the data vendor. The Company does not process, manipulate, or adjust NBBO prices in any way.
- **Non-US Stocks Instruments (Securities & CFDs)**: The Company obtains pricing from third-party external sources and applies adjustments before displaying the final quoted price on the Trading Platform. As a result, these prices are not direct market prices but reflect markups determined by the Company.

5.2.4. Since the Company strives to provide trading conditions identical to the underlying exchange, **Client Orders on CFDs** are processed based on market depth ("Level 2 quotes"). However, to protect Clients from excessive price deviations due to liquidity shortages, orders will **not be executed at a price more than 3 cents away from the NBBO price** if there is insufficient liquidity in the Underlying Instrument. This mechanism ensures that Clients receive executions as close as possible to the actual market price while limiting slippage in low-liquidity conditions.



- 5.2.5. Our Trading Platform displays these prices in real-time, updating them as frequently as technology allows. However, prices should be considered **indicative**, as execution may vary due to market fluctuations, liquidity conditions, and order execution speed.
- 5.2.6. In volatile or low-liquidity market conditions, execution prices may differ from the initially displayed prices. In such cases, We reserve the right to execute orders at the next available price, which may result in a better or worse price than requested.
- 5.2.7. When placing an Order, the execution price is determined based on the prevailing market prices at the time of execution. The Company follows standard execution practices to ensure transparency and consistency across all Financial Instruments. The execution of Orders follows these principles:

Market Orders:

A Market Order is an Order type that is executed immediately at the best available price in the market. It does not guarantee a specific price but ensures execution as long as there is sufficient liquidity. Market Orders are typically used when immediate execution is prioritized over price control.

- **Buy Orders** or **closure of Short Positions** are executed at the **ASK** price
- **Sell Orders** or **closure of Long Positions** are executed at the **BID** price

Limit Orders:

A Limit Order is a type of pending order that allows Clients to specify the maximum price they are willing to pay for a buy order or the minimum price they are willing to accept for a sell order. Unlike market orders, which execute immediately at the best available price, Limit Orders will only execute at the specified price or a better price, ensuring greater control over trade execution. However, there is no guarantee that a Limit Order will be executed, as it depends on market conditions and liquidity.

- **Buy Limit Orders** are placed **below** the current market price and execute at the **ASK** price or a better price (lower).
- **Sell Limit Orders** are placed **above** the current market price and execute at the **BID** price or a better price (higher).

Take Profit Orders function as Limit Orders:

A Take Profit Order is a type of Limit Order used to automatically close a position at a predefined profit level. It ensures that once the market reaches the set price, the trade is executed to lock in gains. Take Profit Orders only execute if the price meets or exceeds the specified level, but execution is not guaranteed if there is insufficient liquidity.

- A **Take Profit on a long position** executes as a Sell Limit Order at the **BID** price or a better price.
- A **Take Profit on a short position** executes as a Buy Limit Order at the **ASK** price or a better price.



Stop Orders:

A Stop Order is an order type designed to trigger an execution only when the market reaches a specified price level. It does not guarantee execution at the exact stop level but ensures execution once the trigger price (**Last Trade Price**) is met.

- **Buy Stop Orders** are placed **above** the current market price and execute at the **ASK** price once triggered.
- **Sell Stop Orders** are placed **below** the current market price and execute at the **BID** price once triggered.
- **Stop Loss Orders** function as **Stop Orders**, meaning they trigger a market order once the stop level is reached:
 - A **Stop Loss on a long position** triggers a **Sell Market Order** at the **BID** price.
 - A **Stop Loss on a short position** triggers a **Buy Market Order** at the **ASK** price.

5.2.8. **Last Trade Price:** The Last Trade Price is the price at which the most recent transaction in the underlying financial instrument occurred. It determines when a Stop Order is triggered but does not dictate the execution price.

- **Stop Orders** are **triggered by the Last Trade Price, NOT the Bid or Ask price.**
- Once triggered, Stop Orders are **executed at the next available Bid or Ask price**, which may differ from the Last Trade Price due to market fluctuations, liquidity, and order execution speed.

This means that in fast-moving or illiquid markets, the execution price may be higher or lower than the stop price. Clients should be aware of this potential difference when placing Stop Orders.

5.2.9. Prices may fluctuate due to market conditions, and execution at the quoted price is subject to availability and liquidity at the time the Order is processed. Under certain trading conditions, it may be impossible to execute an order at the requested price. In such cases, the Company reserves the right to execute the order at the next best available price. This may occur in the following situations:

- **Rapid price movements**, where the market price rises or falls significantly within a short period.
- **Exchange-imposed restrictions**, such as trading halts, suspensions, or circuit breakers.
- **Market opening moments**, where price gaps may occur.
- **Periods of extreme volatility**, where prices may deviate significantly from the declared price.
- **Major news releases or economic events**, which can cause sharp market fluctuations.

5.2.10. Clients should be aware that in fast-moving or illiquid markets, execution prices may be higher or lower than the initially requested price due to market dynamics.

5.3. Costs

5.3.1. When trading Financial Instruments, Clients may be subject to commissions, spreads, financing fees (swap), or other applicable charges.



5.3.2. **Securities (Shares, ETFs and Options) and CFDs on shares and options**

- **Trading Costs**

- Foreign exchange (FX) conversion costs apply when purchasing Securities in a currency different from the Trading Account's currency.
- Additional fees such as stamp duty or local taxes may apply according to the relevant regulations and are displayed on the Trading Platform upon execution.

- **Financing Fees (Overnight Charges)**

- A daily financing fee (margin interest) may be applied if a position is held open overnight.
- These fees are applied throughout the life of the contract and are detailed in the "Contract Specifications" on the Website.

5.3.3. **CFDs on Financial Instruments**

- **Trading Costs**

- The Company applies a spread (markup on the underlying market price) when executing CFD trades.
- In most cases, no additional commissions or charges are applied beyond the spread, meaning the price quoted on the Trading Platform already includes all trading costs.

- **Financing Fees (Overnight Charges)**

- For CFDs on non-Security underlying assets (e.g., indices, commodities, forex), a daily financing fee (swap) may be applied to open positions.
- The swap value is based on prevailing market interest rates, which may fluctuate over time.
- Swap charges are credited or debited daily and are displayed within the Trading Platform product information pages.

5.3.4. The exact costs depend on the type of Financial Instrument traded and are detailed in the "Contract Specifications" and "Account Types and Fees" sections on our Website and are not dependent on any priority criteria chosen by the Company or execution method. Clients are responsible and encouraged to review these costs before placing any Orders to ensure they fully understand any charges that may apply to their Transactions.

5.4. **Speed of Execution**

5.4.1. ColmexPro considers the speed of Order execution to be of significant importance to its Clients. We strive to provide fully automated, high-speed execution to ensure that Client Orders are processed efficiently within the limitations of technology and communication networks. However, execution speed may be influenced by various factors, including internet connectivity, market conditions, and platform performance.



5.4.2. Clients should be aware that using an unstable internet connection, such as a wireless or dial-up connection, may result in delays in the transmission of data between the Client and the Company's Trading Platform. Such delays may cause market orders to be sent with outdated prices, which could lead to the order being declined by the Company or require an updated price to be provided for Client approval before execution. To minimize execution delays, clients are encouraged to maintain a stable, high-speed internet connection when trading.

5.4.3. We continuously monitor execution speed and performance by randomly sampling executed trades to ensure that we maintain high execution standards. This ongoing evaluation helps to identify any potential issues that may affect execution quality and allows the Company to take appropriate measures to optimize its trading environment. We will generally prioritise price of execution over speed, depending on market conditions prevailing that it is in the best interest of the Client.

5.5. Likelihood of Execution and Settlement

5.5.1. The likelihood of execution depends on the available liquidity in the market. While the Company aims to execute all Client Orders, certain market conditions may impact execution. In highly volatile markets, during significant price movements such as opening gaps at the start of a trading session, or around major news announcements, execution may be affected. Under such conditions, We reserve the right to decline an Order or provide the Client with a new price for a market order. In these cases, the Client has the option to either accept or decline the updated price before execution.

5.5.2. In some situations, where an Order cannot be fully executed due to market conditions, liquidity constraints, or applicable limits, the Company may provide a partial fill instead of outright rejection. By placing an Order, the Client authorizes the Company to make all reasonable efforts to execute the available portion of the transaction.

5.5.3. For CFDs, settlement occurs immediately upon execution, ensuring that all trades are properly recorded and processed in a timely manner. However, for Securities, settlement follows the standard settlement cycle of the relevant exchange (e.g., T+1, meaning one business day after the trade date). During this period, the transfer of ownership is processed in accordance with market regulations. Clients should be aware that settlement delays may occur due to regulatory requirements, operational processes, or intermediary institutions involved in the Transaction.

5.6. Order Size and Nature

5.6.1. The size and nature of an Order depend on the Financial Instrument being traded. The Company has defined minimum order sizes for different asset classes as follows:

- **Securities and CFDs on Stocks:** The minimum order size is **one (1) share**.
- **Options:** The minimum order size is **one (1) contract**.
- **CFDs on Other Financial Instruments:** The minimum order size is **0.01 lot (one hundredth of a lot)**.

A **lot** is a unit measuring the transaction amount, and its value varies depending on the financial instrument. Clients can refer to the **Contract Specifications** section on the Website for details on the lot size for each instrument type.



- 5.6.2. The Company reserves the right to determine the minimum and maximum order sizes based on the Client's profile, initial deposit, and risk considerations. Although there is no fixed maximum order size, execution is subject to market liquidity and available trading conditions. If an Order exceeds the size the Company can reasonably execute in the underlying market at that time, the Company may partially fill, restrict, or reject the Order.
- 5.6.3. For Orders of unusually large size, or where the market is illiquid or highly volatile, the Company may prioritize price over execution speed. In such cases, the Company may, at its sole discretion, accept the Order only after it has covered the exposure in the underlying market. Additionally, market conditions may impact maximum order limits, and the Company reserves the right to adjust these limits accordingly.
- 5.6.4. Clients should review the "Contract Specifications" for information on specific size constraints for each market. The Company may, at its discretion, offer greater liquidity than the underlying market, but execution remains subject to the prevailing market conditions and the Company's risk management policies.

5.7. Market Impact

- 5.7.1. The price of a Financial Instrument may be affected by sudden market movements, which can influence execution conditions. External factors such as economic events, major news releases, changes in market sentiment, or periods of high volatility may cause rapid price fluctuations in the underlying financial instruments from which the Company derives its quoted prices.
- 5.7.2. These market conditions can impact some best execution considerations listed above. While the Company cannot control market movements, it will take all reasonable steps to obtain the best possible result for its Clients, in line with its execution policy and regulatory obligations.

5.8. Total Consideration

- 5.8.1. When executing an Order on behalf of a Retail Client, the Company determines the best possible result primarily in terms of "Total Consideration", which consists of both the price of the Financial Instrument and the costs related to execution. These costs include all expenses directly related to the execution of the Order, such as execution venue fees, clearing and settlement fees, and any other fees paid to the Company and/or third parties involved in the execution process.
- 5.8.2. While price and costs are generally the most significant factors in best execution, the Company may determine, under certain market conditions, that other factors—such as speed, likelihood of execution and settlement, and Order size—should take precedence. This may be necessary to ensure the best possible outcome, particularly for large Orders, trades executed in illiquid markets, or when a Stop Order is triggered.
- 5.8.3. The Company exercises its discretion in assessing the relative importance of execution factors by considering market conditions, the availability of price improvement, the liquidity of the market, and the size and nature of the Order, which may impact execution feasibility. The approach to best execution is not rigid, and the factors influencing execution are assessed dynamically based on prevailing market circumstances.



- 5.8.4. The Company does not consider the factors listed above to be exhaustive, nor should their order of presentation be interpreted as a priority ranking. The weighting of these factors may vary depending on the specific characteristics of the Order, the Client classification, and the Execution Venue.
- 5.8.5. However, when a Client provides a specific instruction regarding the execution of their Order, the Company will execute the Order in accordance with those instructions, to the extent possible. Clients should be aware that specific instructions may override certain best execution considerations, which could impact the final execution outcome.

6. ALGORITHMIC TRADING

- 6.1. The Company does not rely on algorithmic trading systems to fulfill its obligation to take sufficient steps to obtain the best possible result for the execution of Client Orders on a consistent basis.

7. EXECUTION VENUES

- 7.1. The Company assesses the Execution Venues available for pricing and hedging CFD contracts and for the execution of Security transactions. In most cases, the total consideration (i.e., price and costs associated with execution) is considered the most important factor for Clients and is therefore prioritized when determining the best possible result for Order execution. However, the Company also considers how other execution factors—such as speed of execution, likelihood of Order acceptance, and market conditions—affect execution quality across different venues and Order types. Additionally, the financial soundness and Order execution policies of counterparties and venues are taken into account.
- 7.2. For the avoidance of doubt, our Order Execution Policy provides that the Company may execute Client Security Transactions and will execute client CFD Transactions outside a regulated market or MTF. This approach enables the Company to consistently source the best price for Client Orders. However, executing outside a regulated market carries an increased counterparty and settlement risk compared to exchange-traded transactions. Clients are advised to review the General Risk Disclosures for more information regarding these risks.
- 7.3. The Company directs Client Security Orders and may direct Client CFD Orders to Execution Venues that allow it to obtain the best possible execution result on a consistent basis. Execution venues are subject to change at the Company's discretion and may include, but are not limited to: regulated markets, multilateral trading facilities (MTFs), market makers, systematic internalisers, executing brokers, and other liquidity providers. A non-exhaustive list of the Execution Venues upon which the Company places significant reliance is published on the Order Execution Policy page of the Company's website and is updated at least annually.
- 7.4. The Company periodically reviews its Execution Venues to ensure they continue to provide optimal execution quality. As part of this review, the Company considers, among other factors, the reputation of the execution venue, the number of accessible liquidity pools, the availability of regulated markets and MTFs, and the use of smart Order routing technologies to source the best available prices.



8. AGGREGATION

- 8.1. The Company will not aggregate a Client's Order with another Client's Order, unless the following conditions are met:
- (a) It is likely that the aggregation will not work to the overall disadvantage of any Client, whose Order is to be aggregated;
 - (b) It has been disclosed to each Client, whose Order is to be aggregated, that the effect of aggregation may work to its disadvantage in relation to a particular Order (as disclosed in the Firm's Invest Terms); and
 - (c) The Order will be aggregated in accordance with this Policy, which is designed to achieve a fair allocation of aggregated Orders and transactions, including how the volume and price of Orders determine allocations and the treatment of partial executions.

9. MONITORING AND REVIEW

- 9.1. The Company monitors the effectiveness of this Order Execution Policy on a regular basis to ensure that it consistently achieves the best possible result for Clients. This includes assessing the execution quality of procedures outlined in the Policy and, where necessary, making corrections to address any identified deficiencies.
- 9.2. Monitoring is conducted on both an ex-ante (pre-trade) and ex-post (post-trade) basis, which includes, but is not limited to:
- Reviewing statistics related to the frequency of Order rejections.
 - Monitoring complaints related to execution quality.
 - Assessing the symmetry of observed slippages (positive vs. negative).
- 9.3. Additionally, the Company conducts a comprehensive review of this Policy at least annually. A review will also be initiated whenever a material change occurs that could impact the Company's ability to obtain the best possible execution result for Clients. In such cases, the Company will evaluate whether modifications to the execution arrangements, venues, or procedures are necessary. Any material changes to this Policy will be communicated to affected Clients as required.
- 9.4. To ensure continuous compliance with best execution obligations, the Company has implemented a "Best Execution Monitoring Procedure", which is carried out daily by the Reception, Transmission and Execution (RTEO) Department and reviewed on a quarterly basis by the Compliance Department. This monitoring includes:
- **Comparing the Company's execution quality** against independent price sources and relevant benchmarks.
 - **Measuring and analyzing execution speed, slippage metrics, and price competitiveness** against industry benchmarks and internal tolerance levels.
 - Identifying and addressing **any deficiencies** in execution processes.



- 9.5. Findings from the Best Execution Monitoring Procedure are reported to Senior Management, who assess the results and implement any necessary corrective actions.
- 9.6. For transparency and compliance, the Company maintains records of:
- Prices for Financial Instruments displayed on its Trading Platform, including details about costs, speed, and likelihood of execution, for a minimum of five (5) years.
 - Ongoing best execution monitoring records, which can be provided to the Competent Authority upon request.
- 9.7. Where required, the Company provides annual reports detailing the top five execution venues in terms of trading volume for the preceding year, in accordance with Commission Delegated Regulation (EU) 2017/576 (RTS 28). These reports offer transparency on the Company's execution practices and are publicly available on the Website.

10. **CONSENT**

- 10.1. We are required to obtain your prior consent to our Order Execution Policy. This 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 this Order Execution Policy.
- 10.2. The Company reserves the right to modify this Policy at any time (hereinafter referred to as "Change(s)") to reflect regulatory updates, operational adjustments, or improvements in execution arrangements.
- 10.3. When Changes are made to this Order Execution Policy, they will be posted on the Company's Website under Announcements section, and such publication shall be deemed sufficient notice. It is your responsibility to regularly review the Order Execution Policy on our Website to stay informed of any updates. Your continued use of the Company's Services, Trading Platform, or Website after any Changes are published will constitute your acceptance of the revised Policy, and the modified Order Execution Policy shall govern your relationship with the Company.
- 10.4. IF YOU DO NOT AGREE TO ANY CHANGES, YOU MUST IMMEDIATELY CEASE USING THE COMPANY'S SERVICES AND NOTIFY THE COMPANY IN WRITING WITHIN FIVE (5) CALENDAR DAYS OF THE PUBLICATION OF THE CHANGES. In such a case, the Changes will not be binding on you; however, your Account may be suspended, and you will be required to close your Account as soon as reasonably practicable.

