

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.

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 “Financial Instruments” to make available and to publish the prices at which these can be traded.

All transactions on Contracts shall be executed by the Company as the Principal, unless the Company acts as an Agent of its Client. When the Company shall act as an Agent, the Counterparty (or Principal) to every trade shall be one of the Company’s the execution venues.

The Client, when trading **Securities and CFDs on Securities**, is given the option to place with the Company the following orders for execution in the following ways, subject to an available counter party on 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 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 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.
- 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.
- 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.
- 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.

- 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 modify a Stop Order before it is executed. The client will not be able to change or remove Stop Orders if the price has reached the level of the order execution.
- The trader can configure the execution routes he will be using.
- The trader can configure orders for the NASDAQ, NYSE and Options separately.

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

- The Client places a “market order” which is an order instantly executed against a price that the Company has provided. 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 places 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 market price. The following types of entry orders are available: Buy Limit, Sell Limit, Buy Stop and Sell Stop. The Client may attach to any entry order a Stop Loss and/or Take Profit. The client may enter, cancel or modify the Stop Loss and/or Take Profit of an entry order at any given moment. Once the position has been closed, the client cannot alter the Stop Loss and Take Profit levels.
The Client may modify an order before it is executed.

Best Execution

The company shall take all reasonable 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.

The company's price for a given Financial Instrument is calculated by reference to the price of the relevant underlying financial instrument, which the Company obtains from third party external reference sources.

The company's prices are constructed with reference to the given Financial Instrument, which can be found in the Company's website.

The Company updates its prices as frequently as the limitations of technology and communications links allow.

The company reviews its third party external reference sources at least once a year, to ensure that the data obtained continue 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 placed by the Client during that time.

Orders available when trading securities and CFDs on securities: Buy Order (Long Position) in Market price, Short Order in Market Price, Sell Order in Market price (close a long position partially or fully), Buy Order using price Limit, Short order using price Limit, Sell Order using price Limit (close a long position partially or fully), Cover a Short position with price limit, Stop Loss Order (to protect an opened position using a future sell command), Stop Market Orders, Stop Limit Order, Stop Range Order (to protect an open position by placing a future sell command which will be executed in case of either earning or losing, available only on ARCAS ECN route), GTC - Good Till cancel, (orders waiting for execution outside the trading hours, managed by market makers available only with NITE and SBSH route).

Orders available when trading Forex, CFDs on Indices and commodities: Stop Loss, Take Profit, Buy Limit, Sell Limit, on financial instruments contracts are executed at the market price triggered by price specified by the client. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, and Sell Stop) on any financial instrument contract at the declared 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 in the Company's website.

Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount.

- In trading **securities and CFDs** in 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 viewed 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.

For all types of Financial Instruments that the Company offers, the financing fees are not included in the Company's quoted price and are instead charged/paid extra and deducted from the Client's account.

- 3. Speed of Execution:** The Company strives to offer high speed of 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.
- 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 later 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 in 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.

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
4. Systematic internalisers

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:

Licensed USA-based brokers and Licensed EU-based brokers

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 and CFDs on 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, when trading securities, has an option to trade on the pre-market and after-market hours depending whether the trader's configured execution routes, t allow pre market 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 in 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) t0 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 financial instruments 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.

Client’s Consent

When establishing a business relation with the Client, the Company is required to obtain the Client's prior consent to this Policy.

The Company is also required to obtain the Client's prior express consent before it executes or transmits his order for execution outside a regulated market or an MTF (Multilateral Trading Facility).

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.