FINMARKET

Your Gateway To The Financial Market

ORDER EXECUTION POLICY

March 2020

Contents

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FinMarket is a brand name owned and operated by K-DNA Financial Services Ltd, 56 Griva Digeni Avenue, Anna tower, First floor, 3063, Limassol, Cyprus, is a Cyprus Investment Firm (CIF) supervised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF Licence number 273/15 and Company registration number HE 335683.

Order Execution Policy

FINMARKET is a brand owned and operated by K-DNA Financial Services LTD (hereinafter called the "Company", "K-DNA Financial Services LTD", "K-DNA", "us", or "we"), a regulated company by the Cyprus Securities and Exchange Commission license 273/15, incorporated and registered under the laws of the Republic of Cyprus with registration No. 335683, head office at 56 Griva Digeni Avenue, Anna tower, First floor, 3063, Limassol, Cyprus.

Client Consent

This Policy forms part of our agreement. Therefore, by entering into an agreement for the provision of Investment Services with the company, the client also agrees and consents to our order execution policy, as set out in this document.

Legal and Regulatory Framework

The Order Execution Policy (the 'Policy') is issued pursuant to, and in compliance with the requirements of:

- Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended from time to time ("MiFID II");
- the Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets and other related matters, as amended from time to time (the "Law");
- the Investment Services and Activities and Regulated Markets Law No 144(I)/2007 to the extent it remains applicable after coming into force of MiFID II;
- the Commission Delegated Regulation (EU) 2017/565, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- the Commission Delegated Regulation (EU) 2017/576, supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution;
- Section 9 of the Questions and Answers of the European Securities and Markets Authority ("ESMA") as amended from time to time, with respect to the provision of CFDs and other speculative products to retail investors;
- Section 1 of the Questions and Answers of the European Securities and Markets Authority ("ESMA") as amended from time to time, on investor protection topics.

For the purpose of this Policy, any of the above legislation, regulation or guidelines will be referred to as 'Regulation(s)'.

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Definitions

"Agent" - The Company receives the Client orders which are then transmitted to the Liquidity Providers for further execution.

"CFDs" - Contracts for Differences

"Principal" - The Company's Execution Venues acts as Principal with respect to the execution of Client orders.

"Slippage" - This is when a trader executed an order at a price which is different to the price they expected the trade to be executed at. This usually happens during periods of high volatility. There are two kinds of slippage, positive and negative. Positive slippage occurs when the price is executed at a better level than the one requested; a negative slippage is exactly the opposite situation. Slippage may occur in all the account types and order types offered and under all execution methods. Please be informed that in case a slippage is experienced in the market, the orders will be executed at the next available price in cases of market execution.

Scope and Services

The Execution Policy applies with respect to the Company's relationship with retail and professional Clients (excluding Clients classified as Eligible Counterparty).

The Company executes orders in relation to one or more financial instruments mainly in Forex, CFDs on commodity futures, spot metals, CFDs on Indices.

All transactions on Contracts shall be executed by the Company as an Agent of the Client. The Counterparty (or Principal) to every trade shall be one of the Company's Execution Venues.

Taking into consideration the abovementioned Regulations, the Company is obliged to take all sufficient steps to obtain the best possible results (or "best execution") on behalf of its clients, either when executing clients' orders or receiving and transmitting orders for execution. These Regulations also require the Company to establish an Order Execution Policy to allow it to obtain, for its client orders, the best possible result for its clients.

The Policy sets out the execution procedures for the financial instruments offered by the Company. Clients must therefore ensure that they have read, understood and consent to the contents of this Policy before trading with the Company.

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Types of Order(s) in Forex and CFDs

Given the nature of risk and volatility of financial markets, the Client may want to consider using different types of orders to limit risk and manage investment strategies (it should be noted that the following descriptions of order types may apply only to some and not all types of financial instruments).

(a) Market Order(s)

A market order is an Order to buy or sell a Forex and CFD at the current price. Execution of this order results in opening a position. Forex and CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order.

(b) Pending Order(s)

Pending order is the client's request to buy or sell a security at a pre-defined price in the future. This type of orders is used for opening of a trade position provided the future quotes reach the pre-defined level. There are four types of pending orders available in the terminal:

(i) **Buy Limit** – buy provided the future "ASK" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having fallen to a certain level, will increase.

(ii) **Buy Stop** – buy provided the future "ASK" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on increasing.

(iii) **Sell Limit** – sell provided the future "BID" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having increased to a certain level, will fall.

(iv) **Sell Stop** – sell provided the future "BID" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on falling.

Orders of Stop Loss and Take Profit can be attached to a pending order. After a pending order has triggered, its Stop Loss and Take Profit levels will be attached to the open position automatically.

However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first best available price. This may occur, for example, at times of rapid price fluctuations of 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, or there is lack of liquidity, or this may occur at the opening of trading sessions.

(c) Take Profit

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Take Profit Order is intended for gaining the profit when the Forex and CFD price has reached a certain level. Execution of this order results in complete closing of the whole position. It is always connected to an Open Position or a Pending Order. The Order can be requested only together with a market or a pending order. Under this type of order, the Company's Platform checks long positions with Bid price for meeting of this order provisions (the order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price).

(d) Stop Loss

This Order is used for minimising of losses if the Forex and CFD price has started to move in an unprofitable direction. If the Forex and CFD price reaches this level, the whole position will be closed automatically. Such Orders are always connected to an Open Position or a Pending Order. They can be requested only together with a Market or a Pending Order. Under this type of Orders, the Company's Platform checks long positions with Bid price for meeting of this order provisions (the order is always set below the current Bid price), and it does with Ask price for short positions (the order is always set above the current Ask price). To automate Stop Loss order following the price, one can use Trailing Stop.

(e) Take Profit

Take Profit order is intended for gaining the profit when the security price has reached a certain level. Execution of this order results in closing of the position. It can always connected to an open position. The order can be requested only together with a market order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set above the current BID price), and it does with ASK price for short positions (the order is always set below the current ASK price).

(f) Trailing Stop

Stop Loss is intended for reducing of losses where the symbol price moves in an unprofitable direction. If the position becomes profitable, Stop Loss can be manually shifted to a break-even level. To automate this process, Trailing Stop was created. This tool is especially useful when price changes strongly in the same direction or when it is impossible to watch the market continuously for some reason.

Trailing Stop is always attached to an open position and works in client terminal, not at the server like Stop Loss, for example. To set the trailing stop, one has to execute the open position context menu command of the same name in the "Terminal" window. Then one has to select the desirable value of distance between the Stop Loss level and the current price in the list opened. Only one trailing stop can be set for each open position.

After the above actions have been performed, at incoming of new quotes, the terminal checks whether the open position is profitable. As soon as profit in points becomes equal to or higher than the specified level, command to place the Stop Loss order will be given automatically. The order level

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is set at the specified distance from the current price. Further, if price changes in the more profitable direction, trailing stop will make the Stop Loss level follow the price automatically, but if profitability of the position falls, the order will not be modified anymore. Thus, the profit of the trade position is fixed automatically. After each automatic Stop Loss order modification, a record will be made in the terminal journal.

Trailing stop can be disabled by setting "None" in managing menu. And trailing stops of all open positions and pending orders will be disabled if the "Delete All" command of the same menu has been executed.

- Trailing Stop works in the client terminal, not in the server (like Stop Loss or Take Profit). This is why it will not work, unlike the above orders, if the terminal is off. In this case, only the Stop Loss level will trigger that has been set by trailing stop.
- Trailing Stop is processed once per tick. If multiple orders with Trailing Stop are open for one symbol, only the trailing stop of the latest open order is processed.

(g) Stop-Out Order

The Company has the right without the consent of the Client or by giving any prior notice to close the Client's open position in the event the client has not the sufficient funds as per our terms and conditions for maintaining his open positions.

Execution Elements

(a) *Commission:* clients shall be charged commission when trading CFDs on all the underlying assets available with our company. Further information is available on the Company's website.

(b) *Mark-up:* clients shall be charged a mark-up on spread when trading CFDs on all the underlying assets available with our company. Further information is available on the Company's website.

(c) *Market gap:* is the difference between the closing price of one period and the opening price of the next period. Market gaps are most often created between trading sessions, such as during the night or over the weekend.

(d) *Partial fills:* this is the practice of executing an order in parts, at a time where there is not enough liquidity in the market, in order to fill the complete order at a specific price.

(e) *Prices:* we receive price feeds from the liquidity providers mentioned below. The price for a given contract is calculated by reference to the price of the relevant underlying financial instrument. For any given financial instrument, the Company will quote two prices: the higher price (ASK) at which the Client can buy (long) that financial instrument, and the lower price (BID) at which the Client can sell (short) it. The difference between the lower and the higher price of a given CFD is the

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spread.

(f) *Re-quoting:* this is the practice of providing a secondary quote after an instant-order has been submitted. The Client must agree to this quote before the order is executed. The Company will re-quote instant orders if the requested price originally specified by the Client is not available at the specific time of execution. The secondary quote provided to the client is the current market price received by the Company from third party liquidity providers. The Company does not re-quote Pending Orders.

(g) *Slippage:* this is the difference between the executed price and the order price at the time the order is submitted for execution. Slippage is a normal and expected cost of trading, particularly for orders of larger size and during times of thin liquidity and/or volatile markets. In most cases an order, when triggered by market price action, will be filled at the same, or very close to the same price as requested. Further information on the Company's slippage data is available on our website.

(h) *Trade Rejection:* trades submitted on the prices considered by the system as old are automatically rejected.

Execution Criteria and Execution Factors

When executing orders or receiving and transmitting orders for execution, the Company should at any time take all sufficient steps to obtain the best possible result for its clients, by taking into account the following Execution Factors:

(a) *price* - the market price at which the order is executed;
(b) *costs* - any additional charges that may be incurred in executing the order in a particular way over and above the Company's normal charges;
(c) *speed* - this can be particularly important in fast moving markets;
(d) *likelihood of execution and settlement* - the best price is of little use if the Company cannot execute at it;
(e) *size, nature or any other factor relevant to the execution of the order* - the way that the Company executes an unusual order may differ from the way it executes a standard order.

The relative importance that the Company attaches to the Execution Factors in any particular case may be affected by the circumstances of the order (i.e. Execution Criteria), such as:

(a) *The characteristics of the client, including the categorization of the client as retail or professional* – professional clients may have different needs than retail clients;
(b) *The characteristics of the client order* – such as the potential of the order to have an impact on the market;

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(c) *The characteristics of financial instruments that are the subject of that order* – such as liquidity and whether there is a recognized centralized market;

(d) *The characteristics of the execution venues to which that order can be directed* – particular features of the liquidity sources available to the Company.

When the Company executes an order on behalf of a retail client, 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.

Warning: where there is a specific instruction from the client, the Company shall execute the order following the specific instruction. When there is no specific client instruction regarding the execution method, the Company shall execute an order in accordance with this Policy.

The Company acts as an agent when executing Client orders.

The Company shall take all reasonable steps to obtain the best possible results for its Clients taking into account the following factors when executing Clients orders:

(a) *Price:*

For any given Forex and CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that Forex or CFD, and the lower price (BID) at which the Client can sell (go short) that Forex or CFD an instrument; collectively they are referred to as the Company' price. The difference between the lower and the higher price of a given Forex and CFD is the spread. Such orders as Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price. The Company's price for a given Forex and CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The company prices can be found on the Trading Platform and in the Contract Specification located on the Legal Documentation section 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 day (constantly during trading session, more than once a day), to ensure that the data obtained continues to remain competitive.

The Company will not quote any price outside the Company's operations time therefore no orders can be placed by the Client during that time with the exception of pending orders.

If the price reaches an order such as: Stop Loss, Take Profit, these orders will be closed, If the price reaches an order such as Buy Limit, Buy Stop, Sell Limit, Sell Stop the position will open but under certain trading conditions it may be impossible to execute all type of orders including without

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limitation (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients price. In this case the Company has the right to execute the order at the first available 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. This may also occur at the opening of a trading session.

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given Forex and CFD, is specified under Contract Specifications on the Company's Website and on the platform of the Company.

When executing orders or taking decision to deal in OTC products, the Company shall establish appropriate procedures and arrangements, as well as appropriate evaluation systems, in order to check the fairness of the price proposed to the Client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products. This shall be an ex-ante assessment, which shall take place prior to the execution of an order.

The Dealing Room Department checks, on a continuous basis, the prices of all financial instruments to ensure that the most updated and real time prices is available for traders at any given point of time. The Company also compares daily Opening price, High, Closing price, Low and Volume of random assets with different brokers to ensure price fairness. Records of price comparison with different brokers are saved on daily basis.

In addition, to ensure the fairness of price, the Company gathers market data used in the estimation of the price of the product and, where possible, compare with similar or comparable products.

The Company routinely takes account of external market data and externally verifiable reference prices (where available), when pricing or checking the price of OTC products (including bespoke instruments), in fulfilling its best execution obligations.

(b) *Costs:*

For opening a position in Forex pairs and some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's Website and the Contract Specification commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. The profit and loss of opened positions in Forex pairs and some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time.

For Forex pairs and all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account. Fees can be found on these hyperlinks: Forex, Stocks, Commodities, Indices & Cryptocurrency.

(c) *Speed of Execution:*

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The Company places a significant importance when executing Client's orders and strives to offer high speed of execution, within the limitations of technology and communications links, at all times.

Speed of Execution can be affected by factors which may include poor internet connection, or any other link to the Company's servers and platforms which may affect execution of the Client's orders. For example, the Client's order might be delayed to be received by the Company's platform and thus it may affect the price of execution.

It is clarified that the Company receives and transmits a Client Order for execution to a third party (another Execution Venue), execution will also depend on factors related to the aforesaid third party.

(d) *Likelihood of Execution:*

As it is explained in the Execution Venue section of this Policy, the Company acts as an agent whereby the Principal shall be the Execution Venue for the execution of the Client's orders for the financial instrument of Forex and CFDs. In addition, the Company, reserves the right to decline an order of any type or to offer the Client a new price for an instant order. In this case, Client can either accept or refuse the new price.

The likelihood of execution depends on the availability of prices of market makers/financial institutions. In some case 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 order will not be executed. In addition, 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. In addition, when the Company transmits orders for execution to another third party, the likelihood of execution depends on the availability of prices by such other third party.

The Client may give instructions through the platform to modify or close a position. The client is responsible for the security of his Access Data. If the Client undertakes transactions on an electronic system (Trading Platform), he/she will be exposed to risks associated with the system including the failure of hardware and software (Internet / Servers). The result of any system failure may be that his/her order is either not executed according to his/her instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

(e) *Likelihood of settlement:*

The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Company strives to provide its Clients with the fastest execution in the best available prices. Nonetheless, the volatility in the market may affect the price, speed and volume available. Therefore trading during volatile conditions where important news and data releases are made is incredibly risky

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and therefore the best execution criteria might not apply. Therefore, the execution pricing will always be provided at the first available price.

(f) *Size of order:*

The actual minimum size of an order may be different for each type of Client Account.

It is also noted that the Company does not execute any trades above normal market size.

Every market has an absolute minimum and maximum permitted trade size. The minimum size of trade can be found on the Company's trading platform by selecting *[xxx]*; and the maximum size of trade is dependent not only on normal market size and market conditions, but also internal risk management factors and is, at all times, at the discretion of the Company.

The Company will not make a 'partial fill' of any trade.

(g) *Nature of orders:*

The particular characterizing of an order can affect the execution of the Client's order. The following types of orders can be placed:

i. Market Order
ii. Pending Orders
iii. Stop Loss
iv. Take Profit
v. Trailing Stop

The Company shall ensure the prompt, fair and expeditious execution of client orders. All orders are promptly and accurately recorded and allocated in strictly sequential order, unless the characteristics of the order or prevailing market conditions make this impracticable or the Client's interest requires otherwise.

The Company will promptly inform retail clients about any material difficulty relevant to the proper carrying out of their orders upon becoming aware of the difficulty.

All executed trades are immediately viewable on your account, as is the 'profit and loss' associated with closed trades, and all sufficient steps are taken to ensure accuracy.

In the absence of specific instruction from the Client, the Company is required to execute the order at the best available resources offered by the Company at the time of the execution. The Company is not responsible for any negative or positive impact that might be resulted due to technical failures in the online or remote systems in any party. In this context, The Company assumes no liability for damages that the Client could incur as a result of the execution or non-execution of the instruction.

The Client should also be aware that checks regarding the appropriateness or suitability (where applicable) of a specific investment product or service could result in delays in the execution of orders

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regarding financial instruments. The Company cannot be held liable for any such delays resulting from the duties stipulated and governed by these provisions, except in the case of fraud or gross negligence on the part of the Company.

In some occasions, orders executed on the online trading system may get executed at wrong prices. The Company has the right to review the Client's order's details in terms of price, time, volume and the validity of execution type whether they are in the form "Pending" or "Market" orders through the online trading system, and in case of any discrepancies, the Company - without prior notice- will take the proper actions to correct the details of the given orders where and when possible. The Client acknowledges and accepts that seeing an order executed at a certain price on the system does not mean it was executed correctly and that the executed price may not be altered later on if a mistake is detected.

Any specific instructions from a client may prevent the Company from taking the steps that have been designed and implemented in its execution policy to obtain the best possible result from the execution of those orders in respect of the elements covered by those instructions. Hence such orders are executed under the Client's responsibility with no liability on the Company.

(h) *Market Impact:*

Some factors may affect rapidly the price of the underlying instruments 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.

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 executed following that specific instruction.

Execution Venues

"Execution Venues" are the locations (with or without a physical presence) such as regulated markets, multilateral trading facilities, systematic internalisers, market makers, liquidity providers or any other entity that facilitates trading of Financial Instruments. For the purpose of transmitting orders for execution, the Company acts as an agent on behalf of the Client.

A list of the Execution Venues and intermediaries (third party brokers) used by the Company for the execution of client orders in respect to each class of financial instruments can be found below:

Up Trend Ltd the execution venue in respect to each class of financial instruments.

The Company takes utmost care to ensure fastest possible order execution and has successfully achieved this goal until now. Trading platform is scrutinized form time-to-time to test its performance.

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The Company checks the speed of execution on random trading accounts and random financial instruments, on a daily basis, and maintains records.
The relevant importance that the Company assigns to each factor is as follows.

Several Qualitative and Quantitative factors were taken into consideration while selecting the execution venue, such as:

➢ *Price updates in real time:*
- High importance
- Trading prices for every financial instrument should be updated in real time for best trading results.
- Up Trend Ltd prices are all update in real time.

➢ *Frequency of price freezing:*
- High importance
- Price freezing is the worst thing to be experiences while trading. Even though it cannot be completely avoided, it can be reduced to bare minimum.
Up Trend Ltd has almost Negligible frequency of price freezing.

➢ *Pricing transparency:*
- High importance
- Price is an important factor to ensure correct trade execution.
- Up Trend Ltd prices are transparent.

➢ *Costs:*
- High importance
- Venue should be best yet with the most competitive cost of execution. Cheaper the cost, better the venue.
- Up Trend Ltd offers one of the most competitive execution costs in the industry.

➢ *Speed of execution:*
- High importance
- Forex market is highly volatile. Sometimes fraction of seconds can also create considerable profit/loss.
- For this reason, it is very important to achieve fast speed of execution of orders. All of the trades with Up Trend Ltd are executed within (within 0-7 seconds).

➢ *Experience:*
- Medium Importance
- Experienced execution is always preferred because they understand the importance and sensitivity of best execution of trades.
- Up Trend Ltd has 21 years of solid experience since 1997.

➢ *Licensed:*
- High Importance
- Licensed venue is the most important to ensure that execution is done as per requirements

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set by licensing regulator. Up Trend Ltd is licensed № РГ-03-110/13.07.2017, issued by Financial Supervision Commission (Bulgaria, to perform activities as an investment intermediary within the European Union and the European Economic Area.

- *Reputation:*
- High Importance
- Reputation helps to filter better Venues over the worst. Reputation ensures that the venue has been consistently perfoming up to the mark. Up Trend Ltd is a highly reputable and one of the first investment intermediaries being licensed in Bulgaria. It is also member of the Bulgarian Stock Exchange PLC and Central Depository PLC since 1998.

- *Professionalism:*
- Medium Importance
- Professionalism separate best venue for casual venues. Professional venues are expected to deliver best results.
- Professional staff with high level of training level and quality of service.

- *Negative Balance protection (NBP):*
- High Importance
- It is important and mandatory to make sure that clients do not lose more that what they have invested. This can be achieved by ensuring negative balance protection offered by the Venue for retail clients.
- Up Trend Ltd provides NBP for the Company's retail clients.

- *Deep liquidity pool:*
- High Importance
- Deeper the liquidity pool, greater the chances of order being executed.
- Up Trend Ltd has one of the deep liquidity pools in the industry to ensure order execution.

The Company shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue, which would infringe the requirements on conflicts of interest or inducements under the Law.

Furthermore, the Company shall not structure or charge its commissions in such a way as to discriminate unfairly between execution venues. Where the Company applies different fees depending on the execution venue, the Company shall explain these differences in sufficient detail in order to allow the Client to understand the advantages and the disadvantages of the choice of a single execution venue.

Where the Company invites clients to choose an execution venue, fair, clear and not misleading information shall be provided to prevent the Client from choosing one execution venue rather than another on the sole basis of the price policy applied by the Company.

The Company will determine the relative importance of the above Best Execution Factors (see Best

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Execution Paragraph) by using its commercial judgment and experience in the light of the information available on the market and taking into account:

(a) The characteristics of the Client order.
(b) The characteristics of financial instruments that are the subject of that order.
(c) The characteristics of the execution venue to which that order is directed.
(d) The Characteristics of the client, including its categorization as retail or professional.

In view of the above, the Company assigns the following importance level for the above Best Execution Factors:

Factor	**Importance Level**	**Remarks**
Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources in order to provide our Clients with competitive price quotes. The Company will provide its own tradable prices, derived from independent price providers. The Company ensures that the client receives best execution by checking that the price provision to the client is made with reference and compared to a range of underlying prices providers and data sources. The prices that the Company quotes will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, and commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place.
Costs	High	We take all reasonable steps to keep the costs of your transactions as low and competitive, to the extent possible. A full list of applicable charges can be found on the Company's website. Click on these hyperlinks to see charges: Forex, Stocks, Commodities, Indices & Cryptocurrency.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor these factors to ensure we maintain our high execution standards.
Likelihood of Execution and Settlement	High	Due to the levels of volatility affecting the underlying instrument's price, the Company seeks to provide client orders with the fastest execution reasonably possible. In almost all circumstances, under normal market conditions and if the Client has sufficient margin available on their account for the trade, the trade will be executed at the level requested. In certain circumstances (e.g. speed of internet communications and market volatility), where the quoted price is no longer representative of the 'underlying market' price, then the Client's trade will be executed at the best price available at that time, irrespective of whether the market movement is in a beneficial or detrimental direction, in accordance with the present Policy. Slippage can occur at any time but is most likely to occur during periods of high volatility, overnight and at market open. The likelihood of execution of Clients orders depends on the availability of prices of third party liquidity providers. In some cases, it may not be possible to arrange an order for execution during abnormal market conditions, for example but not limited to the following cases: overnight, 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. If the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed. In addition, 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.

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		The Company does not accept any orders outside the market hours of the relevant underlying financial instrument, and futures are traded in accordance with the trading hours of the exchange on which the underlying financial instrument is traded. The Financial Instruments offered by the Company are CFDs which do not involve the delivery of the underlying asset. CFD trading can only be settled in cash. The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction. At times of low or zero liquidity, or a halt or suspension of trading on the markets or Exchange on which the underlying product is traded, we reserve the right not to execute your order. In order to improve speed and likelihood of execution, the Company carries out certain ex-ante and ex-post quality checks relating to, for example, symmetric slippage, number of trades subject to slippage and comparison of the Company's average speed of execution with industry standards.
Size of order	Medium	All orders are placed (quoted) in monetary terms. The client can place his/ her order if he/ she has enough balance in his/ hers trading account. If the client wishes to execute a large size order, in some cases the price may become less favorable. Note: that the Company does not execute any trades above normal market size.
Nature of orders	Medium	See relevant description in Best Execution Paragraph
Market Impact	Medium	See relevant description in Best Execution Paragraph

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.

Warning: Please note that when you provide specific instructions on executing an order, this may prevent the firm from taking the steps that it has designed and implemented in this policy to obtain the best possible result for the execution of these orders in respect of the elements covered by those instructions.
Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

Negative Balance Protection

When the Company executes an order on behalf of a retail client it is obligated to provide protection for negative balances (NBP). Negative balances can occur in volatile markets where the price of a traded asset deteriorates rapidly and the technology in place fails to prevent the client's account from becoming negative (going into debt). This can occur either by the lack of a margin call or failure of the margin mechanism to work due to the fast movement of the market. This situation can be particularly harmful for retail investors, as they cannot tolerate losing more than the total sum they have invested for trading. By having in place NBP, the maximum potential losses that a retail investor can have are limited to the funds in the retail client CFD trading account with the Company. NBP means that the Company is obligated to compensate retail clients in cases where their account balance becomes negative.

The Company currently operates under the Straight Through Processing (STP) model and is forbidden

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to internalize clients' orders and to be exposed to market risk. As such, the Brokerage Department, when executing orders on behalf of retail clients, is obligated to divert them to execution venues with which the Company has in place suitable contractual arrangements that account for NBP. These arrangements must be in writing, stipulated in the agreement between the Company and the execution venue or in an addendum or annex and signed by both parties. Specifically, when diverting retail clients' orders to an execution venue, the dealing department must ensure that the contractual agreement between the Company and the execution venue states the following:

- The execution venue assumes the responsibility for the market risk associated with each trading position of the CIF's clients.
- The execution venue assumes responsibility to cover any negative balances that may appear in the trading accounts of the CIF's retail clients on a per account basis.

Margin Close-Out Rules (MCO)

When offering CFDs to retail investors, the Company provides retail investors with the margin close-out protection. Margin close-out protection means the closure of one or more of a client's open CFDs when the sum of funds in the CFD trading account and the unrealised net profits of all open CFDs connected to that account falls to less than 50% of the total initial margin protection for all those open CFDs.

The Margin Level indicates how close your account is to a margin call. A margin call, also known as a margin stop, is a protective measure that helps traders to manage their risk and prevent additional losses. Margin calls happen when there aren't sufficient funds to cover the margin requirement.

At K-DNA, a margin call occurs when your margin level falls below 150%. Margin close out for all accounts occurs when the margin level falls below 50% of the total initial margin requirements for all open CFDs, on an account level basis.
The margin level is calculated by dividing your equity by the required margin and multiplying by 100.

In cases where clients have one open CFD position in their trading account and the margin level has fallen below the 50% of the initial margin requirement, then the position will automatically be closed to protect the trading account from suffering further losses.

In cases where clients have more than one open CFD position in their trading account and the margin level has fallen below the 50% of the total initial margin amount for all those open CFDs, then our system will automatically close the position with the higher loss in your trading account. Following the closing of the first position, it will recalculate the remaining open CFD positions to check if the value of the account is below the 50% of the total initial margin. If the value is below, our system will continue closing the position with the higher loss. This procedure will be repeated until our system is satisfied that the margin level is above the 50% of the total initial margin amount for all open CFDs. This is how K-DNA helps you to manage your risk.

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To avoid being closed out of your position by a margin close-out, you'll need to ensure your margin level remains above 50% of the initial margin requirements for all open CFDs by depositing more funds.

Limiting losses is one of the most important aspects of trading and many traders choose to use stop loss orders as a protective measure. On the other hand, some traders decide to manage their risk manually by monitoring their open transactions.

Your margin level is the deposit required to maintain each open trade on your account. To open and maintain your trade, you must have sufficient trading resource to cover the margin requirement at all time.

Free margin represents the amount of capital you have remaining to place new trades or cover any negative price moves in your open trades.

The margin stop is a protective measure, particularly for traders who do not use stop loss orders.

Execution Practices in Forex and CFDs

(a) *Slippage*

The Client is warned that Slippage may occur when trading in Forex and CFDs. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore the Order will be executed close to or a number of pips away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in Forex and CFDs. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, the Client Orders may not be executed at declared prices. It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order. Slippage may appear in all types of Client Accounts we offer.

(b) *Event of order execution at Off-market prices*

1. In the event where the Company identifies that an order has been executed at an off-market price, the Company may, within a period of 180 days from the day after the day of the said execution, at its sole and exclusive discretion:
   (i) Cancel the said executed order and reverse towards the Company any profits and/or benefits and/or advantages gained and/or received by the relevant Client, and /or

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immediately terminate the account of the relevant Client.

(OR)

(ii) take such actions so as to place the Client in the position he would have been, if the order was correctly executed at the next best available price (as at the time of execution).

The present subsection (i.e. Event of order execution at Off-market prices) prevails over any other, contradictory to it, Term/Condition/Clause and/or indication in the present Terms & Conditions.

2. To guard against execution of orders at Off-market prices and abusive trading the Company employs the following measure:

Pending orders are also subject to slippage. We confirm that if the price specified under a Client's pending order is not available at opening of the market, triggered orders will be executed at the next best available price.

(c) *Execution of orders placed during periods of high volatility immediately preceding or immediately following the release of financial news data*

As per the Company's terms and conditions found in the Company's Website:, placing orders prior to the release of financial data constitutes an abusive trading practice and is as such an "event of default" as defined in our terms and conditions found in the Company's website.

Monitoring

The Company assesses on a regular basis, of particular transactions in order to determine whether it has complied with its execution policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client. The Policy should be reviewed by the relevant departments at least on an annual basis and whenever a "material change" occurs.

Monitoring may include comparing similar transactions:

(a) on the same execution venue or with the same entity, in order to test whether a firm's judgment about how orders are executed is correct, or

(b) on different execution venues or entities chosen from among those in the firm's (execution) policy, in order to test whether the 'best' execution venue or entity is being chosen for a given type of transaction.

Where monitoring reveals that a firm has fallen short of obtaining the best possible result, the firm should consider whether this is because the firm has failed to follow its (execution) policy and/or arrangements or because of a deficiency in such policy and/or arrangements, and make appropriate amendments.

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General information on the main risks involved in derivatives trading

Buying and selling financial instruments offers opportunities to make profits, but also entails exposure to various types of risk that could translate into financial losses for the Client. In order to understand the different types of financial instruments, and to recognize and minimize the related risks, it is first necessary to learn their basic characteristics. It is also important to realize that there are inherent risks in all types of investment. Depending on the type of financial instrument, there may be more risks than those described in this section, with a resulting increase in the general level of risk assumed by the investor.

This section does not cover the tax or legal consequences of executing transactions in financial instruments. We therefore recommend that you seek specialist professional advice of these issues before making an investment.

This Policy is not intended to describe all the risks connected to individual financial instruments in a detailed and comprehensive manner. For a detailed and comprehensive description of the nature and risks of the financial instruments offered by the Company, please refer to the Company's Risk Disclosure Statement.

The Client should consider carefully whether trading in the financial instruments of the Company is suitable for him/her in the light of his/her circumstances and financial resources. In considering whether to engage in this form of trading, the Client should be aware of the following:

- It is emphasized that for many members of the public, dealings in the Company may not be suitable.
- The Client should not engage in any dealings directly or indirectly in the Company unless he/she knows and understands the features and risks involved in them and that he/she may lose all capital invested.

(a) Risk of dealing in volatile markets:

Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

(a) Execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices.

(b) Delays in executing orders for financial instruments that the Company will send to third party liquidity providers and manually routed or manually executed orders.

(c) Opening prices that may differ substantially from the previous days close.

Price volatility is one factor that can affect order execution. When there is a high volume of orders in the market, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders.

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(b) Counterparty and operational risk

Counterparty risk is a type of credit risk and concerns the ability of the Client's counterparties to fulfill their obligations which is linked to their financial wellbeing. Credit risk is the risk associated with a loss or potential loss from counterparties failing to fulfil their financial obligations.

Operational risk concerns the effectiveness of the Company's internal systems, processes and procedures. It is the risk of loss resulting from inadequate or failed internal processes, employee errors and system failures.

The Client must make his/ her own assessment of the Company's ability to fulfil its obligations. It is noted that the Company, as a regulated Cyprus Investment Firm is subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

(c) Over the Counter Transactions

You consent and acknowledge that transactions made through the Company are not undertaken on a recognized exchange, rather they are undertaken over-the-counter ("OTC") through the Company's Trading Platform, whereby execution is effected via other financial institutions mentioned above. Accordingly, the Company may expose the Client to greater risks than the regulated exchange transactions.

The Client may only be able to close an open position of any given contract during the opening hours of the Company's trading platform. In certain cases, including but not limited to instances of a technical failure of the trading platform, we may not execute an order or we may change the opening or closing price of an executed order.

The Client may request additional information about the consequences of this means of execution (i.e. OTC) by contacting the Company at +357 25254070 or write an email to support@finmarket.com

Data Publication

The Company shall summarise and make public on an annual basis and before the 30th of April following the end of the period to which the report relates, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained.

The publication shall include the following information:

i. class of financial instruments;
ii. venue name and identifier;
iii. volume of client orders executed on that execution venue expressed as a percentage of total

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executed volume;

iv. number of client orders executed on that execution venue expressed as a percentage of total executed orders;
v. percentage of the executed orders that were passive and aggressive orders;
vi. percentage of orders referred to in point (d) that were directed orders;
vii. confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

The Company shall publish for each class of financial instruments, a summary of the analysis and conclusions it draws from its monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year. The information shall include:

i. an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
ii. a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
iii. a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
iv. an explanation of the factors that led to a change in the list of execution venues listed in the Company's execution policy, if such a change occurred;
v. an explanation of how order execution differs according to client categorisation;
vi. an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
vii. an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
viii. where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of MiFID II.

The above-mentioned information shall be published on the Company’s website, in a machine-readable electronic format, available for downloading by the public.

Monitoring

The Company shall monitor on a regular basis the effectiveness of the Order Execution Policy and in particular, the execution quality of the entities identified above and, where appropriate, correct any deficiency. Such monitoring shall be conducted on an ex-ante and ex-post basis.

In particular, the Company shall assess, on a regular basis, whether the execution venues included in this Policy for order execution provide for the best possible result for the client, taking into consideration the information published in accordance with the above Section of this Policy, or

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whether the Company needs to make changes to its execution arrangements. This shall involve a combination of front office and compliance monitoring.

The Company has procedures and processes in place to analyse the quality of execution, as well as to monitor best execution, by:

a. reviewing system settings/ parameters;
b. systematically comparing prices provided by its execution venues against external price sources or other venues to ensure that there are no significant or systematic deviations in the pricing provided to its clients;
c. monitoring quality of execution by reviewing statistics related to frequency of rejections and re-quotes, as well as the symmetry of any observed slippages (positive vs negative);
d. checking the speed of price updating;
e. comparing the Company's average speed of execution with industry standards;
f. monitoring any complaints related to the quality of execution in order to ensure that any deficiencies are improved.

In addition, the Company shall check on a regular basis whether the Company has correctly applied its Order Execution Policy and if client instructions and preferences are effectively passed along the entire execution chain.

The results of the ongoing execution monitoring shall be escalated to the Company's senior management, which shall decide on the necessary amendments/improvements in the Company's Order Execution Policy and execution arrangements.

Where the Client makes reasonable and proportionate requests for information about the Company's policies or arrangements and how these are reviewed by the Company, the Company shall provide clear answers within a reasonable time.

Order Execution Policy updates

This Policy shall be reviewed at least annually by the Company's Dealing Room and Compliance Department and be approved by the Company's Board of Directors. Such a review shall also be carried out whenever a material change occurs, that affects the ability of the Company to continue to obtain the best possible result when executing client's orders via the execution venues presented in this Policy.

A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The Company shall assess whether a material change has occurred and shall consider making changes to the relative importance of the best execution factors in meeting the best execution requirement.

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The Company shall ensure, at all times, that the design and review process of this Policy is appropriate and takes into account any new services or products offered by the Company.

The Company shall notify clients with whom it has an ongoing client relationship of any material changes to its order execution arrangements or Order Execution Policy.

Client Consent

This Policy forms part of the agreement between the Company and the Client. Therefore, by entering into an agreement with the Company, the Client also agrees to the terms of this Order Execution Policy, as presented in this document.

The Company considers that its Clients have given consent to this Policy, as well that they have given consent to the Company to receive and transmit an order for execution outside a trading venue (i.e. a regulated market, a Multilateral Trading Facility or an Organised Trading Facility).

Questions

For further enquiries regarding the Company's Order Execution Policy please contact the Company at info@kdna-investment.com.

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