HF MARKETS

HF MARKETS (SV) LTD

ORDER EXECUTION POLICY

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Registration number 22747 IBC 2015

1. Introduction

1.1 HF Markets (SV) Ltd (hereinafter referred to as the "**Company**"), is incorporated under the laws of Saint Vincent and the Grenadines with Registration 22747 IBC 2015 having its registered office at Suite 305, Griffith Corporate Centre, P.O. Box 1510, Beachmont, Kingstown, Saint Vincent and the Grenadines. The Company is authorised as an International Business Company under the International Business Companies (Amendment and Consolidation) Act, Chapter 149 of the Revised Laws of Saint Vincent and Grenadines, 2009 (herein the "**Law**").

1.2 The objects of the Company are all subject matters not forbidden by International Business Companies (Amendment and Consolidation) Act, Chapter 149 of the Revised Laws of Saint Vincent and the Grenadines, 2009, in particular but not exclusively all commercial, financial, lending, borrowing, trading, service activities and the participation in other enterprises as well as to provide brokerage, training and managed account services in currencies, commodities, indexes, CFDs and leveraged financial instruments.

1.3 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 the Company 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.

2. Scope and Services

2.1 This Policy applies when the Company provides the investment services of reception and transmission of orders in relation to one or more financial instruments and/or execution of orders on behalf of clients. The Financial Instruments provided by the Company are Contracts for Difference (CFDs) of an underlying asset and it is up to the Company's discretion to decide which types of CFDs to make available from time to time and to publish the prices at which these can be traded in line with the prices offered by its Liquidity Provider.

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3. Execution Venue

3.1 The Company is the Execution Venue for the execution of Clients' Orders in CFDs. So, in relation to Client CFD transactions, the Company executes the Client Orders.

3.2 It is the Company's policy to maintain such internal procedures and principles in order to act for the best interest of its Clients and provide them the best possible result (or "best execution") when transmitting their Orders for execution.

3.3 The Company's operations times are: round – the – clock from 00.00.51 A.M. (GMT +2) Monday through 00.00.00 P.M. (GMT +2) Friday. Non-working periods: from 00.00.01 A.M. (GMT +2) Saturday through 00.00.51 P.M. (GMT +2) Monday. Any changes in the Company's operations times as well as holidays and trading times for specific Financial Instruments are shown on the Company's website.

3.4 The Client acknowledges and consents that the transactions entered in Financial Instruments with the Company are not undertaken on a recognized exchange or a multilateral trading facility (MTF), rather they are undertaken through the Company's Trading Platform (i.e. Over-The-Counter) and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the Company. The Client can only close an open position of any given Financial Instruments during the opening hours of the Company's Trading Platform. The Client also has to close any open position with the Company.

4. Best Execution Factors

4.1 The Company shall take all reasonable steps to obtain the best possible result for its clients taking into account the following factors when executing Clients' orders against the Company's quoted prices, as provided by its Liquidity Provider:

(a) Price:

- **BID/ASK Spread:** For any given Financial Instrument the Company will quote two prices, as offered by the Liquidity Provider: the higher price (ASK) at which the client can buy (go long) that Financial Instrument, and the lower price (BID) at which the client can

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sell (go short) that Financial Instrument; collectively they are referred to as the Company's price. The difference between the lower and the higher price of a given Financial Instrument is the spread.

- **Pending Orders:** 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.
- **Company's price:** The Company's price for a given Financial Instrument is provided from the Company. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company will not quote any price outside Company's operations times (see section 3 below) or outside specific CFDs trading times as published on the Company's website, therefore no orders can be placed by the Client during that time. The Company does not guarantee that when transmitting a Client Order for execution to the Company, the Company's price will be the most favourable for the Client than one which might be available elsewhere. The main way in which the Company ensures that the Client receives the best execution price is to ensure that the calculation of the BID/ASK spread is made by the Liquidity Provider with reference to a range of external data sources and independent price providers.

(b) Costs:

- For opening a position in some types of Financial Instruments the Client may be required to pay commission or financing fees, if applicable, the amount of which is disclosed in the Contracts Specifications on the Company's website.
- Commissions: Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount.
- **Financing Fee:** 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 applied are

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available under Contracts Specifications section on the Company's website.

- For all types of Financial Instruments 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 trading account.

(c) Speed of Execution:

- The Company places a significant importance on Client's Orders being transacted efficiently and strives to offer high speed of execution within the limitations of technology and communications links.
- The use of wireless connection or dial-up connection or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Client and the Company when using the Company's Electronic Trading Platform. This delay may result in sending to the Company out of date "market orders" which might be declined by the Company.

(d) Nature of Orders:

- The particular nature of an order can affect the execution of the Client's Order. The Client 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 from the Liquidity Provider. Occasionally, if the market has moved while the Client is placing the Market Order, the Order might be executed at the first available price or it may not be executed at all. The Client may modify a Market Order so as to attach a "Stop Loss" and/or "Take Profit". "Stop Loss" is an order to limit Client's loss, whereas "Take Profit" is an order to limit Client's profit.
    - The Client places a **"Pending Order",** which is an order to be executed at a later time at the price that the Client specifies. The Company will monitor the Pending Order

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and when the price provided by the Liquidity Provider reaches the price specified by the Client, the Pending Order will automatically become a Market Order. The following types of Pending Orders are available: “Buy Limit”, “Buy Stop”, “Sell Limit” and “Sell Stop”. The Client may attach to any pending order a “Stop Loss” and/or “Take Profit”. The Client may modify an order before it is executed. The minimum level for placing “Stop Loss”, “Take Profit”, “Buy Limit”, “Buy Stop”, “Sell Limit” and “Sell Stop” orders is between 1 to 5 times the spread for a given Financial Instrument, in accordance with the Contracts Specifications available on the Company’s website. The Client has no right to change or remove “Stop Loss”, “Take Profit” and “Pending Orders” if the price has reached the level of the order execution.

(e) Likelihood of Execution:

- The execution of the Client Orders will depend on the pricing and available liquidity of the said providers. Although the Company accepts and executes all Orders placed by the Clients, it reserves the right to decline an order of any type.
- The Company strives to provide the best possible price to its Clients, and makes every effort and necessary arrangements to do so; however, it may be impossible to guarantee the execution of any or all of the pending orders at the declared price. Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop Orders on Financial Instruments offered by the Company are executed at the declared by the Client price on the first current price touch. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) on any Financial Instrument at the declared price. In this case the Company has the right to execute the Client Order at the first available price. This may occur, for example, at the following cases:
    - Trading Session start moments / opening gaps,
    - During news times,
    - During volatile markets where prices may move significantly up or down and away

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from declared price,

- Where there is 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,
- If there is insufficient liquidity for the execution of the specific volume at the declared price.

- If the Client undertakes transactions on an electronic system, the Client 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 result to Client order is either not executed according to Client instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

(f) Likelihood of settlement:

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

(g) Size of order:

- All Client Orders are placed in lot sizes. The minimum available tradable size is 0.01 or as stated in the Contracts Specifications on the Company's website. A lot is a unit measuring the transaction amount and it is different for each type of Financial Instrument. Please refer to the Contacts Specifications in the Company's website for the value of each lot for a given Financial Instrument type. Although in some cases there is no maximum size of an order which the Client can place with the Company, the Company reserves the right to decline an order, in case the size of the order is large and cannot be filled.
- The Company makes every effort to fill the order of the Client irrespective of the volume. However, if this is achieved, it may be at the first available price, different from the Client declared price, as the market liquidity may allow at the time of execution (See section (e) for Likelihood of Execution).

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(h) Market Impact:

- Some factors, such as unusual market conditions, may affect rapidly the price of the financial instruments offered by the Company. These factors may influence some of the factors listed above. The Company will take all reasonable steps to obtain the best possible result for its Clients.

3.5 The Company does not consider the above list of execution factors exhaustive and the order in which the above factors are presented shall not be considered as made based on the priority of each 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 the specific instruction from the Client (See section 6 for Client's Specific Instruction).

5. Best Execution Criteria

5.1 The Company will determine the relative importance of the above factors by using its commercial judgment and experience in the light of the information available on the market and taking into account the criteria described below:

(a) the characteristics of the client

(b) the characteristics of the client order

(c) the characteristics of financial instruments that are the subject of that order

(d) the characteristics of the execution venues to which that order can be directed

5.2 For retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

6. Client's Specific Instruction

6.1 Any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the

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execution of those orders in respect of the elements covered by those instructions, as the Company will execute the Order in accordance with Client specific instructions. By executing Client order based on the specific instructions provided by the Client, the Company shall satisfy its obligation to provide the Client with best execution.

7. Review and Monitoring

7.1 The Company shall review annually the execution policy established, as well as any relevant order execution arrangements. 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 for the execution of its Client orders on a consistent basis. In addition, the Company will monitor the effectiveness of the Policy and relevant order execution arrangements on an on-going basis in order to identify and implement any appropriate improvements. It shall be noted that the Company will not notify clients separately of changes made to this Policy, other than substantial material changes, and Clients should therefore refer from time to time to the website of the Company for the most up to date version of the Policy.

8. Client Consent

8.1 This Policy forms part of the Account Opening 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.

8.2 The Client further consents to the Company to receive and transmit his Orders for execution outside a regulated market or an MTF.

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