

NAGA Markets Ltd

Order Execution Policy

August 2018

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1. Introduction

- 1.1. NAGA Markets Ltd (“the Company”) is a Cyprus Registered Company authorized and regulated by Cyprus Securities and Exchange Commission (“CySEC”).
- 1.2. The Order Execution Policy (“the Policy”) is provided to the Client or prospective Client in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 144(I)/2007, as subsequently amended from time to time (“the Law”).
- 1.3. By opening a trading account (Client Account) with the Company, the Client agrees/consents to the fact that his Orders will be executed outside Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (MTF) (e.g. European Financial Trading System).
- 1.4. The Company executes client Orders only on Contracts for Differences (“CFDs”) in stocks, commodities, metals, indices, currency pairs and futures.
- 1.5. **The Company advises the client for his benefit and protection, to ensure that he takes sufficient time to read the Policy and any other additional documentation and information available to him via Company’s Website, prior to opening an account and/or carrying out any activity with the Company. The Client should contact the Company for any further clarification or seek independent professional advice (if necessary).**

2. Interpretation of Terms/Glossary

- 2.1. For Terms and Definitions see Appendix Glossary Document found on the Company’s Website (www.nagamarkets.eu). Terms may be used in the singular or plural as appropriate.

3. Scope and Services

- 3.1. The Company is required to take all reasonable steps to act in the best interest of its Clients when receiving and transmitting Client Orders and to achieve the best execution results when executing Client Orders and to comply, in particular, with the principles set out in the Law when providing investment services.
- 3.2. This Policy applies to both Retail and Professional Clients as defined in the “Company’s Client Categorization Policy” found on the Company’s Website. If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client as per Client’s Categorization.

- 3.3. It is up to the Company's discretion to decide which types of Financial Instruments to make available. The Company, through its trading platform, provides the client with live streaming prices.
- 3.4. This Policy applies when receiving and transmitting Client Orders or executing Orders for the Client for all the types of CFDs offered by the Company.
- 3.5. The Company will provide the Client with live streaming prices, also called 'Quotes', for the various financial instruments through the Company's trading platforms, as received from third-party liquidity providers ('LPs'). These financial instruments, and the corresponding prices will be offered at the Company's discretion.

4. Corporate Actions

4.1. Dividends

4.1.1. Long Positions: Clients holding long positions on the ex-div date will receive a dividend in the form of a cash adjustment (deposit).

4.1.2. Short Positions: Clients holding short positions on the ex-div date will be charged the dividend amount in the form of a cash adjustment (withdrawal).

4.2. Spinoff

A spinoff is the creation of an independent Company through the sale or distribution of new shares of an existing business or division of a parent company.

4.2.1. In the event the corporate action results in a spin-off, the fractional component may be represented as a cash adjustment independent of the handling for the non-fractional position. The adjustment value will equal the fractional position times the adjusted closing price on the day prior to the ex-date.

4.2.2. Long Positions: Clients holding long positions prior to the spin-off will receive the amount in the form of a cash adjustment (deposit).

4.2.3. Short Positions: Clients holding short positions on the ex-div date will be charged the amount in the form of a cash adjustment (withdrawal).

4.3. Stock Splits

4.3.1. Normal Stock Split: as there is no impact on the Company's market capitalization the action carried out is to reflect the Client's existing share position using the split ratio

announced.

4.3.2. Reverse Stock Split: there is no impact on the Company's market cap and the clients' positions need to be amended to reflect the new share price.

4.4. **Rights Issue**

4.4.1. Results in one of the following: Delivery of right security, issuance of CFD on the right or cash adjustment.

4.4.2. Although a rights issue will give the Client an option of purchasing the share at a discounted price, the share price will be reduced also as the additional share will dilute the share value.

5. **Best Execution Factors**

5.1. 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:

5.2. **Price:**

5.2.1. Bid – Ask Spread: For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (long positions) that CFD, and the lower price (BID) at which the Client can sell (short positions) that CFD; collectively the ASK and BID prices are referred to as the Company's price.

5.2.2. 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.

5.2.3. Orders such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, are Orders executed at the available Market Price. However, under certain trading conditions it may be impossible to execute Orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested 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 fluctuations, 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, or this may occur at the opening of trading sessions.

5.2.4. The price quoted for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company's Execution Venues obtain from third party reputable external reference sources (i.e. price feeders). The Company's prices can be

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

5.3. Costs:

For holding a position in 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 (www.nagamarkets.eu).

5.4. Commissions:

Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts, and can be found on the Company's Website (www.nagamarkets.eu).

5.5. Financing Fee:

In the case of financing fees, the value of positions in some types of CFDs is increased or reduced by a daily financing fee "swap rate" throughout the life of the CFD (i.e. until the position is closed). Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's Platform.

5.6. For 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 on the Client's account.

5.7. Speed of Execution:

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. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

5.8. Likelihood of Execution:

In some cases, it may not be possible to arrange an Order for execution, for example but not limited, in the following cases:

- i. during news times;
- ii. trading session start moments;
- iii. during volatile markets where prices may move significantly up or down and away from declared prices;

- iv. where there is rapid price movement;
- v. where there is insufficient liquidity for the execution of the specific volume at the declared price;
- vi. a Force Majeure event has occurred.

5.9. In the event that the Company is unable to proceed with an Order with regard to price or size or other reason, the Order may be rejected or partially filled. Where the Company may transmit orders for execution to a third party (another Execution Venue), the likelihood of execution depends on the pricing and available liquidity of such other third party.

5.10. 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.

5.11. Settlement Policy:

The Financial Instruments (i.e. CFDs) offered by the Company are cash settled and do not involve the physical delivery of the Underlying asset.

5.12. Size of Order:

The actual minimum size of an Order may be different for each type of Trading Instrument. A lot is a unit measuring the transaction amount and it is different for each type of CFD. Please refer to the Company's Website and/or Platform for the value of minimum size of an Order and each lot for a given CFD type and for the value of the maximum volume of the single transaction. The Company reserves the right to decline an Order due to its size as explained in the Client Agreement.

5.13. If the Client wishes to execute a large size Order, in some cases the price may become less favourable considering the liquidity in the market. The Company reserves the right not to accept a Client's Order, in case the size of the Order is large and cannot be filled by the Company.

5.14. Market Impact:

Some factors may rapidly affect the price of the Underlying Asset from which the Company's quoted price is derived and may also affect other factors listed in paragraph 5.10. The Company will take all reasonable steps to obtain the best possible result for its Clients.

5.15. The Company does not consider the list of paragraph 5.10 exhaustive and the order in which the above factors are presented shall not be taken as priority factor.

6. Execution Practices in Financial Instruments

6.1. Slippage

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. 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. Slippage is a normal element when trading in 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.

It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. The Company does not guarantee the execution of Client's Pending Orders at the price specified. However, the Company confirms that the Client's Order will be executed at the next best available market price from the price Client has specified under his pending Order.

6.2. Commission

Clients shall be charged commission when trading CFDs on stocks. Further information is available on the Company's Website.

6.3. Mark-up

Clients shall be charged a mark-up on spread when trading CFDs through the Company's platforms.

6.4. Trade Rejection

Trades submitted on the prices considered by the system as old are automatically rejected.

7. Different Types of Accounts in Financial Instruments:

7.1. The Company may offer different types of Client Accounts. In this respect, the spreads, costs, size Order limits and execution venues may differ according to each account type.

8. Margin and Leverage

8.1. For margin calculation purposes, the leverage level used will be the lower between the Account and the symbol traded. This applies to all Company's trading platforms.

Any changes made to clients' leverage on an Account that is already traded can immediately affect your open positions and may result in a stop-out.

Margin Level of less than 100% the Company has the discretion to begin closing positions starting from the most unprofitable one. At Margin Level of less than 50% the Company will automatically close positions at the current market price starting from the most unprofitable one.

9. Negative Balance Protection

9.1. The Company offers negative balance protection (the 'NBP') for all Clients, regardless of their categorization (e.g. Retail or Professional); this means that a Client's losses will not exceed the Client's account balance.

10. Execution Venues

10.1. Execution Venues are the entities with which the Orders in Financial Instruments (i.e. "CFDs") are executed.

10.2. Either the Company or a third party liquidity provider will be the Execution Venue for the execution of client orders (as defined in Commission Directive 2006/73/EC implementing MiFID). The Company reserves the right to change its execution venues at its own discretion.

10.3. The Company evaluates and selects the Execution Venue based on a number of criteria such as the regulatory status of the institution, the ability with the large volumes of orders, the speed of execution, the competitiveness of the commission rates and spreads.

10.4. The Client acknowledges that the transactions entered in CFDs with the Company are not undertaken on a recognized exchange/regulated market, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

11. Best Execution Criteria

11.1. When executing Client Orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred in the paragraphs above:

- a) The characteristics of the Client including the categorization of the Client as retail or professional;

- b) The characteristics of the Client Order;
- c) The characteristics of the Financial Instruments that are the subject of that Order;
- d) The characteristics of the execution venue to which that Order is directed.

11.2. The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience in light of the information available on the market and taking into account the remarks included in paragraph 3.

11.3. Where 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 CFD 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.

11.4. For the purposes of delivering best execution where there is more than one competing Execution Venues to execute an Order for a CFD, in order to assess and compare the results for the Client that would be achieved by executing the Order on each of the execution venues that is capable of executing that Order.

12. Client's Specific Instruction

12.1. Whenever there is a specific instruction from or on behalf of a Client relating to the Order or the specific aspect of the Order, the Company shall arrange – to the extent possible – for the execution of the Client Order strictly in accordance with the specific instruction.

12.2. WARNING: It is noted that 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 execution of those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all reasonable steps to obtain the best possible result for the Client.

12.3. Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

13. Execution of Client Orders

13.1. The Company shall satisfy the following conditions when carrying out Client Orders:

- a) ensures that Orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- b) carries out otherwise comparable Client Orders sequentially and promptly unless the characteristics of the Order or prevailing market conditions make this impracticable, or the interest of the client requires otherwise; and
- c) informs a Retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

14. Client's Consent

- 14.1. By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him (i.e. this Policy forms part of the Client Agreement).
- 14.2. By entering into the Client Agreement, the Client consents and acknowledges that the transactions in financial instruments entered with the Company are not undertaken on a recognised exchange, but rather through Company's trading platform and, accordingly, the Client may be exposed to greater risks than when conducting transactions on a regulated exchange. Therefore, the Company may not execute an order, or may change the opening or closing price of an executed order in certain cases, including, but not limited to instances of a technical failure of the trading platform. The trading rules are established solely by the counterparty, which is, at all times, the Company. The Client then is only allowed to close an open position in any given financial instrument during the Company platform's working hours, and the Client can only close any such position(s) with the Company as clients sole counterparty and thus the Client is subject to counterparty risk.
- 14.3. By entering into the Client Agreement, the Client consents that the Company is, without exception, the execution venue for all orders and acts as principal and not as agent on the Client's behalf; contractually, the Company is the sole counterparty to the Client's trades and any execution of orders is done in the Company's name.
- 14.4. When opening an Account with the Company, the Client consents to his orders being executed in accordance with the Policy in force, from time to time. The Client consents that the Company reserves the right to immediately terminate his access to the trading platform(s) or Account(s) or refuse or cancel any order, in the event he voluntarily and/or involuntarily partakes in arbitrage unrelated to market inefficiencies, including but not

limited to, latency arbitrage and swap arbitrage and/or contrary to good faith; under such circumstances, the Company may, at its discretion, close any of his Account(s) and recover any losses incurred from such practices. The Client also accepts that the Company reserves the right to immediately terminate his access to the trading platforms and/or recover any losses incurred in the event the Company determines in its sole discretion that he voluntarily and/or involuntarily undertook to abuse the NBP offered by the Firm (or in any way which is contrary to good faith or the terms of the 'Client Agreement') either on an individual Account, or multiple Account(s) or multiple profiles and/or between one or more Client(s) of the Company in accordance with the 'Client Agreement'. For instance, a Client hedging his/her exposure utilising his/her accounts under the same or different Client profile would constitute an abuse of the NBP as well as a Client requesting a withdrawal of his/her Client Money -notwithstanding any of the provisions of the 'Client Agreement'- when the symbol he/she is trading is not available for trading at the Company during that specific timeframe. It should be noted that this is not an exhaustive list.

15. Important Information

- 15.1. Specific leverage limits or restrictions apply for Retail Clients.
- 15.2. CFDs are not eligible for sale or distribution in certain jurisdictions or countries. This Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including, but not limited to the United States of America. Equally, this Policy does not constitute an offer, invitation or solicitation to buy or sell leveraged products. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission. The Policy is not intended to constitute the sole basis for the evaluation of any Client's decision to trade leveraged products.

16. Amendment of the Policy and Additional Information

- 16.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Client and the Company.
- 16.2. Should you require any further information and/or have any questions about this Policy please direct your request and/or questions to support@nagamarkets.com or via phone on the numbers you will find on the Contact section of the Company's website.

16.3. You may also contact our Dealing Department via telephone on +357-25-041412