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ORDER EXECUTION AND CLIENTS' BEST INTEREST POLICY

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1. Scope of the Policy

NFX CAPITAL CY Ltd (hereinafter "the Company", or "We"), is an investment firm, headquartered in Cyprus, 14 Louki Akrita street, Ayias Zonis, 3030, Limassol.

NFX CAPITAL CY Ltd holds a license with number 209/13 and is regulated by the Cyprus Securities and Exchange Commission (CySEC).

The Company absolutely comprehending that the matter of quality of execution is of vital importance for Clients' trading outcomes, sets as its top priority their notification of both the execution procedure and the inherent risks involved.

In view of the above, and the Company fully complying with the Directive 2014/65/EU of the European Parliament and the council of 15 May 2014 on Markets in Financial Instruments (MiFID II) and pursuant to this implementation in Cyprus with the Investment Services and Activities and Regulated Markets Law (Law 144 (i) of 2007), adhering also to the Directive DI144-2007-02 of 2012/Part VI on Best Execution, the Company has developed this Order Execution and Clients' Best Interest Policy, aiming at consistently achieving the best possible result, for its Clients.

2. Terminology

Bid/Ask Prices: Bid is the price you may sell a particular currency pair, or other financial asset. Ask is the price at which you may buy a particular currency pair, or other financial asset. The bid price is lower than the ask price.

Market Order: A market order is an order, to buy or sell a financial instrument, at the market price. Note, though, that this price cannot be guaranteed: the foreign exchange market is very volatile and usually, market conditions affect the price requested. The Company takes all necessary steps to ensure the best execution for its Clients' interests.

Limit / Pending Order: The limit order differs from the market order in that it is not instantly executed, but instead the Client pre-defines a level of price that is of interest to him and a period of time during which the order could be opened, in the future. If the market conditions meet the pre-set level of price within the defined time-frame, the order opens. Otherwise, the Limit Order is left open until it either expires, or is cancelled by the Client. As is the case with Market Orders, the price at which a Limit Order may open cannot be guaranteed, due to the same reasons, described above.

Limit Orders are the Stop Loss, Take Profit, Buy Limit, Sell Limit, Buy Stop and Sell Stop.

A Stop Loss is combined with an open or pending order and is used to minimize losses if the market moves to the opposite direction for the specific order. Such orders may not be guaranteed in circumstances of highly volatile markets due to possible rapid price movements, or during the opening of the market.

A Take Profit is also combined with an open or pending order and is used to close the order with pre-defined profits. Such orders may not be guaranteed in circumstances of highly volatile markets due to possible rapid price movements, or during the opening of the market.

A Buy Limit is an order to buy a financial instrument below a specific price, used by investors who believe that if the rate falls furthermore, then there will be a reversal.

A Sell Limit is an order to sell a financial instrument above a specific price, used by investors who believe that if the rate goes further up, then there will be a reversal.

A Buy Stop is an order to buy a financial instrument at a price above the current market price, used by investors who believe that the rate will rise further.

A Sell Stop is an order to sell a financial instrument at a price below the current market price, used by investors who believe that the rate will fall further.

A Tick is every price update on the platform MarketWatch. Each price Tick can either be sequential or be very different from the previous Tick subject to the market volatility and movement.

Swap/Rollover Charges: Swap charges refer to the difference in interest rates of the currency pair when holding positions open, overnight. This is also known as rollover charges. This varies according to the difference in interest rates of the base currency against the quote currency. This charge (or earning) derives from whether a Client bought or sold the currency with the highest interest rate. A client may see rollover costs (or swap rates) on the MT4 terminal. For detailed information for each currency pair and for the formula used in the calculation, please see our Contract Specifications document.

Balance and Equity: Balance is the amount of money you have in your account when you have no open positions. Equity is your account balance plus the floating profit/loss of your open positions. When you have no open positions, your balance and equity are the same. When you have open positions, your equity will change in real time as the price of your open positions changes.

Spread: Spread is the difference between the bid and ask prices. You may find our average spreads here.

Raw Spread: This is a spread the company receives from liquidity/price providers. This is typically a cost to the company as the company has to pay for this spread from the spread revenues. The final spread on MarketWatch reflects this spread plus any mark-up the company may apply.

Aggregator/Aggregation: mechanism through which many prices from many sources are received. Best Bid and Best Ask prices (highest Bid, Lowest Ask) are selected either from multiple sources or a singular source, whichever is best for the client.

Leverage: Leverage is a multiplier of your purchasing power, which allows you to proceed to larger investments than the ones you would otherwise be able to.

The ability to earn significant profits by using leverage is substantial. Leverage, however, can also work against investors, if price moves against a position, by amplifying potential losses. You are strongly advised to refer to our Risk Acknowledgement and Disclosure, for full details.

NORD FX

Margin Call/Stop Out: Margin is the amount of money required in order to open a position. Margin depends on leverage. Margin Level is Equity / Margin * 100. It is a percentage (or, ratio) of your equity against the margin used.

A Margin Call happens when your account reaches a margin level set by the Company to indicate that your account does not have enough free margin to support any new positions. This may happen if your open positions are running at a loss. The balance of your account will turn red in your MT4 terminal. If this happens and you would like to open new positions, you will need to deposit funds into your account in order to increase your equity.

After receiving a Margin Call and if your open positions continue to incur further losses, your account may receive a Stop Out. This happens at a Margin Level set by the Company when the Equity in your account can no longer support your open positions. Some or all of your positions will be automatically closed in order to protect your account from further losses.

You can find detailed information on Margin requirements and our Margin Call and Stop Out levels here.

For Retails clients the margin level at which the platform will start closing open positions automatically starting from the most unprofitable position will change from 1 August 2018 and for a temporary period of three months from 40% to 50%, in accordance with ESMA requirements.

Slippage: situation when the order is filled at a price different than the one requested. With market execution, the order is filled at the next available price. Slippage is observed often in periods of high volatility or at the opening of the market.

Re-Quote: during volatile markets or rapid price movements, it may not be possible to execute an instant execution order at the price the client requested as the requested price may no longer be available. At such instances, the Company may quote the current market price to the client (Re-quote). The client can reject or accept the new price.

For Institutional Customers special arrangements can be agreed. In such a case these will be fully described in a supplemental agreement to be signed between the two parties.

Trailing Stops and Expert Advisers are tools available to the client through the platform. However, their use is the sole responsibility of the Client and at the Client's own risk. The Company does not take any responsibility or provide support for them.

In addition to the above, the Company provides you with a list of the most important forex terms, in order to orient you and support your trading experience. To access this terminology, click here, and/or visit the FAQ section of our website.

Furthermore, our specialized Customer Service Representatives are eager to provide any additional assistance required.

3. Application of Policy

With reference to the Client Categorization, the Company's Order Execution and Clients' Best Interest Policy applies to both Retail and Professional Clients.

With reference to the Application Area, the Company's Order Execution and Clients' Best Interest Policy applies to *all* products currently offered to its Clientele.

With reference to the application of this Policy to the Company's services, the Client may place the following orders:

1. a Market Order (to buy or sell), with or without a Stop Loss and a Take Profit. Stop Loss and Take Profit may be altered, should the Client wish to do so.
2. a Pending Order, which is an order to be executed, when the market reaches the desirable price (pre)determined by the Client and which order may be a Buy Limit, a Sell Limit with or without a Buy Stop and Sell Stop. Stop Loss and Take Profit are applicable in this case, as well. The Client may alter a pending order as long as it is not executed. Once execution takes place, the Client may change only the Stop Loss/Take Profit parameters.

When the Client places both a Stop Loss and a Take Profit order, the position will close, when the market reaches one of these.

Partial close of orders is supported.

4. Best Execution - Parameters

The Company, in its effort to obtain the best possible result for its Retail clients, will take into account the following parameters when executing Clients' orders:

1. Price
2. Costs
3. Speed
4. Venue
5. Size
6. Nature
7. Likelihood of Execution
8. Likelihood of Settlement

as well as any other considerations relevant to the Execution of Orders.

4.1 Price

For any given Financial Instrument the Company will quote two prices (Bid and Ask). The higher price is the ASK price at which the client can buy or go long on that Financial Instrument, and the lower price is the BID price at which the client can sell or go short on that Financial Instrument. These are collectively referred to as the Company's prices. The difference between the lower and the higher price of a given Financial Instrument is the spread.

The Company receives raw prices from liquidity providers through an electronic execution system (MetaTrader). The system automatically adds the Company's desired spreads to the raw prices (Mark-up Spread). All final actionable prices on the client terminal include Company's Mark-up Spreads and are clearly visible to the client before the client takes any trading decision.

Spread for each individual instrument is also found on the client MT4. To see full details of any instrument right click on the **Market Watch** on MT4, and select **SPECIFICATIONS**. You will find full contract specifications of the instrument including the mark-up Spreads for every instrument.

For institutional customers decreased individual mark-ups could be assigned, as well as commission from the turnover could be charged. Such terms will be described in a supplemental agreement with each institutional customer.

The Firm's price for a given Financial Instrument is calculated by reference to the price of the relevant underlying financial instrument, which the Firm obtains from third party liquidity providers. The Firm updates its prices as frequently as the limitations of technology and communications links allow. The Firm will not quote any price during closed market hours therefore no orders can be placed by the Client during that time.

The system generates prices automatically by either both or one of the methods below:

- Aggregating market data from a variety of Liquidity/price providers.

  Best bid and ask prices shall be selected from a variety of sources, thus providing clients with the tightest spreads possible at the time.

- Receiving price from a single provider at a time.

The median price is then selected and company spread is then added. One part to the Bid side and another part to the Ask side as to guarantee the closest rate to the market at the time.

It is expressly understood that due to aggregation the prices you may see on our platform may not be exactly the same as prices you will see on other platforms. The client must disregard all other prices and focus on those offered by the company.

Aggregation of prices from different sources is done for the benefit of the client as it allows the company to provide competitive prices at all times and most importantly it ensure more seamless pricing even if some providers fail to provide data at any given time. The company will endeavor to provide continuous executable prices but under certain conditions such as connectivity failures, system or technology malfunctions or outages, severe volatility or market turmoil, illiquidity and/or other factors it may be impossible to do so.

Prices remain executable and actionable at all times, conditional on closing hours and/or events outside the control of the company.

Should prices upon which the client has requested to place an order be different at the time the request is received by the system, the company reserves the right to provide the new price to the client (this is called a Re-quote). The client has the option to reject the new price in which case no deals will be placed.

Note that the new quoted price may be either more favourable to the client (better price) or less favourable (worse price).

Clients may select, by default, to accept all re-quotes. Please check the option "Enable maximum deviation from quoted price" in the 'Order' dialogue box when placing an order.

During abnormal market conditions, prices at which the company executes client orders may vary significantly from the prices the client originally requested. Such conditions may be, but are not limited to:

- During the Opening session of any relevant market.

- During economic data releases and/or news time.

- During insufficient liquidity at the time and/or price and/or size of the requested order.

- During volatile markets and high volatility when prices move rapidly and significantly from the declared prices or from the previous Tick.

- During sessions where trading is restricted or altogether suspended.

During the occurrence of any or all of the situations above and/or any other unforeseen events that may make it impossible to execute orders at the declared prices, the company may execute orders at a different price.

Orders may be executed at better prices (Positive Slippage) or worse prices (Negative slippage).

It is worth noting that Slippage is a normal market practice and is regularly experienced by CFD traders and Brokers. Clients who do not wish to receive slippage may opt to avoid placing Pending orders minutes before Market close and/or any news announcements and/or any event as a result of which the market faces volatility.

The Company does not provide any Asymmetric limitations to the maximum positive and negative price slippage (in favour of the client and to client's disadvantage), above which client orders will be rejected or re-quoted

4.2 Costs

4.2.1 Spreads

Transaction fees are charged separately for every order placed. The Company provides you with flexible spreads with minimum spreads as low as 0.01 PIPs (conditional on Liquidity providers and price providers). During extraordinary market conditions, the spreads will reflect the prevailing market spreads. You may find spreads on the Company's website here.

A Long (Ask, or Buy) position is closed at the Bid rate, while a Short (Bid, or Sell) position is closed at an Ask rate.

The Client is reminded that exotic pairs are not much traded, resulting to lower liquidity and therefore, wider spreads.

4.2.2 Rollovers

Additionally, rollover fees may apply for positions open overnight. More details are available at our Terms of Business.

4.3 Speed of Execution

The Company will execute all orders, in milliseconds. This execution speed is however affected by network latencies. The Company will not be responsible for communication faults, which may cause a delay to the execution of a Client's Order and which may derive from a fault in Internet, or Servers, or hardware.

4.4 Execution Venue

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution.

For the purposes of orders in the various financial instruments offered, the Company acts as counterparty to clients' transaction as Principal at all times and not as Agent on the Client's behalf.

It is understood that the Company may transmit Clients' orders for execution to third party liquidity providers such as various Banks or other Broker-Dealers through its Electronic Communication Platform, but the Company is the sole counterparty to the Clients' trades and any execution of orders is done in the Company's name, therefore, the Company is the Sole Execution Venue for the Clients' orders.

The Company implemented the process to select, monitor and re-approve the liquidity providers, in accordance with pre-set criteria.

The Client acknowledges that for CFDs, the transactions entered in financial instruments with the Company are not undertaken on a recognized exchange or an MTF (Multilateral Trading Facility), rather they are undertaken over the counter (OTC) through the Company's Trading Platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions.

The Company achieves the best execution by using the following financial institutions acting as Execution Venues:

LMAX, United Kingdom

GBE Brokers, Cyprus

AxiTrader, United Kingdom

4.5 Size of the Order

The minimum deal size for opening a position with the Company has been set as low as 0.01 lot.

The company enforces a maximum order size per trade on each of the assets provided. These limits can be observed before placing an order in the instrument specification panel of the trading platform.

The Company reserves the right to decline an order which violates the maximum deal size permitted, hereby.

4.6 Nature of the Order

The nature of the order has to do with the particular characteristics of the financial instrument which the Client selects to trade.

4.7 Likelihood of Execution

The Company will use all commercially reasonable efforts to execute all Client Orders, in a timely fashion. The Company will not be responsible for any Client error in entering an order, or for communication failures, system errors, data failures, or any other causes beyond its control.

Whilst the company is the sole execution venue and the counterparty to client trades, the company does rely on third party liquidity providers and the availability of liquidity to execute orders. Thus, execution of client orders depends on the availability of prices and/or liquidity. Although the company executes all orders placed by clients, it reserves the right to decline any orders.

4.8 Likelihood of Settlement

The Company will proceed to settlement of all orders upon their execution and inform each Client accordingly, via the MT4 platform with a Statement of all orders executed and settled during the previous day and during the previous month.

4.9 Reasons Affecting the Best Execution of Orders

Possible reasons which affect, amongst others, the Execution of Orders are volatility, the available liquidity at the time the Client's orders are placed and possible network latencies. Increased volatility - is tightly linked with, amongst others, announcements. **Thus, the Client hereby acknowledges that volatility may cause either positive or negative slippage for his order(s).We need to indicate that the slippage will be symmetrical, i.e. the Company shall not benefit from the positive slippage.**

4.10 Refusal of Service, Refusal to execute an order instruction

Client terminal may, from time to time, experience delay in receiving data from the server. This could be due to bad internet connection, client geographical distance to the servers and/or many other factors.

The most common types of Latency include (but are not limited to) lack of price updates in MarketWatch, Delay in price updates or delay in communication between client terminal and the server during order placement.

It is expressly understood that traders who, whether knowingly or unknowingly, and manually or through an automatic EA, place trades during such occurrences are deemed to have placed erroneous orders. The company reserves the right to reject, cancel or alter such orders.

The company reserves the right to refuse service and/or cancel any order of the client, in the event the client voluntarily or involuntarily took advantage of latency and/or other services offered by the company in good faith such as the SWAP free function.

Taking advantage of the above is deemed to constitute an abusive exploitation of the trading system and/or technology failure and/or pricing latency and/or arbitrage unrelated to market inefficiencies. In addition, the company might deem that the execution of a client's order might include but is not limited to the following situations:

- It is placed in order to affect the orderly function of the market;
- The trades is placed based on private confidential information not available to the public;
- Includes Laundering of illegal funds;
- There is insufficient free margin to cover the purchase a financial instrument.

Moreover, the client might voluntarily or involuntarily abuse the negative balance protection offered by the company. For example, the client might has two accounts hedging his exposure in the one with the other.

Under such aforementioned circumstances, the company at its discretion may close any of the client's account and recover any losses incurred from such activities, in accordance with the terms of the 'Client's Agreement'.

4.11 Execution Model

The Company acts as a market –maker for all orders received from the clients and hedging clients' orders with the third independent parties in accordance with its risk management policies. i.e. hybrid model. All client orders are served on a first in -first out basis.

4.12. Price formation mechanism

The company receives quotes and market data from recognized European liquidity/price providers, which stream the said data into the servers of the company. The company then uses either MT4's built-in mechanism to derive the final executable prices or relies on third party developed systems to aggregate prices that feed into the MarketWatch.

Prices received from our providers include a 'raw' spread upon which the company applies a symmetrical spread from which the company generates its revenues. It must be noted that the balance of the application of the spread may, at times, be weighted to one side of the Bid/Ask.

During normal trading hours and normal market conditions the execution speed of the company is minimum 60 milliseconds (which is the average communication speed of the server) and usually ranges between 120 and 500 milliseconds. For few orders, it could take more time to be executed as there could be a delay in response by the liquidity provider. Longer execution times appear during high volatility movements and global connection errors in some network segments. If the order type allows slippage, it could be filled with a market price, in which case it could significantly differ from the expected. Any positive and negative slippage will be assigned at full. Orders received manually have an average execution speed of 3 seconds.

During high volatility or specific market conditions and mitigating circumstances the company may execute all orders manually and with a longer delay than the averages mentioned above.

During news announcements, holidays and other market situations with decreased liquidity, spread could be increased as well as one or both quotes could be not active for deals if there is no liquidity provider quoting that price. In such cases, market orders will not be available to place and execute, and all pending orders will be executed at the next available quote.

If the order was filled by a price that was not relevant to market situation due to a technology failure or other mistakes, the company could change that price to the market price with written client notification.

4.13 Mark-up

The Prices on which clients trade includes a Mark-up from which the Spread Revenue of the company is derived.

Typically, the spreads offered by the company include the Raw spreads the company receives from its providers, the Mark-up (where company generates its spread revenue).

It may be worth mentioning that Partners of the company such as Introducing Brokers share a portion of the Spread Revenue with the company, hence they bear no additional cost to the client and have no conflict of interest.

5. Leverage

Due to the imposition of specific product intervention measures by ESMA which are in effect since August 1 2018, the Company will offer to retail clients the following maximum leverage ratios:

- 1:30 for major currency pairs
- 1:20 for non-major currency pairs, gold and major indices
- 1:2 for Cryptocurrencies

Professional Clients and Eligible Counterparties are eligible for higher leverage upon request.

The company encourages clients to have no open positions when requesting a leverage change as this will affect your open positions and may cause an immediate Stop-Out.

For reference to the risks inherent to leverage, please refer to our Risk Acknowledgement and Disclosure document.

6. Placing Orders

An order is accepted by the MT4 platform ("the Platform") if requirements for free margin are satisfied. Free margin gives the Client information about the size of equity, which is disposable for the opening of new positions.

Institutional Clients could place orders directly into XCore platform using MT4 bridge or FIX API connection.

7. Specific Instructions from a Client

When a Client gives specific instructions for the execution of an order, the Company will follow these instructions and consider that its obligation for best execution has been fulfilled – regarding the specific elements covered by the Client's instructions.

Thus, the Client acknowledges that when specific instructions for an order are forwarded to the Company, this may prevent the Company from obtaining the best possible result for that Client, in respect of the elements covered by those instructions.

8. Ensuring the Best Execution Parameters

The Company achieves the best execution by a process of continuously assessing its Best Execution Parameters, as these have been listed at paragraph 4.

In determining the relative importance of the best execution parameters, the Company takes also into account the following:

a) The characteristics of the Client – including Client Categorisation
b) The characteristics of the order
c) The characteristics of the financial instruments of the order
d) The execution venue

The Company considers all Execution Parameters as being important and monitors them closely but particularly prioritizes the following:

Price, Costs, Speed and Likelihood of Execution.

Of course, under certain circumstances, the rest of the Execution Parameters may also be particularly prioritized, in order to ensure best execution for the Client.

The Company will monitor the execution quality, assess the effectiveness of its execution arrangements and change them in case of deficiencies. The clients will be notified, accordingly.

9. Monitoring and review

For the benefit of the client and in order to serve the clients as best as possible and offer the most competitive service the company shall review its Order execution policy on a regular basis and at least annually and make necessary changes and/or improvements as may be necessary.

The most recent and correct version of company's policies are found published on its website.

10. Placing an Order by Phone

In cases when use of the Trading Terminal is impossible, the Client may contact the Company to place an order by phone, using our published number on our Contact Us webpage.

The Client is expected:

9.1. to comply with identification procedures that the Company will follow and

9.2. to give clear and concise instructions to the Company, in order for us to proceed with the execution of the order

9.3 the company may refuse to process any requests if it has not been fully satisfied as to the identity of the client or due to a bad connection

9.4. following identification, the Client will provide the Company with detailed instructions, including position size, direction, pricing, currency pair and type of order. Then, for existing positions, we may require the ticket number(s)

9.5. then, the Company's representative will announce to the Client the corresponding bid and ask rates, if these are available and accessible

9.6. given the Client's instructions, the Company's representative will repeat these back to the Client, for confirmation

9.7. upon the Client's agreement, the order will be executed

11. Margin Calls

When a Client's account has open positions and its margin level drops to 60%, the Client will receive a margin call warning through the trading platform. The account summary in the Terminal section of the Client's trading platform will turn red. If the margin level continues to drop and if it reaches the level of 50% for Retail clients and 40% for Professional clients the trading platform will start closing the Client's positions at market price.

Clients should ensure that they always have enough margin in their account.

At the 50% margin level for Retails and 40% for Professionals accordingly, the platform will start closing open positions automatically starting from the most unprofitable position. If needed, i.e. if the margin level has not recovered, then, the platform continues to close positions automatically starting with the most unprofitable position until the margin level has recovered.

The Company does operate on a “negative balance protection” basis. This means that the Client cannot lose more than his/her total investment in each Trading Account.

12. Client Notification

The Client will receive a monthly Statement on the first day of each month, by e-mail. These Statements will detail all transactions of that period.

13. Phone Recording

The Client acknowledges that the Company may record telephone conversations. The Client also consents that the Company may use recorded conversations, for regulatory purposes.

14. Updates & Feedback

The Company reserves the right of amendment of its Order Execution and Clients’ Best Interest Policy, without prior notice.

Kindly note that amendments shall be found under "News Room" section, available on the Company’s website. The Company will periodically re-assess such policy, for further improvements.

In addition to the above, the Company would like to receive Clients’ feedback, so that the Company will be able to further improve its services.

Kindly submit your feedback by sending an email to support@nordfxeu.com, referring to subject "Execution" and the Company shall endeavor to investigate and respond in an appropriate time frame.

Use of offensive language will automatically give the Company the right to reject handling a complaint.

15. Client Consent

The Order Execution and Clients’ Best Interest Policy constitutes part of the Service Agreement – therefore, by accepting the Agreement, the Client agrees, in parallel, with the Order Execution and Clients’ Best Interest Policy of the Company, as described in this document.

Glossary:

Base Currency: Is the first currency that appears in a pair quoted. This is also a constant unit, i.e. 1 lot will be 100,000 units of that currency.

Term currency: also known as the counter currency is the second currency in the pair, which is quoted.

Margin: Margin refers to the funds that traders are required to have (minimum amount of funds) in their accounts in order to guarantee their open positions.

Free Margin: Free Margin refers to the funds in a trading account that are not currently being used to guarantee any open positions. The calculation is: Free Margin = Equity – Margin.

Lot: A lot is a standardised unit referring to the quantity of a financial instrument. In Forex typically a lot means 100,000 units of the base currency (also called a standard lot).

Margin level: value expressed as a percentage referring to the margin that a trader has available to open further positions. When this drops to 100% or lower, the client cannot open any new positions as this means all available margin is being used. The calculation is: Margin Level = Equity / Margin * 100

CFD: (Contracts for Difference) refers to the contract between the buyer and the seller that allows traders to speculate on the changing prices of a financial instrument without the need to take ownership of the asset. At the end of the contract, the parties exchange the difference between the opening and closing prices.