

ORDER EXECUTION POLICY

1. Introduction

Following the implementation of the Markets in Financial Instruments Directive II (MiFID II) in the European Union, FIBO is required to provide its Clients and potential Clients with its Order Execution Policy and Policy to act in the Best Interest of the Client (hereinafter the "Order Execution and Best Interest Policy").

Under the above legislation, FIBO is required to take all sufficient steps to act in the best interest of the Client when receiving and transmitting orders for execution and to take all reasonable steps to obtain the best possible result (or "best execution") for its Clients either when executing client orders or receiving and transmitting orders for execution. In addition, these rules require investment firms to put in place a relevant Policy and to provide appropriate information to their Clients on the Order Execution and Best Interest Policy.

2. Scope of Policy

The Policy applies to retail and professional Clients. So, if we classify you as an Eligible Counterparty, this policy does not apply to you.

This Policy applies when receiving and transmitting and executing orders for transactions for you for the financial instruments of Contract for Differences (CFDs) which also means NDFs. CFDs are derivatives with an underlying instrument, and it is up to FIBO's discretion to decide which types of CFDs to make available to its Clients and to publish the prices at which these can be traded.

The Client is trading on the outcome of the price of a financial instrument (i.e. a metal or currency). The trading does not happen in a regulated market. Therefore the Client may be trading only with FIBO as a counterparty (whereby FIBO will be acting as a principal). If the Client decides to open a position in a CFD with FIBO, then that open position can only be closed with FIBO.

3. Important Information for Execution of Orders

The Client is given the option to place with FIBO the following orders for transmission and execution in the following ways:

- a) The Client places a "market order" which is an order executed against a price that FIBO has provided (when FIBO is acting as an agent the price may be based on a price obtained by a third market maker but although it may be based on such a price it is not

- b) necessarily identical) (in both instances whether FIBO is acting as agent or principal to be called "FIBO's quoted price"). The Client may attach to a market order a Stop Loss and/or Take Profit.
- c) The Client places a "pending order", which is an order to be executed at a later time at the price that the Client specifies. FIBO will monitor the pending order and when the price provided by FIBO reaches the price specified by the Client, the order will be executed at that price(see (d) below for exceptions) The following types of pending orders are available: Buy Limit, Buy Stop, Sell Limit and Sell Stop.
- d) The Client does not always have the right to change or remove Stop Loss, Take Profit and Pending Orders. For example, but not limited to this situation, if the market price moves close to the values of Take Profit order or Stop Loss order, or the opening price of a deferred order within a distance of 2 points, no modification or removal of such orders is allowed.

If the market opens with a gap or a gap occurs during the day (this generally happens after weekends or holidays, upon release of significant macroeconomic data, economic or political news, or in the event of Force-Majeure events), orders are executed as follows:

CFD on other underlying instruments

- Take Profit (T/P) orders are executed at first market prices;
- Limit orders are executed at first market prices;
- Stop Loss (S/L) orders are executed at first market prices;
- Buy Stop and Sell Stop orders for the opening position are executed at first market prices.

CFD on currencies

- Take Profit (T/P) orders are executed at first market prices;
- Stop Loss (S/L) orders are executed at first market prices;
- Stop Loss (S/L) orders set for lock positions, are executed at first market prices;
- Limit orders are executed at first market prices;
- Buy Stop and Sell Stop orders for position opening are executed at first market prices.

- e) FIBO uses MetaTrader 4 software, which has certain restrictions regarding the Orders, alterations and removals of Orders. For example, but not limited to these situations, the minimum distance for which it is possible to place pending orders or place T/P and S/L orders is equal to the spread per instrument. The minimum distance for S/L orders may be increased up to 10 spreads 10 minutes before closure of trades and 10 minutes before the release of significant figures of macroeconomic statistics and important political or economic news. Thirty minutes before closure of trades, the level for S/L orders is increased to 25 spreads. This rule applies also to the opening of market and pending Orders with a pre-determined S/L value, falling within the range of 10 (25) spreads.
- f) The MetaTrader 4 software does not allow one to separately modify T/P and S/L values. The MetaTrader 4 program does not allow one to separately change stop loss and take profit orders. Hence any attempt to modify take profit, if there is a pre-determined stop loss order, and if it (the stop loss) is within the range of 10 spreads, will be blocked automatically.

4. Best Execution Factors

FIBO shall take all sufficient steps to obtain the best possible results for its Clients taking into account the following factors when executing Clients orders against FIBO' quoted prices:

- a) Price: For any given CFD, FIBO will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD; collectively they are referred to as FIBO' price. The difference between the lower and the higher price of a given 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. FIBO' price for a given CFD is calculated by reference to the price of the relevant underlying instrument, which FIBO obtains from third party external reference sources. FIBO' prices can be found under Contract Specification on FIBO' website at www.fibogroup.eu. FIBO updates its prices as frequently as the limitations of technology and communications links allow. FIBO reviews its used third party external reference sources at least once a day (constantly during trading session, not at least once a day), to ensure that the data obtained continue to be competitive. FIBO will not quote any price outside FIBO' operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

If the price touches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop these orders are executed at once. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients price. In this case FIBO has the right to execute the order at the first available price on the market. 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, or this may occur at the trading session start moments.

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under Contract Specifications on the main Website of FIBO at www.fibogroup.eu.

- b) Costs: For opening 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 FIBO Website commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee “swap rate” 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 available under Contract Specification under on FIBO’ website at www.fibogroup.eu.

For all types of CFDs that FIBO offers, the commission and financing fees are not incorporated into FIBO’ quoted price and are instead charged explicitly to the Client account.

- c) Speed of Execution: when FIBO acts as a principal, FIBO 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.

When the Client undertakes transactions on an electronic system, he 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 order is either not executed according to his instructions or it is not executed at all. FIBO does not accept any liability in the case of such a failure.

- d) Likelihood of Execution: As it is explained in the Execution Venue section of this Policy, FIBO in some cases may act as principal whereby it will be Execution Venue for the

execution of the Client's orders for the financial instrument of CFDs. In other cases, FIBO may act as agent whereby some other Financial Institution (to be disclosed to the Client) will be Execution Venue, in which case execution may be more difficult. In addition, FIBO whether it acts as a principal or agent, it reserves the right to decline an order of any type or to offer the Client a new price for "market order". In this case, Client can either accept or refuse the new price. If FIBO is acting as an agent, likelihood of execution depends on the availability of prices of other market makers/financial institutions.

- e) Likelihood of settlement: FIBO shall proceed to a settlement of all transaction upon execution of such transactions whether it is acting as agent or principal.
- f) Size of order: The minimum size of an order is 0.01 lots (one tenth of a lot). A lot is a unit measuring the transaction amount and it is different for each type of CFD.

Please refer to FIBO's website for the value of each lot for a given CFD type.

It is noted that FIBO may limit the maximum volume of the single transaction to 500 standard lots. In addition, FIBO reserves the right to decline an order as explained in the agreement entered with the Client.

- g) Market Impact: Some factors may affect rapidly the price of the underlying instruments from which the FIBO's quoted price is derived and may also affect the rest of the factors herein. FIBO will take all reasonable steps to obtain the best possible result for its Clients. At the moment an order is presented for execution the specific price requested by 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 in order to match the current market price. If the execution price is better than the price requested by the client this is referred to as positive slippage. If the execution 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 market practice and a regular feature of the foreign exchange under abnormal market conditions such as extremely low liquidity or high volatility due to economic events, news or market openings. FIBO automated execution software does not operate based on any individual parameters related to the execution of orders through any specific client accounts. Abnormal market conditions could also result in an events where a certain number of liquidity providers widens their spreads extremely large or stops quoting prices completely: FIBO does it best to choose competitive

liquidity providers with low spreads even in these conditions and is specifically able to switch the liquidity to other liquidity providers in case if current liquidity provider with highest priority stops quoting prices.

FIBO 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 FIBO shall make sure that the Client's order shall be executed following the specific instruction. A client should clearly understand any specific instructions from the client may prevent FIBO from taking the steps it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

5. Best Execution Criteria

FIBO will determine the relative importance of the above Best Execution 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 including the categorization of the Client as retail or professional;
- 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.

For retail/professional 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.

6. Execution Venues

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

For the purposes of orders for the Financial Instrument provided by FIBO, FIBO acts as Principal and not as Agent on the Client's behalf at all times; although FIBO may transmit the Client's orders for execution to third party liquidity providers through its Electronic Communication Platform, contractually FIBO is the sole counterparty to your trades and any execution of orders is done in the FIBO name, therefore FIBO is the sole Execution Venue for the execution of the Client's orders.

The trade desk is available for trading 24 hours a day: from 22:00 Saturday to 22:00 Friday Central European Time (CET), except the 25th of December, the 1st of January. Other holidays will be announced on the FIBO website or through the internal mail of the Electronic Trading System at least 5 working days before.

The Client acknowledges that the transactions entered in CFDs with FIBO are not undertaken on a recognized exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions. Therefore FIBO may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the trading platform or quote feeds.

7. Liquidity providers selection and review.

FIBO acts as a principal (sole execution venue) for their clients' orders, taking market risk from clients' transactions, however, hedging strategy includes hedging positions with clients on a back-to-back basis with other execution venues: it means FIBO does not take any market risk as a result of its hedged clients' transactions and the other execution venues selected by the firm for its hedging activity are used to determine the execution price for the firm's clients' orders.

These execution venues are chosen by FIBO based on the wide range of criteria which includes, but isn't limited to, the following:

- a) Order execution policy of the execution venue in question, its static or dynamic status
- b) Instruments traded on the venue
- c) The latency of the order execution
- d) Types of orders at the venue
- e) Clarity, consistency and transparency of the venue rules

- f) Importance of fill size in terms of fill or kill orders as long as they are presented in the section d)
- g) The cost of trading
- h) Subject to MIFID regulation
- i) Prices of the venue, average spread and difference from benchmark prices by independent 3rd party price providers
- j) The above criteria in abnormal market conditions if possible.

8. Monitor and Review

FIBO will monitor on a regular basis the effectiveness of this Policy and, in particular, the execution quality of the procedures explained in the Policy in order to deliver the best possible result for the client, and, where appropriate, FIBO reserves the right to correct any deficiencies in this Policy and make improvements to its execution arrangements.

In addition, FIBO will review the Policy and liquidity providers FIBO has contract with at least annually. A review will also be carried out whenever a material change occurs that affects the ability of FIBO to continue to the best possible result for the execution of its Client orders on a consistent basis using the venues included in this Policy. FIBO will notify its affected Clients on any changes in its Policy. The review process includes:

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- Monitoring the quality of execution of client orders, including past history.
- Monitoring the technology being used for execution of client orders.
- Management of potential conflicts of interest.
- Due diligence of company liquidity providers (perceived creditworthiness, reputation and financial stability as an example).
- Quality of service and support, where applicable.
- Clearance and settlement capabilities, where applicable.
- Various factors such as promptness of execution, whether service provider is subject to MiFiD II regulation, whether service provider is affected to large political risk given Brexit as an example, whether service provider is located in G20 country etc.

Since FIBO is the single execution venue it should be verified it provides the best possible result for its clients which is at least as good as the results it could reasonably expect from using other venues. Since FIBO hedges positions with clients on a back-to-back basis with other execution venues the selection of the firm's hedging venues is a major factor impacting the delivery of best execution, so the execution of these execution venues should be monitored on the regular basis.

The monitoring process should include:

- Prices monitoring.
- Competitiveness of commission rates and spreads.
- Quality of execution monitoring
- Complaints monitoring.

Best execution monitoring/transparency is being provided through metrics available under RTS 27 reporting published on the Company website as well and order execution statistics published on Company website in the relevant sections to prevent asymmetric price slippage or/and to display the results of such reporting to any party interested. RTS 27 reports are updated on the quarterly basis and order execution statistics are updated on the monthly basis.

9. Client Consent

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

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

FIBO may obtain the above consents in the form of an agreement.

This Policy forms part of our Customer Agreement. Therefore, by entering into a specific Customer Agreement with FIBO for the provision of Investment and Ancillary services, you are also agreeing to the terms of our Policy to Act in the Best Interest of the Client.