

# ORDER EXECUTION POLICY

## 1. OBJECTIVE

The purpose of this policy is to establish efficient processes that ensure the best possible outcomes for clients when **Finoteck**. (hereinafter “the Company”), executes orders.

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## 2. Policy Declaration

The Dealing Room is the primary department where this order execution policy applies. Senior Management performs an annual review and/or reviews it whenever significant changes occur that could affect the Company's ability to maintain the best execution for client orders through its trading platform.

In order to meet the obligation of executing orders on terms most favorable to clients and achieving optimal results based on clients' capabilities, needs, and trading strategies, the Company has developed and continues to uphold an **Order Execution Policy**.

This policy describes the process for executing trades and ensures that the Company takes all necessary steps to consistently secure the best possible results for its clients. It is important to note that if an order is executed based on specific client instructions, the Company will follow these instructions, having met its best execution obligations.

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## 3. BEST EXECUTION CRITERIA

The Company will evaluate the best execution criteria to determine the relative importance of various execution factors:

- Characteristics of the client
- Characteristics of the client order
- Characteristics of the financial instruments involved
- Characteristics of the execution venues to which the order can be directed

The best outcome will be determined based on the total consideration, including the contract price and execution-related costs. Although factors such as speed, execution likelihood, size, nature, and other relevant elements are considered, price and cost generally take precedence. However, these factors will be given proper consideration if they result in the best outcome for the client in terms of total cost.

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#### **4. EXECUTION FACTORS**

When managing client orders without specific instructions on the method of execution, the Company takes into account several execution factors:

- Price
  - Speed and likelihood of execution
  - Costs or commissions
  - Size and nature of the order
  - Market conditions and fluctuations
  - Execution capability
  - Any other relevant considerations for executing the order
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#### **5. SLIPPAGE**

Please be aware that slippage is a possible occurrence when trading Financial Instruments. This happens when the price shown during the order placement is no longer available when the order is executed. As a result, the order may be filled at a slightly different price, either better or worse than the price requested. This is referred to as slippage, with positive slippage indicating a better price and negative slippage indicating a worse price.

Slippage is a normal part of trading, particularly during periods of low liquidity or high volatility, such as news releases, market openings, and other influential events. These situations may prevent execution at the exact price, leading to a different market price at the time of execution.

Slippage can occur across all account types, including during Stop Loss, Limit orders, and other order types. While we cannot guarantee that pending orders will be executed at the specified price, we ensure they will be filled at the best available market price.

## 6. SPECIFIC INSTRUCTIONS

When the client provides specific instructions on how to execute an order, and the Company agrees to them, the order will be executed according to those instructions.

However, if the client provides specific instructions, the Company's obligation to provide best execution will be fulfilled, and deviations from the normal execution policy may occur for that order. In these cases, the Company will proceed with the client's instructions and issue a warning that the order may not be executed according to the **Order Execution Policy**.

Given the risks and volatility in financial markets, clients may wish to explore different order types to manage their risk and investment strategies.

*\*It's important to note that the following order types may apply to some financial instruments, but not all.*

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## 7. TYPES OF ORDERS

Due to the risks and volatility in financial markets, clients might benefit from using different order types to manage their investments and risks. Please note that the following order descriptions may apply only to certain financial instruments.

### 1. **Market Order:**

- A market order instructs a financial institution to execute a trade as quickly as possible at the current market price.
- Financial institutions are required to execute market orders without regard for price fluctuations. Consequently, if the market price changes during order fulfillment, the execution may occur at a different price than initially requested.
- The execution price may be better, worse, or the same as the requested price.

### 2. **Limit Order:**

- A limit order specifies the maximum price to buy or minimum price to sell at which the client wants the trade executed.
- Since a limit order can be placed away from the current market price, it may not be executed immediately.
- Clients should be aware that using limit orders means relinquishing the certainty of immediate execution and may result in re-quotes or rejections if the market price changes during order fulfillment.

### 3. **Stop Order:**

- A stop order allows buying above the current market price or selling below the current market price once the stop price is reached or breached.
- The stop order remains pending until the stop price is hit, at which point it becomes a market order and is filled at the best available market price.
- It's important to note that the execution price may differ from the originally set price, which can result in **slippage**.

## 8. EXECUTION VENUES

**Execution Venues** are entities to which orders are placed or transmitted for execution. The Execution Venue for client orders will be authorized investment firms.

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## 9. PRICING

The Company provides its own tradable prices, sourced from independent price providers. To ensure clients receive the best execution, the Company primarily references and compares these prices with multiple price providers and data sources. While the Company takes all reasonable steps to ensure the best possible outcome for clients, there is no guarantee that the price provided when executing an order will be more favorable than that available elsewhere. The Company reviews its independent price providers annually to ensure accurate and competitive pricing.

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## 10. ORDER SIZE

Orders are placed based on monetary value. Clients can place orders as long as there is sufficient balance in their trading account. However, if clients wish to place large orders, the price may become less favorable due to the feed from the price provider.

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## 11. ORDER SPEED

Prices fluctuate over time, and the frequency of these fluctuations varies by financial instrument and market conditions. The technology used by the client to access the trading platform plays a key role in this. For example, using a wireless connection or poor internet connectivity can lead to delays in order placement, which may result in orders being executed at a better or worse prevailing market price.

## 12. ORDER EXECUTION PROBABILITY

Due to the volatility of the underlying instrument's price, the Company aims to facilitate the fastest execution of client orders possible.

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## 13. ORDER SETTLEMENT PROBABILITY

The Company will proceed with settlement of all transactions upon execution or at the time of expiration of the specific transaction.

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## 14. MARKET IMPACT

The Company's quoted prices, derived from independent price providers, may be influenced by various factors that could impact the execution factors. The Company will take all necessary measures to ensure the best possible outcome for clients.

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## 15. CONCLUSION

Clients are provided with relevant information regarding the execution policy. The Company seeks prior consent from clients to adhere to the documented **Order Execution Policy**. Additionally, a clear warning is communicated to clients (as outlined in the Client Agreement) that any specific instructions may prevent the Company from following its execution procedures to achieve the best possible result for those orders.

Comprehensive information regarding the factors considered when executing client orders is made available through this policy. The Company reviews this policy regularly to ensure clients are promptly informed of any significant changes.