

Contract For Differences (CFD) Order Execution Policy

Introduction

Laino Group Limited (hereinafter called the “Company”), takes 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 an execution policy which sets out how they will obtain best execution for their clients and to provide appropriate information to their Clients on their order execution policy.

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 executing transactions with you for the financial instruments of Contract for Differences (CFDs). CFDs are underlying financial instruments, and it is up to Company’ 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. an equity or currency). The trading does not happen in a regulated market; therefore the Client may be trading with Company as a counterparty (whereby Company will be acting as a principal) or with a third financial institution/Market maker (whereby Company will be acting as an agent). If the Client decides to open a position in a CFD with Company, then that open position can only be closed with Company.

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

- The Client places a “market order” which is an order executed against a price that Company has provided (when Company 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 necessarily identical) (in both instances whether Company is acting as agent or principal to be called “Company’ quoted price”). The client may attach to a market order a Stop Loss and/or Take 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. Company will monitor the pending order and when the price provided by Company reaches the price specified by the Client, the order will be executed at that price. The following types of pending orders are available: Buy Limit, Buy Stop, Sell Limit and Sell Stop. The client may attach to a pending order a Stop Loss and/or Take Profit.
- The client may modify an order before it is executed. 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 or the freeze level.

Best Execution Factors

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 against Company’ quoted prices:

1. Price: For any given CFD, Company 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 Company’ price. At any time, the present difference between the lower and the higher price of a given CFD, at the same time, 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. Company’ price for a given CFD is calculated by reference to the price of the relevant underlying financial instrument, price which Company obtains from third party external reference sources. Company updates its prices as frequently as the limitations of technology and communications links allow. Company reviews its used third party external reference sources at least once a day, to ensure that the data obtained continue to be competitive. Company will not quote any price outside Company’ 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 price declared by Client. In this case Company 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

consequent, but not limited to, the release of major economic news of any kind and/or 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 session(s).

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 on the main Website of Company www.paxforex.com Therefore, Company reserves the right to increase minimum levels for placing above mentioned orders to reasonable extend under abnormal market conditions, which cannot exceed standard stop/limit level more than 3 times. If Company is about to increase the minimum level for placing above mentioned orders on to permanent basis, Company will update the Contract Specification on the website as practically possible over time.

2. 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 Company 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 on Company’ website.

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

3. Speed of Execution: In both cases where Company acts either as principal or as agent, 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 at all times.

The client may request Company to execute upon receipt instructions conveyed by telephone, e-mail or any other written or oral means of communication that each of the present and future account holders, attorneys and duly authorized representatives shall give individually to Company even if these instructions are not followed by a confirmation in writing. Company does not accept any liability in case of misunderstanding, error in the identification of the person giving the instruction or other errors on its part related to such method of communication and which may involve losses or other inconveniences for the Client. If 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. Company does not accept any liability in the case of such a failure. Company reserves the right not to execute instructions transmitted by telephone or email. Telephone conversations may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions.

4. Likelihood of Execution: As it is explained in the Execution Venue section of this Policy, Company 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, Company 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, Company 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 Company is acting as an agent, likelihood of execution depends on the availability of prices of other market makers/financial institutions.

5. Likelihood of settlement: Company shall proceed to a settlement of all transaction upon execution of such transactions whether it is acting as agent or principal.

6. Size of order: The minimum size of an order is 0.1 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 Company’ website for the value of each lot for a given CFD type.

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

7. Market Impact: Some factors may affect rapidly the price of the underlying financial instruments from which the Company’ quoted price is derived and may also affect the rest of the factors herein. Company will take all reasonable steps to obtain the best possible result for its Clients.

Company 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 Company shall make sure that the Client's order shall be executed following the specific instruction.

8. Best Execution Criteria

Company 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 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.

9. Execution Venues

Execution Venues are the entities with which the orders are placed. For the purposes of orders for the financial instrument of CFDs, Company may act either as a principal (therefore, Company is the sole Execution Venue for the execution of the Client's orders) or as an agent (therefore some third financial institution will be the Execution Venue). Company's operation time for the trading of CFDs, whether it is acting as agent or principal, is round – the – clock From 22:00:01 to 22:00 GMT+2 (subject to daylight saving time conditions), Sunday to Friday, except for the 25th of December, the 1st of January. Other holidays will be timely announced on the Company website or through the internal mail of the Electronic Trading System.

The Client acknowledges that the transactions entered in CFDs with Company are not undertaken on a recognised 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 Company 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.

10. Monitor and Review

Company will monitor on a regular basis the effectiveness of this Policy. In addition, Company will review the Policy at least annually. A review will also be carried out whenever a material change occurs that affects the ability of Company 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. Company will notify its affected clients on any changes in its Policy.

11. Client Consent

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

Company 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).

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

This Policy forms part of our CFDs Customer Agreement. Therefore, by entering into a CFDs Customer Agreement with Company, you are also agreeing to the terms of our Order Execution Policy for Contracts for Differences (CFDs), as set out in this document.

Additional Information

Should you request any additional information about Company' Order Execution Policy for Contract for Differences, please contact Company by email support@paxforex.com