Order Execution Policy

LYKKE CYPRUS LTD

June 2018

1. Introduction

Lykke Cyprus Ltd, registered at 182, Agias Filakseos Street, Kofteros Business Center, CY-3083 Limassol (the "Company") is authorised and regulated by the Cyprus Securities and Exchange Commission ("CySEC") with License Number 363/18 .

2. Legal and Regulatory Framework

The Order Execution Policy (the 'Policy') is issued pursuant to, and in compliance with the requirements of:

- Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended from time to time ("MiFID II");
- the Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets and other related matters, as amended from time to time (the "Law");
- the Investment Services and Activities and Regulated Markets Law No 144(I)/2007 to the extent it remains applicable after coming into force of MiFID II;
- the Commission Delegated Regulation (EU) 2017/565, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- the Commission Delegated Regulation (EU) 2017/576, supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution;
- Section 9 of the Questions and Answers of the European Securities and Markets Authority ("ESMA") as amended from time to time, with respect to the provision of CFDs and other speculative products to retail investors;
- Section 1 of the Questions and Answers of the European Securities and Markets Authority ("ESMA") as amended from time to time, on investor protection topics.

For the purpose of this Policy, any of the above legislation, regulation or guidelines will be referred to as 'Regulation(s)'.

3. Scope

Taking into consideration the abovementioned Regulations, the Company is obliged to take all sufficient steps to obtain the best possible results (or "best execution") on behalf of its clients, either when executing clients' orders or receiving and transmitting orders for execution. These Regulations also require the Company to establish an Order Execution Policy to allow it to obtain, for its client orders, the best possible result for its clients.

The Policy sets out the execution procedures for the financial instruments offered by the Company. Clients must therefore ensure that they have read, understood and consent to the contents of this Policy before trading with the Company.

The Policy applies to both retail and professional clients (as defined in the Company's Client Categorisation Policy on the website www.lykke.com.cy).

4. Order Types Available

Given the nature of risk and volatility of financial markets, the Client may want to consider using different types of orders to limit risk and manage investment strategies (it should be noted that the following descriptions of order types may apply only to some and not all types of financial instruments).

Market order: With a market order the Client instructs the Company to execute a trade of a certain size as quickly as possible at the current market price. The Company is required to execute market orders without regard to price changes. Therefore, if the market price moves during the time it takes to fill a client's order, the order will most likely be executed at a price different from the price when the order was entered. Execution price can be either improved, worsened or unchanged.

Limit order: With a at requested order/limit order, the Client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order, it may be entered away from the current market price, a limit order to buy below the current market price or to sell above the current market price, it may not be executed immediately. With those types of orders, a client must be aware that he/she is giving up the certainty of execution. And are likely to receive requotes/rejects if the market price moves during the time it takes to fill a client's order.

Pending Order: It is an order that has been entered into the trading platform but will not be executed unless certain conditions are met; the most common types of pending orders are Buy/Sell limit; Buy/Sell Stop; Stop loss and Take Profit.

Stop order: A stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a pending order until the stop price is reached or breached. When a stop order is executed, it becomes a market order and is filled as soon as possible at the price obtainable on the market. Note that this price may differ from the price you set for the order (Slippage).

Stop-loss Order: means an order placed to sell a security when it reaches a certain price. Stop loss orders are designed to limit an investor's loss on a position in a security.

Take Profit Order: means any pending order that is attached to an open position or another pending order for closing the position, usually with a profit.

Stop Out Level: means such condition of account when the open positions are forcedly closed by the Company at current prices;

5. Execution Elements

Commission: clients shall not be charged commission when trading FX CFD. Further information is available on the Company's website under the Trading Conditions area.

Mark-up: clients shall be charged a mark-up on spread when trading FX CFD. Further information is available on the Company's website under the Trading Conditions area.

Market gap: is the difference between the closing price of one period and the opening price of the next period. Market gaps are most often created between trading sessions, such as during the night or over the weekend.

Partial fills: this is the practice of executing an order in parts, at a time where there is not enough liquidity in the market, in order to fill the complete order at a specific price. Partial fills are not allowed.

Prices: we receive price feeds from the liquidity providers mentioned in Section 7. The price for a given contract is calculated by reference to the price of the relevant underlying financial instrument. For any given financial instrument, the Company will quote two prices: the higher price (ASK) at which the Client can buy (long) that financial instrument, and the lower price (BID) at which the Client can sell (short) it. The difference between the lower and the higher price of a given FX CFD is the spread.

Re-quoting: this is the practice of providing a secondary quote after an instant-order has been submitted. The Client must agree to this quote before the order is executed. The Company will re-quote instant orders if the requested price originally specified by the Client is not available at the specific time of execution. The secondary quote provided to the client is the current market price received by the Company from third party liquidity providers. The Company does not re-quote Pending Orders.

Slippage: this is the difference between the executed price and the order price at the time the order is submitted for execution. Slippage is a normal and expected cost of trading, particularly for orders of larger size and during times of thin liquidity and/or volatile markets. In most cases an order, when triggered by market price action, will be filled at the same, or very close to the same price as requested. Further information on the Company's slippage data is available on our website.

Trade Rejection: trades submitted on the prices considered by the system as old are automatically rejected.

6. Execution Criteria and Execution Factors

When executing orders or receiving and transmitting orders for execution, the Company should at any time take all sufficient steps to obtain the best possible result for its clients, by taking into account the following Execution Factors:

- price - the market price at which the order is executed;
- costs - any additional charges that may be incurred in executing the order in a particular way over and above the Company's normal charges;
- speed - this can be particularly important in fast moving markets;
- likelihood of execution and settlement - the best price is of little use if the Company cannot execute at it;
- size, nature or any other factor relevant to the execution of the order - the way that the Company executes an unusual order may differ from the way it executes a standard order.

The relative importance that the Company attaches to the Execution Factors in any particular case may be affected by the circumstances of the order (i.e. Execution Criteria), such as:

a) the characteristics of the client, including the categorization of the client as retail or professional – professional clients may have different needs than retail clients;
b) the characteristics of the client order – such as the potential of the order to have an impact on the market;
c) the characteristics of financial instruments that are the subject of that order – such as liquidity and whether there is a recognized centralized market;
d) the characteristics of the execution venues to which that order can be directed – particular features of the liquidity sources available to the Company.

When 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 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.

Warning: where there is a specific instruction from the client, the Company shall execute the order following the specific instruction. When there is no specific client instruction regarding the execution method, the Company shall execute an order in accordance with this Policy.

For the purposes of delivering best execution where there is more than one competing venues to execute an order for a financial instrument, 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 listed in the Company's Order Execution Policy that is capable of executing that order, the Company's own commissions and costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.

When executing orders or taking decision to deal in OTC products, the Company shall establish appropriate procedures and arrangements, as well as appropriate evaluation systems, in order to check the fairness of the price proposed to the Client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products. This shall be an ex-ante assessment, which shall take place prior to the execution of an order.

The Company shall be able to demonstrate to its clients, at their request, that it has executed their orders in accordance with this Policy and to demonstrate to CySEC, at its request, the Company's compliance with this requirement.

7. FX CFDs Prices

Clients' orders may be executed, routed or placed via the execution venues indicated in Section 7 of this Policy.

The FX CFDs offered by the Company relate to underlying asset classes and financial instruments, which are explained in the Trading Conditions section of the website (www.lykke.com.cy). Precise details are also explained in the Leverage Policy.

All current prices can be found on the Company's website (www.lykke.com.cy) or though the trading platform.

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of investments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the client's trades and portfolio. If the underlying market movement is in the client's favour, the Client may achieve a good profit. However, the Client may also lose all the capital invested within the Company. So, the Client must not invest unless he/she is willing to undertake the risks of losing all the capital invested.

The financial instruments available for trading with the Company are non-deliverable transactions giving an opportunity to make profit on changes in currency rates (FX CFDs), called the underlying instrument. Transactions in those markets can be highly volatile. The prices of the security and the underlying instrument may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. As a result, it is worth noting that under certain market conditions it may be impossible for a Client's order to be executed at declared prices. This may occur, inter alia, for example during the market opening, during news time, during volatile markets where prices may move significantly up or down and away from declared price and 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. In such cases, the Company has the right to execute the order at the first available price.

The prices of the Company will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, and commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore, Stop Loss orders cannot guarantee the limit of loss as in certain cases, the best attainable price where the Stop Loss order will be executed might be much worse than where the Client has placed his/ her Stop Loss order.

The prices shown on the online trading platform are indicative only. When an order is executed, real market prices may differ from the prices displayed on the Client's terminal. The Client acknowledges that our price may differ from any price which is or might have been available elsewhere.

The Company updates its prices as frequently as the limitations of technology and internet connectivity allow. The Company reviews its liquidity providers to ensure that the data obtained continues to remain competitive. Certain ex-ante and ex- post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to clients remain competitive. For more information, please refer to Section 18 of this Policy.

8. Client Orders

The Company shall ensure the prompt, fair and expeditious execution of client orders. All orders are promptly and accurately recorded and allocated in strictly sequential order, unless the characteristics of the order or prevailing market conditions make this impracticable or the Client's interest requires otherwise.

The Company will promptly inform retail clients about any material difficulty relevant to the proper carrying out of their orders upon becoming aware of the difficulty.

All executed trades are immediately viewable on your account, as is the 'profit and loss' associated with closed trades, and all sufficient steps are taken to ensure accuracy.

In the absence of specific instruction from the Client, the Company is required to execute the order at the best available resources offered by the Company at the time of the execution. The Company is not responsible for any negative or positive impact that might be resulted due to technical failures in the online or remote systems in any party. In this context, The Company assumes no liability for damages that the Client could incur as a result of the execution or non-execution of the instruction.

The Client should also be aware that checks regarding the appropriateness or suitability (where applicable) of a specific investment product or service could result in delays in the execution of orders regarding financial instruments. The Company cannot be held liable for any such delays resulting from the duties stipulated and governed by these provisions, except in the case of fraud or gross negligence on the part of the Company.

In some occasions, orders executed on the online trading system may get executed at wrong prices. The Company has the right to review the Client's order's details in terms of price, time, volume and the validity of execution type whether they are in the form "Pending" or "Market" orders through the online trading system, and in case of any discrepancies, the Company - without prior notice- will take the proper actions to correct the details of the given orders where and when possible. The Client acknowledges and accepts that seeing an order executed at a certain price on the system does not mean it was executed correctly and that the executed price may not be altered later on if a mistake is detected.

Any specific instructions from a client may prevent the Company from taking the steps that have been designed and implemented in its execution policy to obtain the best possible result from the execution of those orders in respect of the elements covered by those instructions. Hence such orders are executed under the Client's responsibility with no liability on the Company.

9. Costs

Clients shall not be charged any commission. Clients shall only be charged a markup on the price received from tis liquidity providers / execution venues and that is clearly defined in the Trading Conditions found on www.lykke.com.cy and/or directly through the trading platform.

10. Speed and Likelihood of Execution and Settlement

In almost all circumstances, under normal market conditions and as long as the Client has sufficient margin available on their account for the trade, the trade will be executed at the level requested.

In certain circumstances (e.g. speed of internet communications and market volatility), where the quoted price is no longer representative of the 'underlying market' price, then the Client's trade will be executed at the best price available at that time, irrespective of whether the market movement is in a beneficial or detrimental direction, in accordance with the present Policy.

Slippage can occur at any time but is most likely to occur during periods of high volatility, overnight and at market open.

The likelihood of execution of Clients orders depends on the availability of prices of third party liquidity providers. In some cases it may not be possible to arrange an order for execution during abnormal market conditions, for example but not limited to the following cases: overnight, during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred.

In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed. 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.

The Company does not accept any orders outside the market hours of the relevant underlying financial instrument, and futures are traded in accordance with the trading hours of the exchange on which the underlying financial instrument is traded.

The Financial Instruments offered by the Company are FX CFDs which do not involve the delivery of the underlying asset. FX CFD trading can only be settled in cash. The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.

At times of low or zero liquidity, or a halt or suspension of trading on the markets or Exchange on which the underlying product is traded, we reserve the right not to execute your order.

In order to improve speed and likelihood of execution, the Company carries out certain ex-ante and ex-post quality checks relating to, for example, symmetric slippage, number of trades subject to slippage and comparison of the Company's average speed of execution with industry standards.

11. Trade Size and Nature

The actual minimum size of an order may be different for each type of Client Account.

It is also noted that the Company does not execute any trades above normal market size.

Every market has an absolute minimum and maximum permitted trade size. The minimum size of trade can be found on the Company's trading platform by selecting each instrument; and the maximum size of trade is dependent not only on normal market size and market conditions, but also internal risk management factors and is, at all times, at the discretion of the Company.

The Company will not make a 'partial fill' of any trade.

Execution Venues

"Execution Venues" are the locations (with or without a physical presence) such as regulated markets, multilateral trading facilities, organized trading facilities, systematic internalizes, market makers, liquidity providers or any other entity that performs a similar function in a third country to the functions performed by any of the foregoing. For the purpose of transmitting orders for execution, the Company acts as an agent on behalf of the Client.

A list of the Execution Venues and intermediaries (third party brokers) used by the Company for the execution of client orders in respect to each class of financial instruments can be found below:

The company is using JFD Brokers Ltd ("JFD"), a Cyprus Investment Firm (150/11) as its liquidity provider and therefore JFD is considered as the Execution Venue of the Company's clients orders.

JFD is selected as to be the primary Liquidity Provider because it has the advanced aggregation system to provide best execution to various regulated entities, and a comprehensive post trade reporting and analysis.

JFD is providing an aggregated feed for execution from the following entities:

(a) DEUTSCHE-NY4

(b) HSBC

(c) CREDITSUISSE

(d) COMMERZ

(e) JP MORGAN

(f) BARCLAYS

(g) GOLDMAN

(h) BTMU

(i) XTX

(j) JUMP

(k) VIRTU

(l) CITI-PRIME

(m) MORGAN STANLEY

(n) RBS

(o) CCM

(p) NOMURA

(q) BNP

(r) UBS

(s) STATESTREET

The company can provide a post trade report providing detailed description about all of the executed trades.

The Company shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements under the Law.

Furthermore, the Company shall not structure or charge its commissions in such a way as to discriminate unfairly between execution venues. Where the Company applies different fees depending on the execution venue, the Company shall explain these differences in sufficient detail in order to allow the Client to understand the advantages and the disadvantages of the choice of a single execution venue.

Where the Company invites clients to choose an execution venue, fair, clear and not misleading information shall be provided to prevent the Client from choosing one execution venue rather than another on the sole basis of the price policy applied by the Company.

12. General information on the main risks involved in FX trading

Buying and selling financial instruments offers opportunities to make profits, but also entails exposure to various types of risk that could translate into financial losses for the Client. In order to understand the different types of financial instruments, and to recognize and minimize the related risks, it is first necessary to learn their basic characteristics. It is also important to realize that there are inherent risks in all types of investment. Depending on the type of financial instrument, there may be more risks than those described in this section, with a resulting increase in the general level of risk assumed by the investor.

This section does not cover the tax or legal consequences of executing transactions in financial instruments. We therefore recommend that you seek specialist professional advice of these issues before making an investment.

This Policy is not intended to describe all the risks connected to individual financial instruments in a detailed and comprehensive manner. For a detailed and comprehensive description of the nature and risks of the financial instruments offered by the Company, please refer to the Company's Risk Disclosure Statement presented on the website (www.lykke.com.cy).

The Client should consider carefully whether trading in the financial instruments of the Company is suitable for him/her in the light of his/her circumstances and financial resources. In considering whether to engage in this form of trading, the Client should be aware of the following:

a) It is emphasized that for many members of the public, trading in FX may not be suitable.
b) The Client should not engage in any dealings directly or indirectly in the Company unless he/she knows and understands the features and risks involved in them and that he/she may lose all capital invested.

13. Risk of dealing in volatile markets

Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

- Execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices.
- Delays in executing orders for financial instruments that the Company will send to third party liquidity providers and manually routed or manually executed orders.
- Opening prices that may differ substantially from the previous days close.

Price volatility is one factor that can affect order execution. When there is a high volume of orders in the market, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders.

14. Counterparty and operational risk

Counterparty risk is a type of credit risk and concerns the ability of the Client's counterparties to fulfil their obligations which is linked to their financial wellbeing. Credit risk is the risk associated with a loss or potential loss from counterparties failing to fulfil their financial obligations.

Operational risk concerns the effectiveness of the Company's internal systems, processes and procedures. It is the risk of loss resulting from inadequate or failed internal processes, employee errors and system failures.

The Client must make his/ her own assessment of the Company's ability to fulfil its obligations. It is noted that the Company, as a regulated Cyprus Investment Firm is subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

15. Over the Counter Transactions

You consent and acknowledge that transactions made through the Company are not undertaken on a recognized exchange, rather they are undertaken over-the-counter ("OTC") through the Company's Trading Platform, whereby execution is affected via other financial institutions mentioned in Section 7 of this Policy. Accordingly, the Company may expose the Client to greater risks than the regulated exchange transactions.

The Client may only be able to close an open position of any given contract during the opening hours of the Company's trading platform Mondays at 00:00 (Cyprus time) and closing on Fridays at 24:00 (Cyprus time), excluding market and national holidays. In certain cases, including but not limited to instances of a technical failure of the trading platform, we may not execute an order, or we may change the opening or closing price of an executed order.

The Client may request additional information about the consequences of this means of execution (i.e. OTC) by contacting the Company at brokerage@lykke.com.cy.

16. Gearing and Leverage

Investing through the Company entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, the Client should be aware that the high degree of leverage that is obtainable in FX CFDs trading can work against him/her, as well as in his/her favour.

The use of leverage can lead to loss of all the invested capital. So, the Client should unreservedly acknowledge and accept that he/she runs the risk of incurring losses and damages because of the dealing in some Financial Instruments and accepts and declares that he/she is willing to undertake this risk.

The standard leverage that the Company offer to its valued clients is by default 1:10. If a Client wishes to be provided with a higher leverage, then he/ she submit a relevant request to the Company, in accordance with the Company's Leverage Policy. Retail Clients are entitled to ask for a higher leverage only if the appropriateness assessment test allows them to do so, based on their experience in the FX/CFDs/ Derivatives market.

17. Margin

The transactions entered through the Company create a contingent liability, and the Client should be aware of the implications of this, in particular, of the margin requirements of the Company.

FX CFDs instruments can be very volatile, and the Client should maintain an appropriate margin to cover the risk of losing the entire investments.

The Client may be called upon to deposit substantial additional margin, at short notice based on the margin level, to maintain his/her investment. If the Client does not provide such additional funds within the time required, his/her investment position may be closed. In case where the client failed to meet the margin call within the set timeframe, the Company has the discretionary right to start closing positions starting from the one with biggest loss when margin decreases lower than the Margin Call level, and automatically close all positions at market prices if Stop Out level is reached.

The Stop Out level at the Company is set at 100%, for further explanation kindly refer to the Leverage Policy.

We would like to draw the Clients' attention to the fact that the Company reserves the right to further increase/decrease the margin requirements at its discretion at any time if such is considered necessary. Such will be decided upon the internal criteria set by the Company. The Company will always follow an efficient approach in order to protect its clients' interests and to act according the Order Execution policy. The clients will be informed via newsletters, emails, phone calls, platform pop ups or any other means about the changes and can, at any time, request further information.

18. Reduced Demand for the Underlying Instrument

Some of the Company's underlying instruments may not become immediately liquid as a result of reduced demand for the underlying instrument and the Client may not be able to obtain the information on the value of these or the extent of the associated risks.

Reliability on previous performance information does not guarantee the current and/or future performance of the underlying instrument. The use of the historical data does not constitute safe forecast as to the corresponding future performance of the underlying instrument to which that information refers.

19. Key Risks Opportunity loss

The Client will forego any benefit of a favourable exchange rate movement between the time he/she enters into a transaction and the maturity date.

20. Variation/ Early termination

Cancellations or a new execution order from the client whether by telephone or email or adjustments may result in an additional cost to the client. The additional cost shall be defined as the one equal to the price difference from the time the execution instruction is given to the moment the order is executed. The Company shall always act on the best interest of its client in order to process his/her request at a reasonable amount of time.

21. Scalping

Scalping is a trading style specializing in taking profits on small price changes within a small and limited time frame, generally soon after a trade has been entered. It requires a trader to have a strict exit strategy because one large loss could eliminate the many small gains that the trader has worked to obtain.

The Client confirms that any scalping is strictly forbidden whether or not triggered from a price slippage, freezing in our internal online systems, hunting wrong prices, misprinting tickets from third parties acting as liquidity providers, news traders or others. Consequently, the Company has the full right to reverse the transactions executed, cancel or withdraw any profits resulting without the need to inform or to get the approval of the Client and the Client will be fully responsible of any loss resulting thereof.

22. Hedging Feature

The Company's trading platform allows the feature of hedging; i.e. opening opposite direction positions on same pairs/trading instruments. The Client understands that while having an opposite position on a same pair/trading instrument off sets the exposure on that pair/instrument and fixes the floating profit/loss on the part hedged at the moment it is hedged, the client will still have an exposure on some pairs if his/her floating profit/loss is in one currency and his account is denominated in another. Accordingly, and in such cases, his floating profit/loss will increase/decrease relevant to the fluctuation of the net floating profit/loss base currency amount vs the currency in which the account is denominated. For example, when hedged positions are opened in USD/JPY and the account is denominated in USD, his account equity will be subject to fluctuation according to the USD/JPY rate fluctuation on the floating profit/loss amount.

The Company will have the option at its discretion to close hedged positions as defined in this paragraph that remain hedged for over a period of two weeks or at any time at its choice if client's equity (balance plus floating result) will approach zero level.

23. Data Publication

The Company shall summarise and make public on an annual basis and before the 30th of April following the end of the period to which the report relates, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained.

The publication shall include the following information:

a) class of financial instruments;
b) venue name and identifier;
c) volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
d) number of client orders executed on that execution venue expressed as a percentage of total executed orders;
e) percentage of the executed orders that were passive and aggressive orders;
f) percentage of orders referred to in point (d) that were directed orders;
g) confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

The Company shall publish for each class of financial instruments, a summary of the analysis and conclusions it draws from its monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year. The information shall include:

a) an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
d) an explanation of the factors that led to a change in the list of execution venues listed in the Company's execution policy, if such a change occurred;
e) an explanation of how order execution differs according to client categorisation;
f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
h) where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of MiFID II.

The above-mentioned information shall be published on the Company’s website, in a machine-readable electronic format, available for downloading by the public.

24. Monitoring

The Company shall monitor on a regular basis the effectiveness of the Order Execution Policy and in particular, the execution quality of the entities identified in Section 7 of this Policy and, where appropriate, correct any deficiency. Such monitoring shall be conducted on an ex-ante and ex-post basis.

In particular, the Company shall assess, on a regular basis, whether the execution venues included in this Policy for order execution provide for the best possible result for the client, taking into consideration the information published in accordance with Section 17 of this Policy, or whether the Company needs to make changes to its execution arrangements. This shall involve a combination of front office and compliance monitoring.

The Company has procedures and processes in place to analyse the quality of execution, as well as to monitor best execution, by:

a) reviewing system settings/ parameters;

b) systematically comparing prices provided by its execution venues against external price sources or other venues to ensure that there are no significant or systematic deviations in the pricing provided to its clients;

c) monitoring quality of execution by reviewing statistics related to frequency of rejections and re-quotes, as well as the symmetry of any observed slippages (positive vs negative);

d) checking the speed of price updating;

e) comparing the Company's average speed of execution with industry standards;

f) monitoring any complaints related to the quality of execution in order to ensure that any deficiencies are improved.

In addition, the Company shall check on a regular basis whether the Company has correctly applied its Order Execution Policy and if client instructions and preferences are effectively passed along the entire execution chain.

The results of the ongoing execution monitoring shall be escalated to the Company's senior management, which shall decide on the necessary amendments/improvements in the Company's Order Execution Policy and execution arrangements.

Where the Client makes reasonable and proportionate requests for information about the Company's policies or arrangements and how these are reviewed by the Company, the Company shall provide clear answers within a reasonable time.

25. Review of the Policy

This Policy shall be reviewed at least annually by the Company's Compliance Department and be approved by the Company's Board of Directors. Such a review shall also be carried out whenever a material change occurs, that affects the ability of the Company to continue to obtain the best possible result when executing client's orders via the execution venues presented in this Policy.

A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The Company shall assess whether a material change has occurred and shall consider making changes to the relative importance of the best execution factors in meeting the best execution requirement.

The Company shall ensure, at all times, that the design and review process of this Policy is appropriate and takes into account any new services or products offered by the Company.

The Company shall notify clients with whom it has an ongoing client relationship of any material changes to its order execution arrangements or Order Execution Policy.

26. Client Consent

This Policy forms part of the agreement between the Company and the Client. Therefore, by entering into an agreement with the Company, the Client also agrees to the terms of this Order Execution Policy, as presented in this document.

The Company considers that its Clients have given consent to this Policy, as well that they have given consent to the Company to receive and transmit an order for execution outside a trading venue (i.e. a regulated market, a Multilateral Trading Facility or an Organised Trading Facility).

27. Questions

For further enquiries regarding the Company's Order Execution Policy please contact the Company at brokerage@lykke.com.cy.