

BDSWISS**ORDER EXECUTION POLICY****1. Introduction**

- 1.1 BDSwiss Holdings PLC (hereafter referred to as “the Company”) is an investment firm that operates as a global broker.
- 1.2 BDSwiss Holdings PLC is incorporated (Certificate of Incorporation No. 300153) in the Republic of Cyprus through the Department of Registrar of Companies and Official Receiver. BDSwiss Holdings PLC is authorised and regulated by the Cyprus Securities and Exchange Commission (hereafter “CySec”) with License No. 199/13 and operates under the Markets in Financial Instruments Directive (EU Directive 2004/39/EC).
- 1.3 Following the implementation of the Markets in Financial Instruments Directive (hereafter “MiFID”) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) issued by the CySec, the Company is required to provide its Clients and potential clients with its Order Execution Policy (hereafter “the Policy”).
- 1.4 Under the above mentioned legislation, the Company is required to take all reasonable steps to ensure obtaining the best possible result (“best execution”) on behalf of its clients either when executing client orders or receiving and transmitting orders for execution. The aforementioned rules require the Company to put in place an order execution policy which sets out how the Company aims to ensure obtaining best execution for the Company’s clients and to provide appropriate information to its Clients on its Order Execution Policy, as required by the Law.

2. Scope and Services

- 2.1 This Policy forms a part of the relevant Client Agreement between the Company and the Client.
- 2.2 The purpose of this Policy is to establish effective arrangements for obtaining, when the Company is executing clients’ orders, the best possible result for its clients.
- 2.3 The Policy applies to retail and professional clients as these are defined in the Company’s Client Categorization Policy.
- 2.4 The Policy applies when the Company provides the investment services of reception and transmission of orders in relation to one or more financial instruments and/or execution of orders on behalf of clients. The Financial Instruments provided by the Company are (Binary Options) and Contracts For

Difference (“CFDs”) of an underlying asset and it is up to the Company’s discretion to decide which types of CFDs to make available from time to time and publish the prices at which these can be traded in line with the prices offered by the Company’s service provider.

3. Specific Instructions

- 3.1 The Company applies this Policy upon acceptance of an order as well as in cases when the client gives no specific instruction on the execution method.
- 3.2 In case a client gives a specific instruction on an order and the Company has accepted this instruction, the Company will execute the order in accordance with that specific instruction. If the Company receives a specific instruction on an order, the Company will comply with its duty to provide the Client with best execution. This may prevent the implementation of this Policy by the Company in order to ensure the best possible result for the execution of that particular order.
- 3.3 The Company, when executing client orders will always act as a principal (counterparty) and this Policy shall apply whenever the Company executes orders on behalf of the Client.
- 3.4 The Company will take all possible reasonable measures to ensure and obtain the best possible result for its clients. Without prejudice to the aforementioned statement, the Company does not guarantee that when executing a transaction, the client’s price will be more favorable than it might be available elsewhere.

4. Best Execution Factors

- 4.1 The Company, when managing client’s orders takes into account various execution factors, provided that there are no specific instructions from the client to the Company about the way of execution of the orders. The execution factors are as follows:
 - a) Price
 - The Company will provide its tradable prices which are derived from liquidity providers and independent price providers that generally provide liquidity to the global market. The main way in which the Company will ensure that the client receives the best execution will be by ensuring that the price provision to the client is made with reference and compared to a range of underlying liquidity providers, price providers and data sources. The Company reviews its independent price providers at least once a year to ensure that correct and competitive pricing is offered. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company will not quote any price outside the Company’s operations times (or outside specific Binary

Options and/or CFDs trading times as published on the Company's website; as such no orders can be placed by the Client during that time.

- BID/ASK Spread-For any given Financial Instrument in relation to CFDs, the Company will quote two prices: the higher price (ASK) at which the client can buy (go long) that Financial Instrument; and the lower price (BID) at which the client can sell (go short) that Financial Instrument; collectively both refer to as the Company's price. The difference between the lower and the higher price of a given Financial Instrument is the spread.
- Pending Orders- In relation to CFDs, such orders as "Buy Limit", "Buy Stop" and "Stop Loss"/Take Profit" for opened short positions 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.
- The Company executes orders via the STP/ECN model and its trading platform is integrated with the Liquidity provider BDS Markets Inc. The providers are continuously updating their prices; therefore last updated prices are displayed on the Company's platform.
- When the client opens a position in some types of financial instruments a commission or a financing fee (swap) will apply.
- In the case of financing fees (swaps), the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee (swap), throughout the life of the contract. Swaps are based on prevailing market interest rates, which may vary over time. Details of daily swaps applied are available on the company's website and platform.
- Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount
- For all types of Financial Instruments that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client's trading account.

b) Size of order

- The client will be able to place his order as long as he has enough balance in his/her trading account.
- For Binary Options all orders are placed in monetary value. For CFDs, all client orders are placed in lot sizes. The minimum available tradable size is dependent on account type and is stated on the

Company's website. A 'lot' is a unit measuring the transaction amount and it is different for each type of Financial Instrument.

- Details of the lot sizes are available in the assets specification page on the company's website. The Company reserves the right to place a cap on the number of contracts and/or limit on the total net position value per profile for a specific instrument. The company reserves the right to amend the minimum and maximum deal size for CFD products and/or amend the minimum and maximum order value for Binary Options. In any such an event, the Firm will undertake all possible efforts to notify clients prior to such event.

c) Speed

- The Company places a significant importance on client's orders being transacted efficiently and strive to offer high speed of execution within the limitations of technology and communications links.
- Prices change over time. The frequency with which the prices change varies with different financial instruments and market conditions. Considering that the tradable prices are distributed via the Company's trading platform/terminal, the technology used by the client to communicate with the Company is a crucial factor. The use of a wireless or dial up connection by the client, or any other communication link may cause a poor internet connection and/or can cause unstable connectivity to the Company's trading platforms resulting in the client's orders to be placed with a possible delay in execution. Therefore the order may be executed at better or worst prevailing market price offered by the Company via its platforms. A delay might also result in sending to the Company out of date "market orders" which might be declined by the Company.

d) Nature of the order

- In Binary Options, the Client selects the monetary value of an option sets the time until option expiration. The characteristics of an order can affect the execution of client order. The client can give the following different kinds of orders in CFDs:
 - Market Order: An order to buy or sell at the price available at a given time. The order will be usually be filled at the price the client sees on the Company's trading platform screen that is derived from the Company's liquidity providers. If the market has moved while the client is placing the order, the price may differ. The client should

consider this fact and may place Stop Loss or Take Profit orders.

- Pending Order: An order to buy or sell a financial instrument in the future at the best available price once a certain price is reached. The four types of pending orders are the following: Buy Limit, Buy Stop, Sell Limit and Sell Stop. In addition, orders such as Stop Loss and Take Profit may also be considered as Pending Orders.
- Trailing Order: That kind of order allows the client to place a Stop Loss order to an open position and works on the client terminal, which automatically updates to lock in profit while the market moves in the client's favor. Trailing Stop works in the Client terminal and not in the server and thus it will not work if the terminal is off.

e) Likelihood of execution

- The levels of volatility in the market affect both price and volume. The Company strives to provide the best possible price to its Clients, and makes every effort and necessary arrangements to do so; however, it may be impossible to guarantee the execution of any or all of the pending orders at the declared price. Market orders under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) on any Financial instrument at the declared price. In such case, the Company reserves the right to execute the Client Order at the best available price given the market depth and volatility for the given security at that point in time. This may occur, for example, at the following cases:
 - Trading session start moments/opening gaps
 - During news times
 - During volatile markets where prices may move significantly up or down and away from declared price
 - Where there is 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
 - In cases where there is rapid price movement, if the price rises or falls in one trading session to such as extent that

under the rules of the relevant exchange, trading is suspended or restricted.

- In cases there is insufficient liquidity for the execution of the specific volume at the declared price.
 - In case the client undertakes transactions on an electronic system, the Client 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 result in client orders not being executed according to Client instructions or may not be executed at all. The Company does not accept any liability in the case of such a failure.
- f) Likelihood of settlement
- The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.
- g) Market Impact
- The Company's quoted prices which are derived from its liquidity providers may be affected by various factors, such as unusual market conditions, which could rapidly affect the price of the financial instruments offered by the Company. The Company will take all reasonable measures to ensure the best possible result for its clients.

4.2 The list of the execution factors described on 4.1 is not exhaustive and the order in which the above mentioned factors are presented shall not be considered as made based on the priority of each factor.

5. Best Execution Criteria

5.1 The Company will take into account the following best execution criteria for determining the relative importance of the execution factors:

- a) The characteristics of the client including the categorization of the client as retail or professional.
- b) The characteristics of the client's order.
- c) The characteristics of the underlying financial instruments that are subject of that order.
- d) The characteristics of the execution venues to which that order can be directed.

5.2 The best possible result for a retail client 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, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

6. Specific Instructions

- 6.1 In cases where the client provides the Company with specific instructions regarding an order, the Company shall satisfy its obligation to provide the client with best execution by executing the client order based on specific instructions.
- 6.2 Any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions, as the Company will execute the order in accordance with Client specific instructions.

7. Execution Venues

- 7.1 The Execution Venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Company will enter into transactions with the client as principal (counterparty) and not as an agent; even though the Company may transmit the client's order to the liquidity providers for execution. the Company will still be the contractual counterparty to the client. As such, the Company will act as the sole Execution Venue for client's orders. The Client is required to open and close a position of any particular financial instrument with the Company via its trading platform during the opening hours of the Company's Trading Platform.
- 7.2 The Company is connected to different liquidity providers who forward their bid/ask prices to the Company. The client acknowledges that all transactions entered in any particular financial instrument with Company are executed outside a regulated market or a multi-lateral trading facility (MTF) and the Client is exposed to a greater risk of a possible default of the counterparty (i.e the Company). The terms and conditions and trading rules are established solely by the counterparty (i.e the Company).
- 7.3 Where there is only one possible venue, best execution is achieved by execution on that venue. Best execution is a process, which considers various factors, not an outcome. This means that, when the Company is executing an order for a client, the Company must execute it in accordance with its execution policy but the Company does not guarantee that the exact price requested will be obtained in all circumstances.
- 7.4 In certain circumstances the obligation mentioned in the point 7.3 will not apply, for instance at a time of severe market turbulence and/or internal or external system failure, where instead the ability to execute orders on a timely basis will become the primary factor.

8. Review and Monitoring

- 8.1 The Company will review and monitor the effectiveness of this policy at least annually or when there is a material change with a view to identifying and, where appropriate, correcting any deficiencies revealed by the review.
- 8.2 The Company will assess whether the execution venues and brokers to whom orders are transmitted provide the client with the best possible result. The Company will not notify clients separately of changes other than substantial material changes to this policy and the client should, therefore, refer from time to time to the Company's website for the most up to date version of this policy. Affected clients will be notified on any material changes in this Policy or order execution arrangements.
- 8.3 A material change for the purposes of paragraph 8.3 shall mean, but is not limited to:
- Change of Execution Venues
 - Any changes to the relative importance of execution criteria and relevant factors
 - Significant delay in the execution of orders.

9. Client Consent

- 9.1 The Company is required, when establishing a business relation with the client, to obtain his/her prior consent to this Policy.
- 9.2 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. As such, the Company considers that the Client has given his/her consent to this Policy as well as that the Client has given his/her consent to the Company to receive and transmit an order for execution outside a regulated market or an MTF.

10. Important Information

- 10.1 Leverage restrictions may apply for certain financial instruments. The Client should visit www.bdswiss.com for further details.
- 10.2 Binary Options and CFDs are not eligible for sale in certain jurisdictions and/or countries. The Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including the United States of America. The Policy does not constitute an offer, invitation or solicitation to buy or sell (Binary Options)

and/or CFDs and it is not intended to constitute the sole basis for the evaluation of the client's decision to trade in (Binary Options) and/or CFDs.

11. Definitions

"Ask Price" means the price at which the Company is willing to sell a financial instrument/CFD.

"Bid Price" means the price at which the Company is willing to buy a financial instrument/ CFD.

"Buy" means a Transaction that is opened by offering to buy a specific number of a certain Underlying Asset, also known as "Long Position".

"Client" means a natural or legal person, accepted by the Company as its Client to whom services will be provided by the Company under the Company's relevant Terms and Conditions

"Company" means BDSwiss Holdings PLC, a company registered in the Republic of Cyprus under the registration number HE 300153 and licensed by Cyprus Securities and Exchange Commission (CySEC) with license No. 199/13, having its registered office at Ioanni Stylianou 6, 2nd Floor, Flat/Office 202, 2003, Nicosia, Cyprus.)

"Closed Position" means the opposite of an Open Position.

"Contract for Difference (CFD)" means any CFD on spot foreign exchange ("FX"), whether oral or written, for the purchase or sale of any commodity, security, currency or other financial instruments or property, including any derivative contracts such as options, futures, shares, or any other CFD related financial instrument that is available for trading through the Company's trading platform(s); a full list of the financial instruments is available online on the Company's official website at www.bdswiss.com.

"Equity" means the balance plus or minus any profit or loss that derives from any open positions.

"Execution" means the execution/completion of client's orders on the Company's trading platform, via the Execution Venue.

"MTF" means Multilateral Trading Facility.

"Open Positions" means a long or short position whose value is changing in accordance with change of the market price of the financial instrument.

"Regulated Market" means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments-in the system and in accordance with its nondiscretionary rules-in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of the MiFID.

"Sell" mean an FX and CFD Transaction that is opened by offering to sell a specific number of a certain Underlying Asset; also known as "short position"

“**Pending Order**” is the client’s commitment to the Company to buy or sell a security at a pre-defined price in the future. This type of orders is used for opening a trade position provided the future quotes reach the pre-defined level. There are 6 (six) types of pending orders as shown below:

- **Buy Limit**- buy provided the future “ASK” price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having fallen to a certain level, will increase;
 - **Buy Stop**- buy provided the future “ASK” price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on increasing;
 - **Sell Limit**- sell provided the future “BID” price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having increased to a certain level, will fall;
 - **Sell Stop**- sell provided the future “BID” price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on falling;
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- ❖ **Stop Loss**- This order is used for minimizing losses if the security price has started to move in an unprofitable direction. If the security price reaches this level, the position will be closed automatically. Such orders are always connected to an open position or a pending order. The brokerage company can place them only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set below the current BID price), as it does with ASK price for short positions (the order is always set above the current ASK price).
 - ❖ **Take Profit**-Take Profit orders intended for gaining the profit when the security price has reached a certain level. Execution of this order results in closing of the position. It is always connected to an open position or a pending order. The order can be requested only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set above the current BID price).

“**Trading hours**” shall be the trading hours stated on the company’s website and platform. “**Underlying Asset**” means the financial instrument (e.g., stock, futures, commodity, currency, index) on which a derivative's price is based.