

**BEST EXECUTION POLICY
FOR DIRECT MARKET ACCESS**

TeleTrade - DJ International Consulting Ltd

August 2015

Introduction

TeleTrade-DJ International Consulting Ltd (hereinafter called “Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license No. CIF 158/11).

Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and its transposition in Cyprus with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007), Company is required to provide its clients and potential clients with its Order Execution Policy (hereinafter the “Policy”).

Under the above legislation, Company is required 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 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 all clients of TeleTrade.

This Policy applies when executing transactions with you for the financial instruments admitted to trading in the Regulated Markets. The list of such instruments will be changed from time to time, and made available at the Company’s web-site. Typically, such financial instruments will include stocks, stock indices, exchange traded funds, futures and options.

By the nature of provided Direct Market Access services, the Client is provided with direct access the marketplace and is able to enter their orders to buy or sell in Financial Instruments directly into the Market via the Exchange’s order book. The trading takes place in a regulated market; therefore the Client is trading with 3rd parties as a counterparties, whereby Company will be acting as an Agent.

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 the best price has available in the marketplace, as provided directly by the Exchange through the Company’s Trading Terminal.

☒ The Client places a “pending order”, which is an order to be executed at a later time at the price that the Client specifies, or given other Conditions specified by the Client. Company will monitor the pending order and when the market price reaches the price specified by the Client, the order will be submitted to the Exchange for execution at that price. Pending order types are

described in detail in the Terms and Conditions.

☒ The Client may modify a pending order before it is executed.

Best Execution Statement

By the nature of the Services offered by the Company, the Client is granted Direct Market Access within the Trading Limits established by the Company, based on the available cash balances in the Client's Trading Account, and trading conditions applicable for particular financial instruments that the Client is authorized to trade in, as stated in respective Schedule of Trading Fees and Conditions available on the Company's web site. Buying and selling actions are carried out via the Trading System by sending to the Company's server an order, which constitutes the Client's consent to buy/sell the securities under the conditions specified in the order.

Where a Client uses the Trading System provided by the Company, and selects the parameters of the orders, including price, timing, size, triggers etc, such Client will be regarded as providing specific instructions to the Company in relation to the execution of their order. In such situations, the Company, while acting on the Client's behalf in providing the service of direct access to the market via the Trading System, will be deemed to have satisfied its Best Execution obligations with respect to Price, Size, Cost and Type of the Client's order, as well as Execution Venue, as the Client will be deemed to have given a specific instruction for the whole order, determined by Client in his best interest, by means of the Trading System. The Company, therefore, will strive to apply Best Execution obligations to those parts and aspects of an order that are not covered by the Client's specific instruction, such as speed, likelihood of execution and settlement.

Best Execution Considerations

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:

1. **Price:** For any given Financial Instrument, Company will quote two prices: the higher price (ASK) at which the client can buy lower price (BID) at which the client can sell a Financial instrument. Various depth of trading interest (like 1 or 5 best BID and ASK quotes) could be made available for the Client depending on the Market Data Access rate chosen, but in any case the Client will have information about best BID and ASK quotes for all relevant Financial instruments. The Company's Best Execution obligation with respect to Price is to quote the most updated market prices to the Client, so as to put the latter into the most informed position to execute their trades. Therefore, the Company updates prices at its Trading Terminals as frequently as the limitations of technology and communications links allow, and will aim to minimize any delays in transition of market information from the Exchange to the Client.

2. **Costs:** Upon execution of transactions in the Regulated Market, the Client will be required to pay commission, 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. The Client will also be required to pay financing fees based on the value of opened positions in some types of derivative instruments when such positions are rolled over to the next day. Such 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 financial instruments that Company offers for trading, the commission and financing fees are not incorporated into quoted prices and are instead charged explicitly to the Client account. The Client will therefore be able to assess and decide on the costs of his trades prior to executing those.

3. **Speed of Execution:** 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 in case proper Client authentication has not taken place. Telephone conversations may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions.

4. **Likelihood of Execution:** since the Company is acting as an agent for the Client, likelihood of execution depends on the availability of prices of market makers/financial institutions and other 3rd parties trading in the Exchange. The Client therefore understands that under certain trading conditions, it may be impossible to execute his Limit or Stop Orders at the price declared by Client simply because of lack of matching orders on opposite side. Also, priorities of execution could be different for different types of orders, as governed by rules of respective Exchanges. The Company will strive to make the Client aware of such rules that govern execution of Client Orders. Client should understand that orders are typically executed according to the priority of price and time of acceptance for/disclosure in the Exchange's order book, however, Market Orders have priority of execution over Limit Orders irrespective of the time of their acceptance for the order book. Buy Orders with a higher limit price and sell orders with a lower limit price have priority of execution. Orders with the same limit price are accepted for the order book and then executed according to the priority of time of acceptance so that orders accepted/disclosed first are executed first. Client also acknowledges, that Exchanges under certain conditions could be legally authorized to block or reject orders, interrupt,

constrain or halt trading in order to prevent their capacity limits from being breached and to maintain an orderly market, which could have implications to the likelihood of Client order execution. The Client should understand that any such circumstance would be outside the Company's control, and would therefore not be covered by the Company's Best Execution Obligations and the present Policy.

5. Likelihood of settlement: Company shall proceed to a settlement of all transaction upon execution of such transactions. The Client agrees that the Company may enter into a clearing and custodial agreement with a third party in order to provide reliable settlement and custodial services in relation to Client's trades. Since the Service pertains to Regulated Markets, all settlements will typically be guaranteed by a central clearing counterparty of the respective Exchange in accordance with the clearing dates (T+0, T+2, T+3 etc) applicable as per Exchange's rules for a given instrument.

6. Size of order: Generally, the Client will be able to execute the trade of any size, to the extent of cash coverage of their trading account allows. It should be noted, however, that rules of applicable Exchanges may limit the size of an order, and the Clients are encouraged to make themselves familiar with any such limitation prior to making investment decisions and inputting their orders. In addition, Company reserves the right to decline an order as explained in the agreement entered with the Client.

7. Execution Venues: Execution Venues means a regulated market, a multilateral trading facility, a systematic internaliser or a market maker with which the orders are placed. By the nature of Services, the choice of the Execution Venue is a Client's decision, and the Company accepts it for execution as a part of the Client's instruction. For instruments that have a single execution venue only – this concerns, for example, most instruments listed on the Warsaw Stock Exchange, Clients orders will be referred to the relevant execution venue and this will be regarded as achieving the best possible result for the Client.

8. Monitoring 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.

9. 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 TeleTrade Customer Agreement. Therefore, by entering into a Customer Agreement with Company, you are also agreeing to the terms of our Best Execution Policy, as set out in this document.

Additional Information

Should you request any additional information about Company's Best Execution Policy for Direct Market Access and Contract for Differences, please contact Company by email support_wse@teletrade.eu.