

HYCM (Europe) Ltd
Orders Execution Policy
(version 2.0)

TABLE OF CONTENTS

1. INTRODUCTION AND LEGAL FRAMEWORK.....	3
2. POLICY	3
3. BEST EXECUTION CRITERIA	3
4. EXECUTION RISKS.....	4
5. EXECUTION FACTORS.....	4
6. SPECIFIC INSTRUCTIONS	5
7. EXECUTION VENUES.....	5
8. PRICING	5
9. COSTS	6
10. SIZE OF ORDER	6
11. SPEED OF EXECUTION	6
12. NATURE OF ORDER	7
13. LIKELIHOOD OF EXECUTION	7
14. LIKELIHOOD OF SETTLEMENT	8
15. MARKET IMPACT	8
16. CLIENT CONSENT.....	8
17. MONITORING AND REVIEWING THE POLICY	8
18. ADDITIONAL INFORMATION	9

1. INTRODUCTION AND LEGAL FRAMEWORK

HYCM (Europe) Ltd. (hereinafter “the Company” or “HYCM” or “we, us, our”) is an investment firm regulated by the Cyprus Securities and Exchange Commission (license number 259/14). HYCM (Europe) Ltd is wholly owned by the Henyep Capital Markets Group. HYCM is a global brand owned by an entity in the Henyep Capital Markets Group. This document aims to ensure compliance with legislative requirements when it comes to Orders Execution. In accordance with the Investment Services and Activities and Regulated Markets Law of 2007, we must take all reasonable steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the order as well as taking into consideration clients’ ability, needs and trading policies, where applicable and possible. Our Policy cannot provide a guarantee though that, when executing an order, our price will always be better than one which is might have been available elsewhere.

2. POLICY

This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Categorisation Policy) which means if the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to that client. The policy outlines the process that HYCM follows in executing trades, and assure taking all reasonable steps to consistently obtain the best possible result for clients through its order execution policy.

This 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 when executing of orders on behalf of clients. The financial instruments provided by the Company are Forex and CFDs of an underlying asset and it is up to the Company’s discretion to decide which types of financial instruments to make available and publish the prices at which these can be traded in line with the prices received by its Liquidity Provider/Execution Venue.

Dealing Room is the relevant department to which the order execution policy mainly applies. Senior Management reviews the policy on an annual basis or / and whenever a material change occurs that impacts HYCM’s ability to continue offering best execution of its clients’ orders using HYCM’s trading platform.

3. BEST EXECUTION CRITERIA

HYCM will take into account the best execution criteria for determining the relative importance of the execution factors by using its commercial judgment and experience in light of the information available in the market and taking into account the criteria below:

- The characteristics of the client
- The characteristics of the client order
- The characteristics of the financial instruments that are the subject of that order
- The characteristics of the execution venues to which that order can be directed.

For Retail Clients the best possible result will be determined in terms of the total consideration, representing the price of the financial instruments and the cost related to execution which shall include all expenses incurred by the Client which are directly related to the execution of the order. The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most case, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

Our Clients need to be aware that we are acting as acting as an agent on behalf of its Clients; which means that if the Client decides to open a position on our platform, then that open position can only be closed/executed on our platform with that Execution Venue. The Client can only close an open position of any Financial Instrument during the opening hours of Company's Trading Platform. The Client acknowledges and consents that their orders are not executed on a regulated exchange or multilateral trading facility rather they are executed through Company's Trading Platforms ie Over the Counter.

4. EXECUTION RISKS

- a) Our clients need to be warned that Slippage may occur when trading in Financial Instruments. This means, at the time that an order is presented for execution, the specific price that the Client has requested in his/her Trading Platform may not be available. Therefore, the order will be executed at the next available market price for the volume requested. If the execution price is better than the price requested by the Client, it is referred as 'positive slippage'. If the execution price is worse than the price requested by the Client this is referred as 'negative slippage'. Slippage is a normal element when trading Financial Instruments. Slippage for example may occur in periods of low liquidity or in periods of higher volatility such as during news announcements, economic events and market openings and other factors making an order at specific price impossible to execute. In other words a Client's order may not be executed at the requested price. Slippage can also occur during Stop Loss Orders or Take Profit order or even during Pending Order. For the pending Orders we do not guarantee their execution at the price requested but we confirm that it will be executed at the next available price.
- b) In some cases, delays in execution beyond our control may occur as a result of technical failures or malfunctions in connection with use of the Trading Platforms or internet connectivity or processing speed for which HYCM does not accept responsibility.

5. EXECUTION FACTORS

HYCM, when executing client's orders against its quoted prices as provides by its Liquidity Provider(s), takes into account various execution factors, provided that there are no specific instructions from the client to HYCM about the way of execution of the orders. The execution factors include:

- Price
- Speed and likelihood of execution

- Costs or commissions
- Size and nature of the order
- Market conditions and variations
- Execution capability
- Any other direct consideration relevant to the execution of the order

6. SPECIFIC INSTRUCTIONS

In circumstances where the client provides HYCM with a specific instruction as to how to execute an order and HYCM has accepted this instruction, then HYCM will execute the order in accordance with that specific instruction.

It is noted that specific instructions may prevent HYCM from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of that particular order in respect of the elements covered by those instructions.

7. EXECUTION VENUES

Execution Venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Company is not the Execution Venue for the execution of Clients' Orders in the Company does not execute Client Orders in Financial Instruments on own account basis as principal. The Company's Execution Venue is Henyep Capital Markets (UK) Limited a FCA regulated Investment firm (Reference Number.: 186171).

The Company evaluated and selected the Execution Venue based on a number of criteria including but not limited to the regulatory status of the institution, the ability to deal with large volume of Orders, the competitiveness of commission rates and spreads.

Upon receipt of the order, HYCM opens an exactly identical order on its name with the market maker, per order received or accumulatively. (i.e. enters into true back to back trades). HYCM is allowed to suspend and or close a client's account with pre-notice in its sole discretion (or due to risk management)

The Client acknowledges and consents that the transactions entered in Financial Instruments with Company's Execution Venue (trading platform) are considered to be over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

8. PRICING

For any given Financial Instrument, we 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 they are referred to as the HYCM's price. The difference between the lower and the higher price of a given Financial Instrument is the 'spread'.

HYCM's prices for its products are calculated by reference to the price of the relevant underlying instrument from its Liquidity Provider(s). The Liquidity Provider(s) is continuously updating its prices as frequently as the limitations of technology and communications links allow; therefore, last updated prices are displayed on HYCM's trading platform. Despite the fact that HYCM takes every reasonable step to obtain the best possible result for its Clients, it does not guarantee that when executing an Order its price will be more favourable than one which might be available elsewhere.

The main way in which HYCM will ensure that the client receives the best execution will be to ensure that the price provision to the client is made by the Liquidity Provider(s) with reference to a range of underlying price providers and data sources. HYCM reviews its Liquidity Provider(s)/Execution Venues at least once a year to ensure that correct and competitive pricing is offered.

9. COSTS

The Company does not incorporate any commissions or fees into its quoted price; nevertheless for opening positions in some financial instruments a commission or a financing fee might be applied. The fees and commissions are available on the Company's website.

- a) Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount and
- b) In the case of financing fees, the value of opened positions in some types of Financial Instruments is increased or reduced by a daily financing fee "*swap*" (overnight interest 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 in the Contracts specifications in the Company's website and/or Trading Platform.

10. SIZE OF ORDER

All orders are placed in lot values. The minimum size of an order is 0.1 lots, which depends on the account type. A lot is a unit measuring the transaction amount and it is different for each type of financial instrument. The Company reserves the right to decline a Client's order or to execute the order partially if it is too large and cannot be filled. This applies to all types of Orders available at Company's trading platforms.

11. SPEED OF EXECUTION

The Company places a significant importance when executing Client's Orders and strives to offer high speed of execution within the limitations of technology and communication links. However, we are reminding again that we act as an agent and not as a principal on the Client's behalf; therefore, speed of execution depends Company's Execution Venues for the execution of the Client's orders.

Obviously, prices change over time. The frequency with which they do varies with different financial instruments and market conditions. Considering that the tradable prices which are distributed via

HYCM's trading platform/terminal, technology used by the client to communicate with HYCM plays a crucial role. For instance, the use of a wireless connection, or dial up connection, or any other communication link that can cause a poor internet connection can cause unstable connectivity to HYCM's trading platform/terminal. The result for the client is to place his orders at a delay and the order to be executed at better or worst prevailing market price offered by HYCM via its platform.

12. NATURE OF ORDER

The Client is given the option to place Orders for execution with HYCM in one of the following ways:

A "market order" which is an order that HYCM makes every effort to execute at the best available price. Generally, this order will be executed immediately, however, the price at which a market order will be executed is not guaranteed, and may be executed at a worse or better price, known as negative or positive slippage. The Client may attach a stop loss and/or a take profit and/or a trailing stop after the market order is executed.

A "limit or stop order" which is an order to sell a financial instrument at no less than a specific price or to buy a financial instrument at no more than a specific price. The Client may attach a stop loss and/or a take profit before the order is executed. In this case the order will be executed at the price specified or better. A trailing stop can be attached after the order is executed.

A "pending order" or a "entry order" which is an order to be executed at a later time and a price that the client specifies. When the price reaches the price specified by the Client, then the order becomes a market order. Negative and positive slippage applies to pending orders. The Client has the option to place the following pending or entry orders:

- A Buy Limit Order, which is a pending or entry buy order placed below the current market price. If the market price drops to the level of the buy order that order is then triggered.
- A Buy Stop Order, which is a pending or entry buy order placed above the current market price. If the market price rises to the level of the buy order that order is then triggered.
- A Sell Limit Order, which is a pending or entry sell order placed above the current market price. If the market price rises to the level of the sell order that order is then triggered.
- A Sell Stop Order, which is a pending or entry sell order placed below the current market price. If the market price drops to the level of the sell order that order is then triggered.

A "trailing stop order" which is a stop loss order set in terms of points (pips) level below the market price - for a long position and above the market price – for a short position. The trailing stop price is adjusted as the price fluctuates.

13. LIKELIHOOD OF EXECUTION

Although the Company accepts and executes all Orders placed by the Clients, in some cases, it may not be possible to arrange an order for execution. As stated in this policy, HYCM only arranges for the execution of Client Orders with the Execution Venue. That means that execution may not always be possible, since execution of the Client Orders depends to a great extent on the availability of prices

and available liquidity of the Liquidity Provider/Execution Venue. In the event that HYCM is unable to proceed with an order with regards to price or size or other reason, the order either will not be executed or it may be executed at the first available price. Example of events where HYCM through its Trading Platform/Execution Venue, may not be able to execute a client's order are during news times, the opening of the markets, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement leading to suspended trading or restricted, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred.

There may be several other factors affecting the levels of volatility which in their turn affect the underlying instrument's price. HYCM seeks to provide client orders with the fastest execution reasonably possible.

14. LIKELIHOOD OF SETTLEMENT

HYCM shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction. All Company's Products (Forex and CFDs) do not involve the delivery of the underlying asset as if for example had bought shares but rather are settled in cash.

15. MARKET IMPACT

HYCM's quoted prices may be affected by various factors such as unusual market conditions which could also affect the abovementioned factors listed above. HYCM will take all reasonable factors to ensure the best possible result for its clients.

16. CLIENT CONSENT

By entering into a Client Agreement with HYCM for the provision of our services, the Client agrees to the terms of this Best Execution Policy therefore we consider that the client is consenting to the application of this policy on him. In addition, a clear and prominent warning is disclosed to HYCM's clients (within the Client Agreement) that any specific instruction from a client may prevent us from taking the steps that is has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.

17. MONITORING AND REVIEWING THE POLICY

This policy as well as the order execution arrangements are reviewed at least annually by HYCM. Should there be any material changes to Company's Order Execution arrangements therefore policy we will notify the Client. Otherwise, HYCM reserves the right to review and/or amend its Policy and arrangements whenever it deems it is necessary and/or appropriate. For this matter, it is suggested the Client to refer from time to time to our Website for the most up to date version of the Policy.

18. ADDITIONAL INFORMATION

We will not combine your order with those of other clients so as to execute it as a single order.

The trading conditions including trading hours for particular products are available at HYCM's website.

HYCM only provides the Client with access to its Trading Platforms. We do not have any fiduciary duty or act in any other capacity.

Should you require any further information and/or have any questions about our best execution policy please direct your request and/or questions to info@hycm.com