London F X

www.londonfx.com

Order Execution Policy

LondonFX is a brand name owned and operated by K-DNA Financial Services LTD (hereinafter called the "Company", "K-DNA Financial Services LTD", "K-DNA", "us", or "we"), a regulated company by the Cyprus Securities and Exchange Commission license 273/15, incorporated and registered under the laws of the Republic of Cyprus with registration No. 335683, head office at 56 Griva Digeni avenue, Anna tower, First floor, 3063, Limassol, Cyprus. In accordance with regulated markets law of 2007 (Cyprus Securities and Exchange Commission), CIFs must take all reasonable steps to ensure the best possible execution ("Best Execution").

Client Consent

This Policy forms part of our agreement. Therefore, by entering into an agreement for the provision of Investment Services with the company, the client also agrees and consents to our order execution policy, as set out in this document.

Definitions

"Agent" - The Company receives the Client orders which are then transmitted to the Liquidity Providers for further execution.

"CFDs" - Contracts for Differences

"Principal" - The Company's Execution Venues acts as Principal with respect to the execution of Client orders.

"Slippage" - This is when a trader executed an order at a price which is different to the price they expected the trade to be executed at. This usually happens during periods of high volatility. There are two kinds of slippage, positive and negative. Positive slippage occurs when the price is executed at a better level than the one requested; a negative slippage is exactly the opposite situation. Slippage may occur in all the account types and order types offered and under all execution methods. Please be informed that in case a slippage is experienced in the market, the orders will be executed at the next available price in cases of market execution.

LondonFX

Scope and Services

The Execution Policy applies with respect to the Company's relationship with retail and professional Clients (excluding Clients classified as Eligible Counterparty).

The Company executes orders in relation to one or more financial instruments mainly in Forex, CFDs on commodity futures, spot metals, CFDs on Indices.

All transactions on Contracts shall be executed by the Company as an Agent of the Client. The Counterparty (or Principal) to every trade shall be one of the Company's Execution Venues.

Types of Order(s) in Forex and CFDs

(a) Market Order(s)

A market order is an Order to buy or sell a Forex and CFD at the current price. Execution of this order results in opening a position. Forex and CFDs are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order.

(b) Pending Order(s)

Pending order is the client's request to buy or sell a security at a pre-defined price in the future. This type of orders is used for opening of a trade position provided the future quotes reach the pre-defined level. There are four types of pending orders available in the terminal:

- **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.

Orders of Stop Loss and Take Profit can be attached to a pending order. After a pending order has triggered, its Stop Loss and Take Profit levels will be attached to the open position automatically.

However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first best available price. This may occur, for example, at times of rapid price fluctuations of the price, rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

(c) Take Profit

Take Profit Order is intended for gaining the profit when the Forex and CFD price has reached a certain level. Execution of this order results in complete closing of the whole 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. Under this type of order, the Company's Platform checks long positions with Bid price for meeting of this order provisions (the order is always set above the current Bid price), and it does with Ask price for short positions (the order is always set below the current Ask price).

(d) Stop Loss

This Order is used for minimising of losses if the Forex and CFD price has started to move in an unprofitable direction. If the Forex and CFD price reaches this level, the whole position will be closed automatically. Such Orders are always connected to an Open Position or a Pending Order. They can be requested only together with a Market or a Pending Order. Under this type of Orders, the Company's Platform checks long positions with Bid price for meeting of this order provisions (the order is always set below the current Bid price), and it does with Ask price for short positions (the order is always set above the current Ask price). To automate Stop Loss order following the price, one can use Trailing Stop.

(e) Take Profit

Take Profit order is 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 can always connected to an open position. The order can be requested only together with a market order. Terminal checks long positions with BID price for meeting of this order provisions (the order is always set above the current BID price), and it does with ASK price for short positions (the order is always set below the current ASK price).

(f) Trailing Stop

Stop Loss is intended for reducing of losses where the symbol price moves in an unprofitable direction. If the position becomes profitable, Stop Loss can be manually shifted to a break-even level. To automate this process, Trailing Stop was created. This tool is especially useful when price changes strongly in the same direction or when it is impossible to watch the market continuously for some

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reason.

Trailing Stop is always attached to an open position and works in client terminal, not at the server like Stop Loss, for example. To set the trailing stop, one has to execute the open position context menu command of the same name in the "Terminal" window. Then one has to select the desirable value of distance between the Stop Loss level and the current price in the list opened. Only one trailing stop can be set for each open position.

After the above actions have been performed, at incoming of new quotes, the terminal checks whether the open position is profitable. As soon as profit in points becomes equal to or higher than the specified level, command to place the Stop Loss order will be given automatically. The order level is set at the specified distance from the current price. Further, if price changes in the more profitable direction, trailing stop will make the Stop Loss level follow the price automatically, but if profitability of the position falls, the order will not be modified anymore. Thus, the profit of the trade position is fixed automatically. After each automatic Stop Loss order modification, a record will be made in the terminal journal.

Trailing stop can be disabled by setting "None" in managing menu. And trailing stops of all open positions and pending orders will be disabled if the "Delete All" command of the same menu has been executed.

- Trailing Stop works in the client terminal, not in the server (like Stop Loss or Take Profit). This is why it will not work, unlike the above orders, if the terminal is off. In this case, only the Stop Loss level will trigger that has been set by trailing stop.
- Trailing Stop is processed once per tick. If multiple orders with Trailing Stop are open for one symbol, only the trailing stop of the latest open order is processed.

(G) Stop-Out Order – The Company has the right without the consent of the Client or by giving any prior notice to close the Client's open position in the event the client has not the sufficient funds as per our terms and conditions for maintaining his open positions.

Best execution

The Company acts as an agent when executing Client orders.

The 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:

(a) Price: For any given Forex and CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that Forex or CFD, and the lower price (BID) at which the Client can

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sell (go short) that Forex or CFD an instrument; collectively they are referred to as the Company' price. The difference between the lower and the higher price of a given Forex and CFD is the spread. Such orders as Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price. The Company's price for a given Forex and CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The company prices can be found on the Trading Platform and in the Contract Specification located on the Legal Documentation section in LondonFX's website. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources at least once a day (constantly during trading session, more than once a day), to ensure that the data obtained continues to remain competitive.

The Company will not quote any price outside the Company's operations time therefore no orders can be placed by the Client during that time with the exception of pending orders.

If the price reaches an order such as: Stop Loss, Take Profit, these orders will be closed, If the price reaches an order such as Buy Limit, Buy Stop, Sell Limit, Sell Stop the position will open but under certain trading conditions it may be impossible to execute all type of orders including without limitation (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients price. In this case the Company has the right to execute the order at the first available price. This may occur, for example, at times of 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. This may also occur at the opening of a trading session.

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given Forex and CFD, is specified under Contract Specifications on LondonFX's Website and on the platform of the Company.

(b) Costs: For opening a position in Forex pairs and some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on LondonFX's Website and the Contract Specification commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. The profit and loss of opened positions in Forex pairs and some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time.

For Forex pairs and all types of CFDs 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 account.

(c) 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 communications links, at all times.

Speed of Execution can be affected by factors which may include poor internet connection, or any other link to the Company's servers and platforms which may affect execution of the Client's orders. For example, the Client's order might be delayed to be received by the Company's platform and thus it may affect the price of execution.

It is clarified that the Company receives and transmits a Client Order for execution to a third party (another Execution Venue), execution will also depend on factors related to the aforesaid third party.

(d) Likelihood of Execution: As it is explained in the Execution Venue section of this Policy, the Company acts as an agent whereby the Principal shall be the Execution Venue for the execution of the Client's orders for the financial instrument of Forex and CFDs. In addition, the Company, reserves the right to decline an order of any type or to offer the Client a new price for an instant order. In this case, Client can either accept or refuse the new price.

The likelihood of execution depends on the availability of prices of market makers/financial institutions. In some case it may not be possible to arrange an order for execution, for example but not limited in the following cases: 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. In addition, when the Company transmits orders for execution to another third party, the likelihood of execution depends on the availability of prices by such other third party.

The Client may give instructions through the platform to modify or close a position. The client is responsible for the security of his Access Data. If the Client undertakes transactions on an electronic system (Trading Platform), he/she 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/her order is either not executed according to his/her instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

(e) Likelihood of settlement: The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Company strives to provide its Clients with the fastest execution in the best available prices. Nonetheless, the volatility in the market may affect the price, speed and volume

available. Therefore trading during volatile conditions where important news and data releases are made is incredibly risky and therefore the best execution criteria might not apply. Therefore, the execution pricing will always be provided at the first available price.

(f) Size of order: A lot is a unit measuring the transaction amount and it is different for Forex and each type of CFD. The Company reserves the right to decline an order as explained in the Client Agreement entered with the Client. Please refer to the Platform for the value of the maximum volume of the single transaction.

Please refer to the Contract Specification located on LondonFX's website for the value of minimum size of an order and lot size for each instrument. It is noted that the Company may limit the maximum volume of a single order.

(g) Nature of orders: The particular characterizing of an order can affect the execution of the Client's order. The following types of orders can be placed:

   a. Market Order
   b. Pending Orders
   c. Stop Loss
   d. Take Profit
   e. Trailing Stop

(h) Market Impact: Some factors may affect rapidly the price of the underlying instruments from which the Company's quoted price is derived and may also affect the rest of the factors herein.

The Company will take all reasonable steps to obtain the best possible result for its Clients.

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Nevertheless, whenever there is a specific instruction from the Client the Company shall make sure that the Client's order shall be executed following that specific instruction.

Execution Venues

"Execution Venues" are the locations (with or without a physical presence) such as regulated markets, multilateral trading facilities, systematic internalisers, market makers, liquidity providers or any other entity that facilitates trading of Financial Instruments. For the purpose of transmitting orders for execution, the Company acts as an agent on behalf of the Client. Moreover, when the Company executes Clients' orders, it may in turn route its own orders to regulated EU and Non-EU third party financial institutions. In this respect, the Company may route Client's orders for execution to an

affiliated entity which is regulated in a third country when the Company is acting as Riskless Principal. The Company reserves the right to use other Execution Venues where deemed appropriate in accordance with the execution policy and may add or remove any Execution Venues it currently uses. A complete list of Execution Venues included in the Order Execution Policy of the Company can be provided to the client, upon request.

The Company's Execution venue can be provided to the client at his request.

The Client acknowledges that the transactions entered in Forex and CFDs with the Company are not undertaken on a recognized exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

Therefore, the Company may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the trading platform or quote feeds.

The Company will determine the relative importance of the above Best Execution Factors (see Best Execution Paragraph) by using its commercial judgment and experience in the light of the information available on the market and taking into account:

(a)   The characteristics of the Client order.
(b)   The characteristics of financial instruments that are the subject of that order.
(c)   The characteristics of the execution venue to which that order is directed.
(d)   The Characteristics of the client, including its categorization as retail or professional.

In view of the above, the Company assigns the following importance level for the above Best Execution Factors:

Factor	Importance Level	Remarks
Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources in order to provide our Clients with competitive price quotes. We do not however guarantee that our quoted prices will be at a price which is as good, or better, than one might

		have been available elsewhere.
Costs	High	We take all reasonable steps to keep the costs of your transactions as low and competitive, to the extent possible. Additional costs might be charged by the Company's Liquidity Providers.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor these factors to ensure we maintain our high execution standards
Likelihood of Execution	High	Even though we reserve the right to decline a Client order we aim to execute all Clients' orders, to the extent possible.
Likelihood of settlement	Medium	See relevant description in Best Execution Paragraph
Size of order	Medium	See relevant description in Best Execution Paragraph
Nature of orders	Medium	See relevant description in Best Execution Paragraph
Market Impact	Medium	See relevant description in Best Execution Paragraph

For Retail Clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Warning: Please note that when you provide specific instructions on executing an order, this may prevent the firm from taking the steps that it has designed and implemented in this policy to obtain the best

possible result for the execution of these orders in respect of the elements covered by those instructions. Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

Execution Practices in Forex and CFDs

(a) Slippage

The Client is warned that Slippage may occur when trading in Forex and CFDs. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore the Order will be executed close to or a number of pips away from the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is actually executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in Forex and CFDs. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, the Client Orders may not be executed at declared prices. It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order. Slippage may appear in all types of Client Accounts we offer.

(b) Event of order execution at Off-market prices

1. In the event where the Company identifies that an order has been executed at an off-market price, the Company may, within a period of 180 days from the day after the day of the said execution, at its sole and exclusive discretion:

 i. Cancel the said executed order and reverse towards the Company any profits and/or benefits and/or advantages gained and/or received by the relevant Client, and /or immediately terminate the account of the relevant Client.

OR

ii. take such actions so as to place the Client in the position he would have been, if the order was correctly executed at the next best available price (as at the time of execution).

The present subsection (i.e. Event of order execution at Off-market prices) prevails over any other, contradictory to it, Term/Condition/Clause and/or indication in the present Terms & Conditions.

2. To guard against execution of orders at Off-market prices and abusive trading the Company employs the following measure:

Pending orders are also subject to slippage. We confirm that if the price specified under a Client's pending order is not available at opening of the market, triggered orders will be executed at the next best available price.

(c) Execution of orders placed during periods of high volatility immediately preceding or immediately following the release of financial news data.

As per the Company's terms and conditions found in LondonFX's Website:, placing orders prior to the release of financial data constitutes an abusive trading practice and is as such an "event of default" as defined in our terms and conditions found in LondonFX's website.

Monitoring

The Company assesses on a regular basis, of particular transactions in order to determine whether it has complied with its execution policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client. The Policy should be reviewed by the relevant departments at least on an annual basis and whenever a "material change" occurs.

Monitoring may include comparing similar transactions:

(i) on the same execution venue or with the same entity, in order to test whether a firm's judgment about how orders are executed is correct, or

(ii) on different execution venues or entities chosen from among those in the firm's (execution) policy, in order to test whether the 'best' execution venue or entity is being chosen for a given type of transaction.

Where monitoring reveals that a firm has fallen short of obtaining the best possible result, the firm should consider whether this is because the firm has failed to follow its (execution) policy and/or arrangements or because of a deficiency in such policy and/or arrangements, and make appropriate amendments.

Order execution policy updates

K-DNA Financial Services LTD reserves the right to update the order execution policy whenever this is deemed to be appropriated.
The update will be posted on LondonFX website, the client accepts posting updated order execution policy as official notice to the client. K-DNA Financial Services LTD encourage the client to check and to be updated regarding the order execution policy agreement and other agreements under the legal documentation section.

In case of further questions of information do not hesitate to contact us **info@LondonFX.com**.
Review date: April 2017.