



ORDER EXECUTION POLICY



ORDER EXECUTION POLICY

1. Introduction

The purpose of this document ("Order Execution Policy") is to provide our clients with information about Trading Point MENA Limited's ("we", "us" and "our" or the "Firm") Order Execution Policy. This document must be read in conjunction with our Client Agreement, which contains further details on our Services and the activities you may carry out with us.

Your Consent

For your benefit and protection, we strongly recommend you take sufficient time to read the Order Execution Policy and any other relevant documentation and information available to you via our Website, prior to opening an account and/or carrying out any activity with us. If you require further clarification, you should contact us, or seek independent professional advice (if necessary).

We are required to obtain your consent before entering a relationship with you. By entering into our Client Agreement, you consent and acknowledge that the transactions in financial instruments entered with Trading Point MENA are not conducted on a recognised exchange, but instead on our trading platform and, therefore, you may be exposed to greater risks than when conducting transactions on a regulated exchange. Trading Point MENA may not execute an order, or we may change the opening or closing price of an executed order in specific cases including but not limited to instance of a technical failure of the trading platform. The Client Agreement terms and conditions of business and trading conditions are established solely by the counterparty, which is, at all times, Trading Point MENA. You are then only allowed to close an open position in any given financial instrument during our platform's working hours, and you can only close any such positions with Trading Point MENA as your sole counterparty.

Trading Point MENA is required to establish and implement an Order Execution Policy and to provide clients with a copy of the execution arrangements that Trading Point MENA has to comply with our duty to give our clients best execution.

In our dealings with you, we have a duty to act honestly, fairly and professionally, taking into account your best interest. In relation to order execution, Trading Point MENA is required to take all reasonable steps to obtain the best possible result when executing client orders or transmitting orders to other entities to execute.

2. Potential Conflicts of Interest

A potential conflict of interest is that Trading Point MENA executes all of its clients' orders with its group company, Trading Point of Financial Instruments Ltd ("XM CY") under a matched principal execution model. Under this execution model, there is a direct correlation between the profit/loss made by the client and profit/loss made by XM CY. XM CY runs a market making desk and it hedges its exposures on a net book basis and is the sole execution venue for Trading Point MENA.

In order to ensure that the above potential conflict of interest is not detrimental to the quality of execution offered by Trading Point MENA. Trading Point MENA has established procedures and controls in order to effectively monitor the quality of execution offered by XM CY. Please refer to Section 12 of this Policy for the procedures established in this respect.

Trading Point MENA does not engage in any direct or indirect trading for its own account or for our own benefit and therefore our sole priority is the trading interest of our clients.

3. Execution Venue

XM Cy is Trading Point MENA's single execution venue. Trading Point MENA has ultimate responsibility to ensure it is able to obtain, on a consistent basis, the best possible result for the execution of its clients' orders and to provide oversight over the activities undertaken by XM Cy on its behalf. XM Cy executes trades in accordance with Trading Point MENA's Order Execution Policy.

XM Cy is authorised and regulated by the Cyprus Securities and Exchange Commission under the license number 120/10.



If you believe that your order has not been executed in line with this Policy, then you should contact Trading Point MENA at the earliest opportunity at compliance.mena@xm.com.

4. Scope and Services

This Policy applies to Retail and Professional Clients only and not to Market Counterparties of Trading Point MENA.

This Policy applies when executing transactions on Clients' behalf relating to the Financial Instruments provided by Trading Point MENA. The Financial Instruments provided by Trading Point MENA are derivatives of underlying financial instruments and include:

- CFD on currency pairs;
- CFD on Commodities
- CFD on Equity Indices
- CFD on Single Stocks

We shall provide you with live streaming prices, called 'Quotes', for the various financial instruments via our trading platforms, as and when received by us, from XM CY.

All these products are leveraged products and as such carry a high degree of risk. They are not appropriate for everyone. You should not trade with us, unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You must satisfy yourself that it is suitable for you in the light of your circumstances, financial resources and investment objectives. If you are in any doubt, you should seek independent advice. You trade entirely at your own risk.

5. Execution of Client Orders and Execution Venue

Trading Point MENA offers execution only trading to its clients by acting as a Matched Principal Broker and our group company XM CY executes all Trading Point MENA client orders on our behalf. Trading Point MENA does not execute client orders through any other execution venue or counterparty. Trading Point MENA requires XM CY, through a Service Level Agreement, to implement processes and procedures to evidence that it will deliver best execution in accordance with this Policy and regulatory requirements.

Execution Venues are the entities with which the orders are placed or to which Trading Point MENA transmits orders for execution. For the purposes of orders for the Financial Instruments provided by Trading Point MENA, Trading Point MENA acts as matched principal with the execution venue being our group company XM Cy.

6. Approach to Best Execution

In order to meet our best execution obligation to our Clients, Trading Point MENA takes into account the following criteria for determining the relative importance of the execution factors:

- the characteristics of the client including the categorisation of the client as retail or professional;
- the characteristics of the clients' order; and
- the characteristics of financial instruments that are the subject of that order

Trading Point MENA shall take all reasonable steps to obtain the best possible result for both its Retail and Professional clients taking into account the following factors when executing Clients orders against Trading Point MENA's quoted prices:

a. Price and Overall Consideration of Costs – Highest importance

The main way in which Trading Point MENA will ensure that you obtain best execution is by ensuring that the calculation of our CFD and forex bid/ask prices reflect the market price for the underlying reference product to which your transaction relates. Trading Point MENA obtains its prices from XM Cy which in turn sources a number of quotes between top tier liquidity providers.

Our bid/ask prices will generally not be the same as the cash price for the underlying asset. In relation to some financial instruments, at the time at which you give us an order there may be no functioning or no open market or exchange on which the reference product is traded. In such cases Trading Point MENA will



determine a fair underlying price based on a number of factors, for example price movements on associated markets and other market influences, including information about XM Cy clients' own orders.

Our charges may be incorporated as a mark-up or mark-down (the difference between the price at which Trading Point MENA takes a matched-principal position and the transaction execution price with you). We may alternatively charge a commission or a combination of commission and mark-up or mark-down, which will be made clear to the client when placing orders with Trading Point MENA. Our charges are not taken into account in determining best execution prices.

Bid-Ask Spread

- a. **Bid – Ask Spread:** For any given Financial Instrument Trading Point MENA 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. The difference between the lower and the higher price of a given Financial Instrument is the spread. Please refer to www.xm.com/mena/spreads for more information.
- b. **Pending Orders:** 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.
- c. **Price:** The price for a given Financial Instrument is calculated by reference to the price of the relevant underlying financial instrument, which Trading Point MENA obtains from XM Cy, which in turn obtains it from external reference sources. Trading Point MENA will not quote any price outside Trading Point MENA's operations time (see Execution Venue above) therefore no orders can be placed by the client during that time.

b. Speed – Highest importance

Due to the levels of volatility affecting both price and volume, we seek to provide client orders with the fastest execution reasonably possible, taking into account any conditions relevant to the client order, although delays may occur.

c. Likelihood of Execution – Medium importance

Given the nature of Trading Point MENA's execution arrangements, the likelihood of execution is a negligible factor during times of orderly trading. However, in cases of market turmoil, likelihood of execution might become a factor that could impact the cost of execution by causing a widening of spreads. In such cases, Trading Point MENA will aim to strike the best balance between the execution of the client order and the cost of execution.

d. Size of Order – Low importance

We may place limits on maximum order sizes from time to time, and we reserve the right to decline an order as per our Client Agreement Terms & Conditions of Business. We will make every effort to fill orders irrespective of the volumes. This however, may be achieved at the best available price as per the available market liquidity at the time of execution.

7. Ranking of Execution Factors

The relative ranking of the different execution factors will be dependent upon, for example, the nature of the Financial Instrument traded, the liquidity of the relevant market and the time of the trade. The execution factors will be ranked for products offered by Trading Point MENA as follows:

1. Price and overall consideration of costs – Highest importance
2. Speed of execution – Highest importance
3. Size of order Low importance

For opening a position in some types of Financial Instruments the Client may be required to pay commission or financing fees, if applicable, the amount of which is disclosed in the Spreads and Conditions on the Firm's website.

- a. **Commissions/Spread:** Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. Please refer to www.xm.com/mena/spreads for more information.



- b. **Financing Fee:** 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" 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 under Spreads and Conditions section on Trading Point MENA's website (<https://www.xm.com/mena/spreads>)

All types of Financial Instruments offered by Trading Point MENA, the commission and financing fees are not incorporated into the Trading Point MENA's quoted price and are instead charged explicitly to the Client account.

CFD on currency pairs

XM Cy sources a number of quotes aggregated between top tier liquidity providers (and other reputable liquidity providers who aggregate prices received from top tier banks) to construct the pricing of Trading Point MENA's CFDs on currency pairs. As such, the price that Trading Point MENA offers at any given time is considered to be our 'best' and will be automatically updated on a rolling basis to reflect the best price available at the time of trade for the size of your order.

CFD on Commodities

The price of CFD on Commodities is a proprietary price derived by prime liquidity providers of XM Cy and will generally track that of the relevant underlying exchange traded market.

CFD on Indices

CFD on Index prices are XM Cy's prime liquidity providers' proprietary prices, which are derived from the relevant underlying Index price, taking into account the cost of carry and liquidity.

CFD on Single Stocks

The pricing of CFD on Single Stocks prices are XM Cy's liquidity providers proprietary prices which derived from the relevant underlying Single Stock price, taking into account the cost of carry and liquidity.

8. Opening Hours

Operating hours: Trading Point MENA's operation hours are as follows:

- Round - the - clock: from 00:05 (Server Time) Monday through 23.50 (Server Time) Friday.
- Holidays will be announced on our website and it is the Clients' responsibility to ensure that they regularly visit the website to check the dates of holidays.

Off-exchange transactions: The client acknowledges that the transactions entered in Financial Instruments with Trading Point MENA are not undertaken on a regulated market or a Multilateral Trading Facility, rather they are undertaken through the Trading Point MENA's trading platform and, accordingly, they may expose the client to greater risks than regulated exchange transactions. Therefore, Trading Point MENA 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 in order to reflect the prevailing market price at the opening (closing) of the said order. Open position in any given Financial Instruments can only be closed during the opening hours of Trading Point MENA's trading platform.

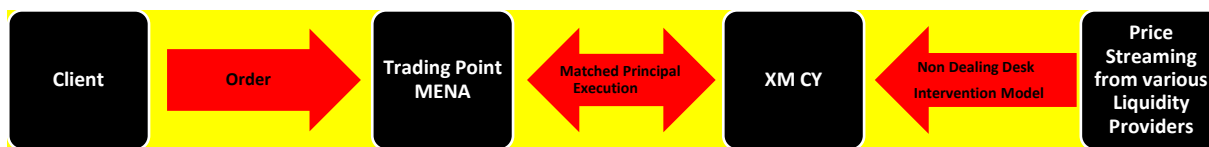
We reserve the right to cap the number of contracts and/or place a limit on the total net position value per account, on any given financial instrument. Where this occurs, we will make all possible efforts within reason time period to provide you with prior notice.

Your agreement to this Policy shall constitute your prior express consent for us to execute your orders outside a Trading Venue.

9. Matched principal execution model



Trading Point MENA acts as matched principal with the execution venue being our sister company XM CY. Please refer to the below figure outlining the execution process of our client orders under the matched principal execution model.



10. Type of Orders

Clients will only be able to trade using the pre-determined set of orders. In this respect, Clients will not be able to specify any other aspects of their order.

The Client is given the option to place with Trading Point MENA the following orders for execution in the following ways:

Market Order

The Client places a "Market Order" which is an order instantly executed against a price that the Trading Point MENA has provided. The client may attach to a market order a Stop Loss and/or Take Profit. Stop Loss is an order to limit Client's loss, whereas Take Profit is an order to limit Client's profit.

Pending Order

The Client places a "Pending Order", which is an order to be executed at a later time at the price that the Client specifies. Trading Point MENA will monitor the pending order and when the price reaches the price specified by the client, the order will be executed at that price. The following types of pending orders are available:

- 'Buy Limit' (an order to purchase a Financial Instrument at or below a specified price),
- 'Buy Stop' (an order to buy a Financial Instrument, which is entered at a price above the current offering price; it is triggered when the market price touches or goes through the buy stop price),
- 'Sell Limit' (an order to sell a Financial Instrument at a specified price or better), and
- 'Sell Stop' (an order to sell a Financial Instrument when it reaches a certain price).
- You may attach to any 'Pending Order' a 'Stop Loss' and/or 'Take Profit'.

A Client may hold up to 200 positions simultaneously (considered as summary of "Market" and "Pending Orders"). This requirement applies to the total number of positions held at any given time in all of your trading accounts held with Trading Point MENA.

The Client may modify an order before it is executed. The client has no right to change or remove Stop Loss, Take Profit and Pending Orders if the price has reached the level of the order execution.

11. Margin and Leverage

The context of trading OTC Derivatives involves posting funds in the form of a margin deposit to your trading account. This margin deposit allows you to trade more than the deposit you have posted. This is known as leverage. Any leverage you utilize will amplify your losses and you may rapidly lose all of your invested capital (i.e., all funds deposited as margin). Please note that most Retail Clients that perform margin trading lose money. Trading Point MENA may seek to recover amounts owed to it (i.e. by reason of such losses) in an appropriate forum, such as a court of law.

The margin requirement will depend on the underlying instrument of the derivative financial instrument, the level of your leverage and the value of position to be established, and it is usually a small proportion of the overall contract value. When the margin level required to maintain the open position(s) in your trading account falls below the minimum margin requirement we may, but shall have no obligation whatsoever, issue a 'Margin Call'. Please note that the Margin Call level is 100% of the margin required to maintain your open positions. The Margin Call is a red-colored warning notice in your platform, warning you that the equity in your trading account is not enough to support your open positions. At this point, you will not be able to open any new positions and you will have to either increase the 'equity' in your trading account by depositing additional funds and/or close some or all your open positions.



If you do not perform any of the aforementioned and the trading account reaches or falls below the 'Stop Out level', the automatic 'stop out mechanism' will be initiated and will start closing your open positions at the current market prices, in descending order on the basis of level of loss of each trade (i.e., starting from the least profitable position and until the Margin Level requirement is met). The Firm guarantees that there will be no negative balance in your account when trading in financial instruments provided by the Firm due to the negative balance protection offered by the Firm. The Stop-out level is 50% of the margin required to maintain your open positions and you are solely responsible for any loss incurred from Stop-Out.

It is your responsibility to monitor your trading account at all times. More importantly, when you have open positions in your trading account, you must monitor your positions closely at all times due to the speed at which profit, or loss may be incurred and ensure that your trading account is sufficiently funded (i.e., equity should be at least equal to the margin requirement of your trading account). As such, please ensure that you are in a position to access and manage your trading account at all times, as there may be cases where you will be required to deposit additional funds immediately to meet your margin requirement and avoid potential Stop-Outs.

12. Symmetric Slippage

Orders such as Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop (market order) on Financial Instrument contracts are executed at the specified price by the Client on the first current price touch. But 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 contract at the specified price. In this case Trading Point MENA will execute the order at the first available price. This may occur, for example, in the following cases:

- a. At the start of a Trading Session;
- b. During highly volatile markets where prices may move significantly up or down and away from specified price due to news announcements and market events;
- c. Where there is a 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;
- d. If there is insufficient liquidity for the execution of the specified volume at the specified price.

Trading Point MENA 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 specified price.

Trading Point MENA order execution policy ensures that whenever slippage applies on an order this will be symmetric (i.e. may either improve or worsen execution price of the order with an equal probability and impact). Trading Point MENA uses in-house tools to monitor slippages on a frequent basis to ensure symmetry and fairness of slippage.

Trading Point MENA shall proceed to a settlement of all transactions upon execution of such transactions.

13. Corporate Actions

Corporate actions mean, any actions taken by an issuer, whose listed securities are associated with the CFDs that is traded via our trading platform, including, but not limited to earning reports and other material changes, de-listings, dividends, etc.:

Earning Reports

The required margin for shares and/or indices, in relation to upcoming earnings report and/or other material changes, could increase by up to 5 times the normal percentage, 5 days prior to the Corporate Action. The increased margin may remain in effect at the sole discretion of Trading Point MENA. During this period, the increased margin requirements will apply to all existing and new trades. It is the Client's sole responsibility to ensure they monitor both the required margin and free margin prior, during and post such period. As a result, Clients accept and understand that this could result in their Account(s) incurring a Margin Call and/or Stop-out.

In the event there is a corporate action event, the Client understands and agrees that Trading Point MENA reserves the right to make relevant adjustments to the value and/or the size of a transaction and/or number of any related transactions. The adjustments will be made to preserve the equal rights and obligations of both the Client and the Firm prior to a corporate action. It should be noted, any adjustments that are made, will be conclusive and binding and the Client will be informed by the Firm as soon as practicable.



When a corporate action occurs, the Client accepts that the Firm shall take reasonable steps to replicate the market conditions. If Trading Point MENA, in its sole discretion, warrants that it is unable to fairly value a corporate action, the Firm shall reserve the right to close a Client's position.

De-Listing

In the event of a share being de-listed (i.e., the underlying financial instrument), the Client's position will be closed at the last market price traded.

Dividends

Clients holding long positions on a share and/or spot index at the ex-div date will receive a dividend in the form of a cash adjustment (deposit, paid into their trading account).

Clients holding short positions on the applicable share and/or spot index at the ex- div date will be charged the dividend amount in the form of a cash adjustment (withdrawal, deducted from their trading account).

We reserve the right to increase margin requirements prior to the release of a dividend.

Earnings Announcements

The Firm may increase margin requirements and limit maximum exposure on the relevant symbols prior to earnings announcements.

Important Note: The Firm bears no responsibility for notifying the Client regarding announcements of corporate actions.

14. Aggregation and Split

All orders received are individually executed on a back-to-back basis with our counterparty, XM CY.

15. Quality of Execution Obtainable at Times of Market Stress

As indicated earlier in this policy, Trading Point MENA will, at all times, take all reasonable steps to achieve best execution for our clients, including during times of market stress. However, sudden losses in market liquidity or at times of market disorder or the impact of political or economic decisions, particularly when they are unforeseeable, can have a severe impact on the quality of execution or even the ability to execute orders itself. This may make it difficult for Trading Point MENA to deliver on a client's traditional expectation of the quality of execution that can be expected in normal market conditions. However, Trading Point MENA will continue, during those difficult times, to strive to achieve the best execution we can for our clients and this may include the aggregation of client orders in order to act in the best interests of all clients concerned.

Fiduciary Duty

Our commitment to provide you with best execution does not mean that we owe you fiduciary responsibilities in respect of order execution over and above the specific regulatory obligations placed upon us or as may be other contracted between us.

16. Negative Balance Protection

The Firm guarantees that there will be no negative balance in your account when trading in financial instruments provided by the Firm due to the negative balance protection offered by the Firm.

By applying the negative balance protection, the Firm aims at protecting clients in exceptional circumstances where there is a price change in the underlying instrument that is sufficiently large and sudden, whereby the balance of the clients' trading account enters into negative territory (i.e., the Firm absorbs its clients' losses over and above their original investment. In other words, the "negative balance protection" aims to ensure that clients' maximum losses from trading OTC Derivatives, including all related costs, are limited to the total funds related to trading OTC Derivatives that are in the client's trading account. This includes any funds yet to be paid into that account due to net profits from the closure of open positions connected to that account. Therefore, the negative balance protection protects the clients from incurring any additional liability (i.e., exceeding the available balance in their accounts) connected with their trading of OTC Derivatives.



17. Monitoring and Review of the Execution Policy

Trading Point MENA will monitor on a regular basis the effectiveness of this Policy and, in particular, its execution arrangements to identify, and where required, correct any deficiencies.

In addition, Trading Point MENA will review the Policy and its execution arrangements at least annually or when material changes occur. Trading Point MENA will inform its clients via email and/or through the Firm's website about any material changes to its Order Execution Policy or order execution arrangements.

Review of the execution quality of XM CY

Trading Point MENA will conduct independent monitoring of the quality of execution provided by its counterparty through various assessments on an ongoing basis. In addition, reviews regarding the aforesaid, including the following, will take place on a quarterly basis:

- The review of XM CY in-house data monitoring its own execution against the criteria set in its best execution policy;
- The evaluation of the regular and systematic reviews by XM CY of the execution venues it utilizes to meet its own best execution obligations;
- The periodic review of the quality of XM CY execution measured against that of other comparable venues.

XM CY uses automated tools to execute client orders and in this respect Trading Point MENA is dependent on XM CY best execution arrangements. XM CY is receiving its prices from various top tier financial institutions and aggregates those prices in order to provide to its clients the best available price from the pool of its liquidity providers.

XM CY has established controls and procedures in order to perform various quality checks prior to selecting a financial institution with which it will work with for obtaining liquidity. Particularly, a three stages assessment needs to be followed and if potential financial institutions fail any stage of the assessment XM CY does not proceed with the establishment of a business relationship with that particular financial institution.

In addition to this, XM CY has developed highly sophisticated in-house tools which allow XM CY front-office to monitor its execution arrangements on a real-time basis and receive automated alerts if any execution factor may negatively affect the Firm's efforts for achieving best execution. It should be noted that this automated process means that XM CY personnel has neither the control over the selection of the best available price from the pool of the liquidity providers nor can manually intervene in order to alter any prices streamed to the trading platform.

18. Important Information

There may be specific leverage limits or restrictions on the instruments available which may be due, but not limited, to the jurisdiction in which you reside. Specifically, Retail clients have restricted leverage and these limits apply to:

- Forex currency pairs (major) – 30:1 (3.33%);
- Forex currency pairs (minor), Major Indices and Gold Underlying – 20:1 (5%)
- Non major Indices and other commodities other than gold – 10:1 (10%).
- Shares of individual stocks underlying - 5:1 (20%); and

OTC Derivatives are not eligible for sale or distribution within certain jurisdictions or countries. Thus, this Policy is not directed to any jurisdiction or country whereby its publication, availability or distribution would be contrary to local laws or regulations, including, but not limited to the United States of America. Additionally, the Policy does not constitute an offer, invitation or solicitation to buy or sell leveraged products. It is strictly forbidden to reproduced or disclose (in whole or in part) to any other person without prior written permission from the Firm. Lastly, this Policy is should not intend to constitute the sole basis for the evaluation of any Client's decision to trade leveraged products.

By trading with us, you shall be taken as having agreed to the contents of this Policy.

