

SUMMARY OF BEST EXECUTION AND ORDER POLICY

Indication Investments Limited

CYSEC License number 164/12

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1. Purpose of the Policy

This Policy is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time ("the Law") and the Commission Delegated Regulation (EU) 2017/565 regarding the organisational requirements and operating conditions for Investment Firms.

By agreeing to the Company's Client Agreement (the contractual agreement that a Client enters into when opening a Share Dealing Trading Account with Indication Investments Ltd (hereinafter 'the Company')), you are also agreeing to the terms of this Summary of Best Execution and Order Policy ("Policy") which forms part of the Client Agreement.

This Policy should be read in conjunction with the Company's Client Agreement; if there is anything you do not understand you may contact our Compliance Department. Defined terms used, but not expressly defined, in this Policy have the meanings set forth in the Company's Client Agreement.

In the event of a disagreement between this Policy and the Company's Client Agreement, the Company's Client Agreement shall prevail.

Under the applicable laws, we are required to have in place an order execution policy and to take all sufficient steps to obtain the best possible result (best execution) on behalf of our Clients. This Summary of Best Execution and Order Policy sets out the means by which we will meet our best execution obligations when we are receiving and transmitting orders for you or executing orders for you. This policy does not impose any fiduciary responsibilities or duties over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

Our Summary of Best Execution and Order Policy applies when we receive and transmit as well as execute orders from Clients to invest in Shares or Fractions of Shares (a proportion of a share).

We will take all sufficient steps to obtain the best possible result for our Clients, taking into account the Execution Factors listed below. The application of best execution, where the Company engages with the Client on a request for quote basis, will depend on whether the Client "legitimately relies" on the Company to protect his or her interests in relation to the pricing and other elements of the transaction, such as speed or likelihood of execution and settlement, that may be affected by the choice made by the Company when executing the order. What constitutes best execution will vary with the circumstances of the order and the preferences of the client.

We will determine the relative importance of the Execution Factors by using our commercial judgment and experience in light of the market information available to us and taking into account the Execution Factors described below.

2. Scope

The purpose of this Policy is to set out the key principles applied by the Company in the execution, or reception and transmission of Client orders, in order to obtain the best possible result on a consistent basis for compliance with the MiFID II framework.

The Policy provides an overview of how the order will be executed for Clients taking into consideration various factors and criteria as well as information on the general order handling process followed by the Company.

3. Execution Factors

In seeking to provide the best possible outcome when receiving and transmitting as well as executing your Orders, we should consider a range of factors and determine their relative importance, based on the characteristics of our clients, the Orders that we receive and the markets in which we operate.

The Factors that have been considered, are as follows:

- **Price** - Where the Company executes an order, it shall check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product. Certain ex-ante and ex-post quality checks, including comparisons of the relevant product with similar or other comparable products, are conducted, where possible, by the Company in order to ensure that prices obtained and subsequently passed on to the clients remain competitive;
- **Costs** - For executing an order the Client may be required to pay commission and/or financing fees, the amount of which is disclosed on the Company's Fee Schedule, which is an integral part of Client's Agreement;
- **Speed of Execution** - this can be particularly important in fast moving markets;
- **Likelihood of Execution and Settlement** - the best price may not always be available and is of little use if the Order fails to complete because it cannot be executed;
- **Size, nature and any other considerations of the transaction** - unusual Orders (for example, one that is larger than the normal market size) may differ from the way a standard Order is executed;

- Market impact - the effect that a client's Order may have on the market; and
- Other factors relevant to particular Order types - as applicable.

Total Consideration

When executing Orders for retail clients, the best possible result is determined on the basis of the total consideration paid to or by the client, unless the objective of the Order dictates otherwise. Total consideration is the price of the financial instrument and the costs related to execution including all expenses incurred by the Client which are directly related to the execution of the Order. Nevertheless, other Factors may be given precedence over the immediate price and cost consideration if they are incremental in delivering the best possible result.

4. Best Execution Criteria

The Company determines the relative importance of the aforementioned Execution Factors by taking into account the characteristics of the following Execution Criteria:

- The characteristics of the client including the categorisation of the client as retail or professional
- The characteristics of the client's order,
- the characteristics of the financial instruments that are the subject of that order, and
- the characteristics of the Execution Venues to which that order can be directed.

Where there is more than one available Execution Venue for the execution of an Order, the commissions and the costs of the Company for transmitting the Order on each of the eligible Execution Venues shall be taken into account when assessing and comparing the results for the Client that would be achieved by executing the Order on each of the eligible Execution Venues.

In cases of continuous fluctuations of the markets, the Company shall take into account the fact that the speed of execution may be more important than the selection of multiple offers from different market participants.

The Company undertakes not to structure or charge its commissions in such a way as to discriminate unfairly between Execution Venues.

Demonstrating best execution does not necessarily involve a transaction-by-transaction analysis, but rather involves an assessment of a record of transactions over a period, indicating that overall the best result is achieved by executing Orders on the Client's behalf on the Execution Venues and in the manner described in this Summary of Best Execution and Order Policy.

5. Execution Venues

Execution Venue is the place where orders to buy or sell Securities are executed, such as a stock exchange. The Company does not execute the Client Orders in Securities on an Execution Venue. The Company uses a third-party broker for routing its clients' orders for execution or for further transmission.

Where the Company transmits a share dealing order it receives from a client for execution or for further transmission to a third-party broker, the Company will act in accordance with the clients' best interests by taking into account all relevant execution factors and criteria specified for best execution. The Company will act as agent with respect to share dealing trades with clients which means that all share dealing orders will be received and transmitted for execution to third-party. All share dealing Orders will be transmitted for execution on an Execution Venue via the third-party execution brokers. The Company shall ensure that it will only transmit share dealing Orders for execution to third-party brokers with whom has in place execution arrangements that enable the Company to satisfy its execution obligations to clients when transmitting orders.

Under the applicable rules, the Company is obliged to present the top five execution venues used by the Company for executing Clients' orders. Information related to the Company's execution venues is available on the Company's website and can be found under the [Execution Quality Documentation](#).

The Company has selected several Execution Brokers through the application of appropriate due diligence and consideration of a number of factors, including the factors provided in section 3 above (as well as both quantitative and qualitative factors), in order to ensure that the selected Execution Brokers are able to consistently provide Clients with the best possible result.

In particular, the Company evaluates and selects the Execution Brokers to which it transmits client orders based on a number of criteria including such as (but not limited to) the following:

1. Availability of best pricing for a specific Financial Instrument and liquidity of the Execution Venue or broker;
2. Cost of clearing and settlement;
3. Speed and likelihood of execution
4. Size;
5. Reliability of the Execution Venue and broker in terms of reputation and good standing (e.g. creditworthiness, sanctions from regulators, etc.);
6. Quality of execution and service, both historical and current, based on the review performed;
7. Transparency of price formation process (pre-trade);
8. Ability to provide transaction cost analysis;
9. Continuity of trading;

10. Technological infrastructure and capabilities of the Execution Venue and broker;
11. Circuit breakers;
12. Quality of any related clearing and settlement facilities;
13. Access to alternative markets;
14. Responsiveness to any requests/complaints and willingness to correct such errors;
15. Financial solvency of the entity; and
16. Any other relevant factor.

The Company places different relative importance on each of the criteria mentioned above by using its commercial judgment and experience in the light of the information available on the market.

In general, the Company places great significance on the choice of its Execution Brokers as it strives to offer, on a consistent basis, best execution to its Clients.

When the Company places orders or transmits orders for execution to other entities (e.g., Execution Brokers), it will ensure that such entities have policies and arrangements that enable the Company to comply with its obligations to act in the best interest of Clients when placing orders with, or transmitting orders to, other entities for execution.

The Company does not receive any remuneration, discount or major non-monetary benefits for routing its Clients' orders to a particular execution venue or execution entity, which would infringe its obligations with regards to conflicts of interest or inducements.

The Company randomly selects a sufficient and representative sample of executed trades/orders (e.g., different size ranges, types of orders, orders on stocks with limited liquidity, immediately after stock specific news announcements etc.) to ensure, with a high statistical confidence level, that it constantly obtains and will obtain the best possible results for the Clients.

The Client acknowledges that transactions entered in relation to these Financial Instruments with the Company may not be undertaken on a recognised exchange, rather they are undertaken over the counter (OTC) (i.e. via a broker – dealer network) and as such they may expose the Client to greater risks (e.g. counterparty risk) than regulated exchange transactions. If you require more information regarding the consequences of this means of execution, please contact us in one of the official contacting methods of the Company.

6. Specific Client instructions and pending orders

Where you give us a specific instruction as to the execution of an order we will execute the order in accordance with those specific instructions. Where your instructions relate to only part of the order,

we will continue to apply our Summary of Best Execution and Order Policy to those aspects of the order not covered by your specific instructions.

You should be aware that providing specific instructions to us in relation to the execution of a particular order may prevent us from taking the steps set out in our Summary of Best Execution and Order Policy to obtain the best possible result in respect of the elements covered by those instructions.

Whenever you place an Order via our Trading Platform and it becomes pending, the funds required for its execution will be blocked from the free funds available in your account. The blocked funds cannot be used for any other Orders, until the pending one is executed or cancelled.

7. Aggregation

The Company will not aggregate a client order with another client order unless the following conditions are met:

- It is likely that the aggregation will not work to the overall disadvantage of any client whose order is to be aggregated;
- It has been disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order (as disclosed in the Company's Client Agreement); and
- the order will be aggregated in accordance with this Policy, which is designed to achieve a fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

8. Allocation Policy

In accordance with the obligations under the applicable laws, the Company will endeavour to provide Clients with prompt, fair and expeditious execution of Client orders placed with the Company, relative to other orders from its clients. In so doing, the Company:

- promptly and accurately records and allocates orders executed on behalf of Clients;
- carries out comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise; and
- informs Retail Clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

9. Monitoring

The Company will regularly monitor, at least annually, its execution policy as well the effectiveness of its order execution arrangements in order to identify and, where appropriate, correct any deficiencies and to ensure that it complies with all regulatory requirements and obligations. The Company through regular monitoring will check that the best possible results were obtained for the clients and proceed with any corrective actions if needed.

10. Review

We will assess whether the execution venues included in this Summary of Best Execution and Order Policy provide the best possible result for our clients or whether we need to make changes to our execution arrangements. We will review our order execution arrangements and this Summary of Best Execution and Order Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of orders on a consistent basis using the venues included in this Summary of Best Execution and Order Policy. For the purpose of this Policy, a material change shall be a significant event that could impact parameters of best execution such as, cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Such material changes will include, amongst others, consideration of the following:

- the addition or removal of Execution Venues or brokers;
- changes in products (financial instruments) or services offered by the Company;
- changes in the relative importance of best execution factors and criteria;
- material market impact;
- material change in the level of costs resulting from connection to a venue;
- development of significant new execution procedures or a change in the market model of an existing venue;
- major change to existing arrangements, such as a material change in the human or technical resources that the Company relies on to provide best execution;
- complaints in relation to a major issue noted by a Client (in such case, this would not necessarily trigger review of the entire Policy).

The Clients with whom the Company has an ongoing relationship, will be notified of any material changes or amendments to this Policy or order execution arrangements, which may be made from time to time. The latest version of the Policy will also be available on the Company's website.

11. Consent

When this Summary of Best Execution and Order Policy is modified (hereinafter referred to as “Change(s)”) we will post such Changes on our Website(s). Each such notification shall be deemed as sufficient notice and it is your duty to consult and/or to check regularly this “Summary of Best Execution and Order Policy” on our Website(s) regarding any such Changes. Therefore, you should review this Summary of Best Execution and Order Policy from time to time so as to ensure that you will be aware of any such Changes.

Your continued access and/or use of our Website(s) and/or Online Trading Facility after the publication of any Changes shall be considered as your agreement to such Changes and shall be governed by this Summary of Best Execution and Order Policy”, as modified.

IF YOU DO NOT WISH TO BE BOUND BY SUCH CHANGES, YOU SHOULD CEASE TO ACCESS AND/OR USE OUR SERVICES AND/OR ONLINE TRADING FACILITY, AND INFORM US IN WRITING, IMMEDIATELY.

You will be deemed to have accepted and to have agreed to any such Changes unless you notify us to the contrary in accordance with the details of the Changes notified in accordance with the foregoing within five (5) calendar days of the date of our notice of the relevant Changes. Where you object to a Change, the Change will not be binding on you, but your Account will be suspended and you will be required to close your Account as soon as it is reasonably practicable.

Any Change will supersede any previous agreement between us on the same subject matter and will govern any Transaction and/or Contract entered into after, or outstanding on, the date the new edition of this ‘Summary of Best Execution and Order Policy’ comes into effect.

12. Miscellaneous

Based on relevant regulatory requirements, the Company publishes, on an annual basis, its Execution Quality Summary Statement (EQSS) for each class of financial instruments, which includes a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in the previous year. You can find the latest EQSS in relation to real shares [here](#).

In exceptional cases, especially in cases of force majeure, including failure of communication with selected Intermediaries, the Company may be obliged to use other execution methods than those provided for in the present Summary of Best Execution and Order Policy.

Upon the Client's request, the Company is obliged to provide to the Client information concerning the execution of the Client's Orders in compliance with the Summary of Best Execution and Order Policy. The Client's request must be submitted to the Company in writing and should make specific reference to the Order for which information is requested.

Any such requests for information concerning the execution of a Client's Orders in compliance with the "Summary of Best Execution and Order Policy, and/or any other questions about this Summary of Best Execution and Order Policy" must be direct to the Company's Compliance Department: compliance@libertex.com