



ORDER HANDLING AND EXECUTION POLICY

4 MENANDROU STR., OFFICE 401, NICOSIA 1066 CYPRUS

TELEPHONE +357 22 110 777 - FAX +357 22 110778 - EMAIL INFO@ATHLOSCAPITAL.COM - WEBSITE WWW.ATHLOSCAPITAL.COM

Athlos Capital Investment Services Ltd (Reg. No HE 362228) – Regulated by the Cyprus Securities and Exchange Commission (CySEC), License No. 348/17



TABLE OF CONTENTS

- 1. SCOPE 4
- 2. PURPOSE..... 4
- 3. DEFINITIONS 5
- 4. SPECIFIC CLIENT INSTRUCTION..... 5
- 5. BEST EXECUTION FACTORS..... 6
- 6. EXECUTION CRITERIA 7
- 7. EXECUTION VENUES/APPROVED INTERMEDIARIES 8
- 8. TRADE CONFIRMATION 10
- 9. REFUSAL OR DELAY IN EXECUTION 10
- 10. QUOTE DRIVEN MARKET/REQUEST FOR QUOTE 10
- 11. CLIENT ORDER HANDLING..... 11
- 12. AGGREGATION AND ALLOCATION OF ORDERS..... 12
- 13. REMUNERATION..... 12
- 14. INDUCEMENTS..... 12
- 15. QUALITY OF EXECUTION 13
- 16. ACKNOWLEDGEMENTS 14
- 17. MONITORING 14
- 18. RECORD KEEPING..... 15
- 19. NO FIDUCIARY RELATIONSHIP 15
- 20. REVIEW 15



1. SCOPE

- 1.1. The Order Handling and Execution Policy (herein the "Policy") applies to both Retail and Professional Clients of the Company. It is noted that the provisions of this Policy do not apply to Eligible Counterparties and to clients who have requested to be treated as Eligible Counterparties.
- 1.2. The Policy outlines the key arrangements established by the Company in order to take all sufficient steps to achieve the best possible results for Clients on a consistent basis when:
 - Executing orders on behalf of Clients;
 - Transmitting Client orders to other entities for execution; and
 - Providing portfolio management services.
- 1.3. The Company has a duty to act honestly, fairly and professionally in accordance with the best interest of its Clients when providing investment services, or where appropriate, ancillary services.
- 1.4. The overarching obligations stemming from the Law when carrying out the following investment services are:
 - (a) Execution of Orders on behalf of Clients: The Company has an obligation to execute orders on terms most favourable to its Clients (the "best execution obligation").
 - (b) Reception and transmission of Client orders to other entities for execution: The Company owes a duty to act honestly, fairly and professionally in accordance with the best interest of its Clients when receiving and transmitting Client orders to other entities for execution (the "best interest obligation").
- 1.5. In order to comply with the above obligations, the Company shall take "all sufficient steps" to obtain the best possible result for its Clients taking into account the execution factors outlined below (i.e. price, costs, speed, likelihood of execution etc.). The relative importance of these factors will be determined by reference to the characteristics of the Client, the Client order, the Financial Instruments that are subject to that order, and the Execution Venues or entities to which that order can be directed.

2. PURPOSE

- 2.1. The purpose of this Policy is to provide Clients with information on the arrangements implemented by the Company to manage the execution of Client orders under the provisions of the Law , applicable EU regulations and CySEC's



requirements and outline the principles followed by the Company when managing Client orders, executing trades or arranging for the execution of orders with an approved third party. More specifically, this Policy sets out the key aspects applicable to the execution process including but not limited to the execution factors and criteria taken into account when executing Client orders in order to achieve best execution for its Clients.

3. DEFINITIONS

3.1. The following words and phrases shall have the meaning set out in this Policy:

“Investment Services Agreement” sets out the terms and conditions that govern the provision of investment services and the performance of investment activities by the Company to the Client;

“Client” for the purposes of this Policy shall mean any Client who is either Retail or Professional Client per se or has requested to be treated as a Professional Client as per the provisions of the Law;

“DMA” means Direct Market Access;

“MTF” means a Multilateral Trading Facility;

“OTC” means Over-The-Counter;

“Operative Policies” includes without limitation to the following operative policies which govern the Business Relationship between the Client and the Company i.e. the Client Categorisation Policy, the Conflicts of Interest Policy, the Complaints Handling Policy, the Risk Disclosure statement and any other policy made available by the Company to the Client from time to time;

“RM” means a Regulated Market.

4. SPECIFIC CLIENT INSTRUCTION

4.1. When the Company receives specific Client instructions on how to execute an order, it shall execute the order in line with the specific instructions provided by the Client. For the purposes of this Policy, executing an order following the Client’s specific instruction is deemed as satisfying the best execution obligation owed by the Company to its Clients.



- 4.2. When the Company executes an order following specific instructions from the Client, it should be treated as having satisfied its best execution obligations only in respect of the part or aspect of the order to which the client instructions relate. The fact that the client has given specific instructions which cover one part or aspect of the order should not be treated as releasing the Company from its best execution obligations in respect of any other parts or aspects of the client order that are not covered by such instructions.
- 4.3. It is highlighted that by following specific Client instructions, the Company may be prevented from taking the steps designed and implemented as described in this Policy to obtain the best possible result for the execution or transmission of those orders in respect of the elements covered by those instructions.

5. BEST EXECUTION FACTORS

- 5.1. The Company shall take all sufficient steps to obtain the best possible result for its Clients when receiving, transmitting and executing client orders, taking into account a combination of the following best execution factors. The Company does not consider the below list of factors as an exhaustive list and the order in which these factors are presented are not on a priority basis:
 - (a) **Price:** the price a financial instrument is executed at;
 - (b) **Costs:** this includes implicit costs such as the possible market impact, explicit external costs i.e. exchange or clearing fees and explicit internal costs which represents the Company's own remuneration through commission or spread;
 - (c) **Speed:** the time it takes to execute a Client transaction and post-trade speed;
 - (d) **Likelihood of execution and/or settlement:** the likelihood that a transaction will be completed;
 - (e) **Size and nature of the order:** the size of the transaction executed for a Client and the available market liquidity;
 - (f) **Client objectives;**
 - (g) **Brokers/ execution venues**
 - (h) **Any other consideration which is deemed relevant.**
- 5.2. It should be noted that some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors therein.
- 5.3. 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. The relative importance of the execution factors considered by the Company to obtain the best possible result for its clients.

5.4. The Company may more frequently consider the price as the most important of the execution factors, however the process by which the Company carries out this assessment is not standardized and depends on each particular set of circumstances. In weighing the above factors, regard will be given to *inter alia*:

- (a) the particular circumstances related to the execution including the type of instrument i.e. for shares, ADRs and GDRs admitted to trading in a centralized trading venue, price and cost would be factors to which greater weight would be given;
- (b) lack of liquidity arising from OTC transactions that contain a financial element which is tailor-made to the Client's own requirements (in which case more emphasis may be placed in fulfilling the Client order and less emphasis may be placed on price;
- (c) in certain non-developed markets, the Company could face lower volumes of liquidity (in which case emphasis would be placed on the speed and likelihood of execution)
- (d) the manner of execution i.e. if the execution will be OTC or on an RM.

5.5. The relative importance of the best execution factors is depicted in Appendix I of the Policy.

6. EXECUTION CRITERIA

6.1. The Company will take into account, based on its commercial judgement and market expertise, the following criteria when determining the relative importance of the best execution factors:

- (a) The characteristics of the Client i.e. the categorisation of the Client as per the Client Categorisation Policy of the Company which is available via the Company's website.
- (b) The characteristics and nature of the Client's order and instructions.
- (c) The characteristics of financial instruments that are subject to that order.
- (d) The characteristics of the execution venues to which that order can be directed.



- 6.2. The execution process conducted by the Company is neither uniform nor directly comparable in each instance. The Company will discharge its execution obligations in a manner that takes into account the different circumstances associated with the execution of the order as they relate to the particular financial instrument involved i.e. for financial instruments which are not listed in an RM or an MTF, the price offered by the Company will depend on the financial instrument's characteristics (i.e. whether it is liquid or illiquid) and the market conditions at the time of the transaction.
- 6.3. Client orders may involve financial instruments that are traded in an RM or MTF as well as instruments that are not listed. For any Client orders which involve financial instruments traded in an exchange where the Company has DMA, the Company shall enter the Client orders in the same way they were received i.e. the principle of first-in-first-out will be followed.
- 6.4. In circumstances where a Client order involves a financial instrument traded in an exchange in which the Company does not have DMA, the Company shall transmit the Client order to a third party for execution. The Company shall maintain records of the date and time the Client order was transmitted to the third party, thereby the first-in-first-out principle is served.
- 6.5. In the case where, as a result of a system or other failure, the Company has no alternative but to execute an order using a method other than the one prescribed in this Policy, the Company will endeavour to execute on the best prevailing terms possible on behalf of the Client.

7. EXECUTION VENUES/APPROVED INTERMEDIARIES

- 7.1. The Company has access to a variety of different execution venues either directly or indirectly through third parties. The types of execution venues used by the Company when executing Client orders are:
 - (a) Regulated Markets;
 - (b) Multilateral Trading Facility;
 - (c) Systematic Internalisers;
 - (d) Over-the-Counter market networks;
 - (e) Market Maker or approved liquidity provider; and
 - (f) An entity which performs a similar function in a third country which is regulated by a competent authority which applies standards equivalent with EU laws and regulations.
- 7.2. Orders for stocks which are listed will usually be carried out on an RM or OTC whereas orders for stocks which are not listed will usually be carried out OTC. Orders for bonds or derivatives may be executed on any of the five types of



execution venues set out above. Orders for structured products may be carried out on any of the five types of execution venues listed above except for an RM.

- 7.3. The choice of the execution venue will be influenced by the execution factors and the criteria set out in paragraphs 5 and 6 of this Policy.
- 7.4. For the purpose of delivering best execution, when there are more than one competing venues for the execution of an order involving a financial instrument, the Company's own commissions and costs for executing the order on each of the execution venues will be taken into account. In similar future cases and if the Company becomes a member in any market, the Company's first choice will be to execute the order in the market in which it is a member.
- 7.5. For the purpose of transmitting orders for execution, the Company acts as an agent on behalf of the Client. A list of the trading venues used by the Company for the execution of client orders in respect to all class of financial instruments can be found below:

Execution Venues	
J.P. Morgan AG	Bank of America Merrill Lynch Securities Europe SA
Citigroup Global Markets Europe AG	Natwest Markets N.V.
Nomura Financial Products Europe GmbH	Jefferies GmbH
Intesa Sanpaolo S.P.A.	National Bank of Greece S.A.
Barclays Bank Ireland PLC	Alpha Bank S.A.
Credit Suisse Securities Sociedad de Valores	The Seaport Group Europe LLP
Deutsche Bank AG	Eurobank S.A. & Eurobank Cyprus Ltd
HSBC Bank PLC	Renaissance Securities Ltd
VTB Bank (Europe) SE	Stifel Europe Bank AG
Athlos Capital Investment Services Limited	Sberbank CIB (UK) Ltd

- 7.6. The factors relevant to the Company for selecting intermediaries include the following:
- Soundness of intermediary;
 - Reputation, financial strength and stability;
 - Access to primary and/or secondary markets;
 - Ongoing reliability;
 - Overall costs of a trade including commissions, mark-ups, markdowns or spreads;
 - Electronic connectivity; and
 - Willingness to execute difficult transactions.



7.7. In addition, the following conditions must be met before intermediaries can be approved:

- (a) Licensed, as required to execute the type of transaction; and
- (b) Adequate supervision by the relevant competent authorities;
- (c) For intermediaries established in a third-country, ensuring that the third-country applies standards equivalent to the EU laws and regulations.

7.8. Execution venues not specified in this Policy are only used on an exceptional basis, for example, when Client specific instructions prevent the Company from transmitting the orders to any of the Execution Venues listed above.

8. TRADE CONFIRMATION

8.1. Where the Company carries out an order on behalf of a Client, it shall promptly provide the Client with details concerning the trade.

9. REFUSAL OR DELAY IN EXECUTION

9.1. The Company may refuse to accept, or delay in executing Client orders until appropriate remedial actions are taken by the Client, depending on the particular circumstances, where:

- (a) it reasonably believes or suspects that in doing so it shall be in breach or may potentially be in actual or anticipatory breach of applicable laws including but not limited to circumstances in which the Company reasonably believes that execution of the order results in or intends or may intend to or result in market manipulation, insider dealing or otherwise affecting in any manner the credibility of the regular operation of any market or contributing to the legalisation of illegal activities;
- (b) the Client has not fulfilled his obligations pursuant to the terms and conditions governing his Business Relationship with the Company;
- (c) the Company is not satisfied of the identity or the authorisation of the person placing the order;
- (d) the order has a time duration that is not acceptable to the Company;
- (e) the Client has not provided his instructions during the normal trading hours of the Company.

10. QUOTE DRIVEN MARKET/REQUEST FOR QUOTE

10.1. Where the Company provides quotes or negotiates a price upon request i.e. dealing on a request for quote, the Company will determine whether there is a legitimate reliance on it to protect the Client's interests in relation to pricing and other elements of the transaction. In order to determine the existence of a



legitimate reliance, the Company will apply the 'Four-Fold Cumulative Test' as described by the European Commission. The following factors will be used by the Company to assess whether a Client is legitimately relying on it:

- (a) **Which party initiates the transaction:** Where the Client initiates the transaction, it can be concluded that it is less likely that the Client will be placing reliance on the Company. The Company may communicate trade ideas, relevant market opportunities or indicative prices to the Client as part of its general relationship with its Clients and this shall not be considered as initiating the transaction on behalf of the Company.
- (b) **Questions of market practice and the existence of a convention to 'shop around':** where market practice suggests that the Client takes responsibility for the pricing and other elements of the transaction and the market practice is to obtain quotes from various sources, it is less likely that the Client will be placing reliance on the Company.
- (c) **The relative levels of transparency within a market:** if a Client does not have ready access to prices in a market in which the Company operates, it is more likely that the Client will be placing reliance on the Company whereas, if a Client's access to pricing transparency is broadly equivalent to that of the Company's, it is less likely that the Client will be placing reliance on the Company.
- (d) **The information provided by the Company and any agreement reached:** Where the arrangements and agreements with a Client state that the Company will provide best execution, it is more likely that the Client will be placing reliance on the Company.

10.2. Where the Company has taken into consideration the above factors and it has concluded that the Client is not placing a legitimate reliance on the Company, the provisions for best execution will not apply.

11. CLIENT ORDER HANDLING

11.1. The Company will proceed with executing Client orders in a prompt, fair and expeditious manner, relative to its other Client orders or the trading interests of the Company. The Company will ensure that Client orders will be handled equitably and to the Client's best advantage. The Company may derogate from this obligation where it deems that it is in the best interests of its client and the client has not prohibited to the derogation. The Company shall not be liable for any loss or expense suffered by the Client due to any change in market conditions between the time of receipt of the order and the time of execution.



- 11.2. Comparable Client orders will be promptly allocated and executed in accordance with the time of reception, unless a Client specifically seeks to be treated otherwise or the characteristics of the order or the prevailing market conditions make the execution of the order impracticable or the interests of the Client require otherwise.
- 11.3. In the case of a limit order in respect of shares admitted to trading on an RM which is not immediately executed under prevailing market conditions, the Company shall, unless the Client expressly instructs otherwise, take measures to facilitate the earliest possible execution of that order by making immediately public that Client limit order in a manner easily accessible to other market participants, by transmitting the Client order to an RM or an MTF.

12. AGGREGATION AND ALLOCATION OF ORDERS

- 12.1. The Company is not permitted to carry out a Client order or a transaction for own account in aggregation with another Client order, unless the following conditions are met:
- (a) it must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any Client whose order is to be aggregated;
 - (b) it is disclosed to each Client whose order is to be aggregated that the effect of aggregation may work to his disadvantage in relation to a particular order.
- 12.2. If the Company has aggregated transaction for own account with one or more Client orders, it will not allocate or reallocate the related trades in a way which is detrimental to a Client.
- 12.3. If the Company aggregates a Client order with a transaction for own account and the aggregated order is partially executed, it will allocate the related trades to the Client in priority to the Company.
- 12.4. Nevertheless, if the Company is able to demonstrate on reasonable grounds that without the combination it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally.

13. REMUNERATION

- 13.1. The Company shall ensure that its staff is not remunerated in a way that conflicts with its duty to act in the best interests of its Clients. All staff will be remunerated in accordance with the Remuneration Policy maintained by the Company.

14. INDUCEMENTS



14.1. The Company shall ensure that its staff do not receive any fees or commissions by any third-party unless such fee or commission complies with the following requirements:

- (a) The payment or benefit is designed to enhance the quality of the relevant service to the client; and
- (b) The payment or benefit does not impair the Company's compliance with its duty to act honestly, fairly and professionally in accordance with the best interests of its clients.

14.2. Where the Company accepts to be provided with a fee or commission or a non-monetary benefit, provided that the conditions of paragraph 14.1 are fulfilled, it will disclose the existence, nature and amount of the payment or benefit to its clients.

15. QUALITY OF EXECUTION

15.1. The Company will make public on an annual basis for each class of financial instrument, the top five execution venues (RTS 28) where client orders were executed during the preceding year. This information will be provided separately for retail and professional clients to allow clients to assess the information more accurately. The publication will contain the following information:

- (a) class of financial instruments;
- (b) venue name and identifier;
- (c) volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- (d) number of client orders executed on that execution venue expressed as a percentage of total executed orders;
- (e) percentage of the executed orders referred to in point (d) above that were passive and aggressive orders;
- (f) percentage of orders referred to in point (d) above that were directed orders; and
- (g) confirmation of whether it has executed an average of less than one trade per Business Day in the previous year in that class of financial instruments.

15.2. Additionally, for each class of financial instruments, the Company will publish on its website a summary of the analysis and conclusions it draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year. The information will include:

- (a) an explanation of the relative importance the Company gave to the execution factors of price, costs, speed, likelihood of execution or any other



- consideration including qualitative factors when assessing the quality of execution;
- (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
 - (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
 - (d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
 - (e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;
 - (f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
 - (g) an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575; and
 - (h) where applicable, an explanation of how the Company has used output of a consolidated tape provider, established under Article 65 of MiFID II (section 66 of the Law).
- 15.3. Where the Company executes orders for retail clients, it will provide to those clients a summary of the relevant policy, focused on the total costs they incur. The summary shall also provide a link to the most recent execution quality data published in accordance with Article 27(3) of MiFID II (section 28 of the Law) for each execution venue listed by the investment firm in its execution policy.
- 15.4. Each annual summary will be published on the Company's website by the 30th April of the following year in a machine-readable electronic format, available for downloading by the public.

16. ACKNOWLEDGEMENTS

- 16.1. The Client acknowledges, accepts and consents that a Client order may be executed or transmitted for execution to a third party outside an RM or an MTF.

17. MONITORING

- 17.1. The Company will monitor each of the execution venues mentioned in paragraph 7 of this Policy on a periodic basis to ensure that the best result is achieved on a consistent basis for its Clients. The Company will regularly monitor



the quality of the execution process provided to assess whether trades are being handled in compliance with this Policy and best execution is being achieved at the selected execution venue(s). Additionally, the Company will be constantly assessing whether the execution venues included in this Policy as well as any other counterparties provide the best possible result for the Client or whether the Company needs to make changes to its execution arrangements.

17.2. Where the findings of the monitoring conducted reveals that the Company has fallen short of obtaining the best possible result, the Company will consider whether this is because it has failed to follow its order execution policy and/or execution arrangements or because of a deficiency in the order execution policy and/or execution arrangements and take appropriate remedial actions.

18. RECORD KEEPING

18.1. The Company shall maintain records of all Client orders placed, including the date and time a Client order was placed and any details including but not limited to the type of order, the financial instrument involved and the price it was executed.

19. NO FIDUCIARY RELATIONSHIP

19.1. The Company's commitment of providing the Clients with "best execution" does not mean that the Company owes the Client any fiduciary duty over and above the specific regulatory obligations placed upon it, or as may be otherwise contracted between the Company and the Client. The Client remains responsible for his own investment decisions and the Company will not be responsible for any market trading loss the Client suffers as a result of those decisions.

20. REVIEW

20.1. The Policy shall be reviewed by the Compliance Function in cooperation with the Trading Department of the Company, at least on annual basis or sooner whenever a material change occurs that could affect its ability to obtain the best possible result for the execution of its Clients' orders. Any persons which are directly affected by any changes in the provisions of this Policy shall be informed accordingly.

20.2. The latest version of the Policy will also be available on the Company's website.



APPENDIX I – RELATIVE IMPORTANCE OF BEST EXECUTION FACTORS

Non-complex instruments (Equities & bonds)			
Retail clients		Professional clients	
Execution factors*	Importance	Execution factors*	Importance
Price	1	Price	1
Likelihood of execution and settlement	4	Likelihood of execution	4
Size of order	5	Size of order	5
Costs	2	Costs	2
Speed of execution	3	Speed of execution	3
Nature of order	6	Nature of order	6
Any other consideration relevant to the execution	7	Any other consideration relevant to the execution	7

Complex instruments (Derivatives and related financial instruments)			
Retail clients		Professional clients	
Execution factors*	Importance	Execution factors*	Importance
Price	1	Price	1
Likelihood of execution and settlement	5	Likelihood of execution and settlement	5
Size of order	4	Size of order	4
Costs	2	Costs	2
Speed of execution	3	Speed of execution	3
Nature of order	6	Nature of order	6
Any other consideration relevant to the execution	7	Any other consideration relevant to the execution	7

NOTE: 1 is the most important factor and 7 is the least important one