

Argus Stockbrokers Ltd
Order Execution Policy

1 INTRODUCTION

Argus Stockbrokers Ltd (hereafter the “Company”) is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 108270. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the license number 010/03.

This is the Order Execution Policy (the “Policy”) of the Company, with the application of the “Investment Services and Activities and Regulated Markets Law (87(I)/2017)”, pursuant to the European Directive MiFID – Market in Financial Instruments Directive. MiFID is the European Parliament and Council’s Directive 2004/393 EC, for financial markets. In addition, this Policy sets forth information relating to how the Company executes orders on behalf of clients, as required by the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and the rules of our regulator (CySEC). The CySEC also expects the Company to pay due regard to the interests of its customers and treat them fairly.

The Company is required to set up this policy and take **all sufficient steps** to obtain the best possible result for its clients (“**best execution**”) either when executing client orders or receiving orders for execution in relation to financial instruments.

2 PURPOSE OF THE ORDER EXECUTION POLICY

We have established and implemented policies and procedures, including this Order Execution Policy, which are designed to be sufficient to obtain the best possible results when executing client orders, subject to and taking into account any specific instructions, the nature of the orders and the nature of the markets and the products concerned. The Company is unable to guarantee that “**best execution**” will occur in respect of every order, however, the Company will provide the best possible result on a consistent basis. Client instructions may take precedence over this policy, and such instructions are communicated and subsequently recorded by the Company.

In particular, the Order Execution Policy sets out the strategy that the Company use, the key steps it takes to comply with the overarching best execution requirement and how those steps enable it to obtain the best possible result.

This Order Execution Policy only applies with respect to financial instruments within the scope of MiFID II (“MiFID financial instruments”) including the following *financial instruments and products*:

- European Equities and Exchange Traded Funds (ETFs)
- Cash Bonds (Government and Corporate Bonds)
- Convertible Bonds
- Cash Equities
- Futures
- Listed Options
- CFDs Equities, Indices and Commodities

This Order Execution Policy does not apply to non-MiFID financial instruments.

3 WHAT IS BEST EXECUTION

We are required to take all sufficient steps to obtain the best possible result on a consistent basis taking into account the price, likelihood of execution and settlement, order size, costs, speed, nature or any other consideration relevant to the execution of an order (hereafter this obligation is referred to as “Best Execution”).

Where we execute or receive and transmit orders in MiFID financial instruments on your behalf, subject to any specific instructions received from you, we will provide Best Execution in accordance with this Order Execution Policy.

The Best Execution obligation is also applicable when we are acting in a principal capacity and you are placing a legitimate reliance on us to protect your interest in relation to the execution of a transaction. In order to determine whether clients are placing legitimate reliance on the Company, the regulator refers to four considerations set out in a letter from the European Commission which should be applied. Consequently, when determining whether the client is placing legitimate reliance on us, we will assess the following:

- whether we owe an obligation to you given our relationship with you, in particular whether you understand the basis on which we are transacting and the information provided by us to you;
- whether you initiated the transaction;
- whether there is a market practice and the existence of a convention to “shop around”; and
- whether there is price transparency within the market from your perspective.

4 EXECUTION FACTORS

When executing orders on your behalf, subject to any specific instructions, we will consider a range of Execution Factors (see Section 5 for ‘Application of Best Execution by Product’) to determine the manner in which your order will be executed. The relative importance of each Execution Factor will be determined by, but not limited to the following execution criteria:

- Client Characteristics – professional customers may have different needs to retail customers;
- Transaction Characteristics – such as the potential for it to have an impact on the market;
- Financial Instrument Characteristics – such as liquidity and whether there is a recognised centralised market;
- Venue Characteristics – particular features of the liquidity sources available to Argus;
- Other relevant circumstances – as applicable.

Therefore the definition of best possible result will vary as Argus must take into account a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that it receives and the markets in which it operates. These factors are further described in this Policy.

Argus has considered a number of criteria that might be important to clients. These are called the Execution Factors:

- Price – the market price at which the order is executed;
- Costs – any additional charges that may be incurred in executing the order in a particular way over and above Argus normal charges;
- Speed of execution – this can be particularly important in fast moving markets;
- Likelihood of execution and settlement – the best price is of little use if Argus cannot execute at it or if the transaction fails to complete;
- Size and Nature of the transaction – the way that Argus executes an unusual order (for example, one that is larger than the normal market size or has unusual features such as an extended or shortened settlement period) may differ from the way it executes a standard order;
- Market Impact – the effect that executing a client’s order, or showing it to other market participants, might have upon the market;
- Other factors relevant to particular order types – as applicable.

Hence, the Company when providing a service to retail clients may consider speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs and give them precedence over the immediate price and cost factors if they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

As far as the professional clients are concerned the Company should consider the previous factors as it is unlikely to be acting reasonably if it gives a low relative importance to the net cost of a purchase or the net proceeds of a sale. There might be circumstances, however, where other factors will be more important for professional clients.

5 APPLICATION OF BEST EXECUTION BY PRODUCT

European Equities and Exchange Traded Funds (ETFs)

1) Client directed orders to third party execution venues

The Company offers access to third party execution venues where the specific instructions for each order are defined by the client. Such orders place reliance on the Company and we consider that a duty of best execution is owed. Execution Factors are prioritised for client directed electronic access to third party execution venues:

1. Speed
2. Costs

The remaining Execution Factors – price, likelihood of execution and settlement, order size, nature of the order and any other consideration relevant to the efficient execution of your order are generally given equal ranking.

2) Working orders on behalf of clients

We consider that best execution is owed in respect of working order trades. However, working order trades in relation to cash equities can involve highly prescriptive specific instructions from you as to how you require the trades to be executed, and this will limit our duty of best execution to only those matters which are not covered by specific instructions. Execution Factors are prioritised for working orders on behalf of clients:

1. Price
2. Likelihood of execution and settlement

The remaining Execution Factors – order size, costs, speed, nature of the order and any other consideration relevant to the efficient execution of your order are generally given equal ranking.

3) Risk trades (RFQ)

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ) where we are acting as principal on a risk price transaction. We generally take the view that in the context of the European Commission’s four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements.

Cash Bonds

1) Riskless principal trades

We consider that best execution is owed in respect of riskless principal trades in cash bonds. Such trades will be subject to our policy on fees, commissions and mark-ups.

Execution Factors are prioritised for riskless principal trades in cash bonds:

1. Price
2. Likelihood of execution and settlement

Generally, the most important execution factor for our clients will be the price the relevant financial instrument is executed at. However, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution may become the primary execution factor. The remaining Execution Factors – order size, costs, speed, nature of the order and any other consideration relevant to the efficient execution of your order are generally given equal ranking.

2) Risk trades (RFQ)

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ) where we are acting as principal on a risk price transaction. We generally take the view that in the context of the European Commission’s four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements.

Convertible Bonds

1) Working orders on behalf of clients

We consider that best execution is owed in respect of working orders in convertible bonds. Such trades will be subject to our policy on fees, commissions and mark-ups.

Execution Factors are prioritised for working orders on behalf of clients:

1. Price
2. Likelihood of execution and settlement

The remaining Execution Factors – order size, costs, speed, nature of the order and any other consideration relevant to the efficient execution of your order are generally given equal ranking.

2) Risk trades (RFQ)

Best execution obligations are unlikely to apply where you have asked us for a quote (RFQ) where we are acting as principal on a risk price transaction. We generally take the view that in the context of the European Commission's four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements.

Cash Equities

Argus trades as agent with respect to cash equity trades with clients. The ranking of execution factors for cash equities is:

1. Price
2. Expected impact of execution
3. Likelihood of execution and settlement
4. Costs
5. Speed
6. Other factors

Futures

Argus does not support physical delivery of the underlying security on expiry of futures. Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies.

Argus trades as agent with respect to futures trades with clients. For futures, the ranking of the applicable execution factors is:

1. Price
2. Expected impact of execution
3. Likelihood of execution and settlement
4. Costs
5. Speed
6. Other factors

Listed Options

Argus trades as agent with respect to listed options trades with clients. For listed options, the ranking of the applicable execution factors is:

1. Price
2. Expected impact of execution
3. Likelihood of execution and settlement
4. Costs
5. Speed
6. Other factors

CFDs Equities, Indices and Commodities

Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies. Argus trades as an agent to CFDs trades with clients.

1. Price
2. Expected impact of execution
3. Likelihood of execution and settlement
4. Costs
5. Speed
6. Other factors

6 SPECIFIC INSTRUCTIONS

Where you provide us with specific instructions we will execute your order in accordance with those instructions. This includes where you specify the characteristics of an order or a particular aspect of an order. Where your instructions relate to only part of an order, we will continue to apply our Order Execution Policy to those aspects of the order not covered by your specific instructions.

Your instructions may prevent us from taking the steps described in this policy to obtain the best possible result for the execution of the order. In following your instructions we will be deemed to have satisfied our best execution obligations.

The Company applies the Policy upon acceptance of an order and when a client gives no specific instruction on the execution method. When a client gives no specific instruction on an order, the Company will execute the order following this instruction. On the other hand, when the Company receives a specific instruction on an order then the Company should follow and execute such instruction even if this may prevent the Company from implementing the policy in order to obtain the best possible result for the execution of the order.

7 ORDER HANDLING

In accordance with the client order handling rules, we are required to have procedures and arrangements in place that provide for the prompt, fair and expeditious execution of orders. We are also required to consider the need to manage any potential conflicts of interest between clients and/or between the Company and you.

Comparable client orders must be executed sequentially and promptly, unless this is impracticable given the characteristics of the order, market conditions or if the interests of the client require otherwise. Priority must be given to executing a client order over any own account dealing, regardless of whether or not the client

would be disadvantaged or whether the client order was accepted after the firm's decision to deal (unless the client order cannot be executed because of size or other limitations or unless agreed with and disclosed to the client).

We may combine your order with our own orders and orders of other clients. By combining your orders with those of other clients we must reasonably believe that this is unlikely to disadvantage any client and sufficient prior disclosure is therefore made in this policy that the effect of aggregation may work to a client's disadvantage. As such, aggregation may result in you obtaining a less favourable price in relation to a particular order.

The Company must follow order priority with regard to the final allocation of the investments concerned. In particular, allocations to client orders are prioritised over the trading interests of the firm.

8 EXECUTION VENUES

This Order Execution Policy includes those execution venues on which we execute orders on behalf of clients and which we consider enable us to obtain on a consistent basis the best possible result, according to the defined Execution Factors for each MiFID financial instrument.

These possible execution venues include, as appropriate for each financial product:

- ❖ Regulated Markets;
- ❖ Other exchanges that are not Regulated Markets;
- ❖ Multilateral Trading Facilities (MTF);
- ❖ Organised Trading Facilities (OTF);
- ❖ Systematic Internalisers (SI);
- ❖ Third party investment firms and brokers, including dark pools, and/or affiliates.

In accordance with RTS 28 of MiFID II, the Company will publish annual execution statistics on our top 5 execution venues for each given class of financial instrument. Additionally, in compliance the Company publishes its execution statistics, including the execution venues to which it routes its agency orders, on its website www.argus.com.cy. The list contains the venues that have been used most often, but is not necessarily an exhaustive list.

The Company has the following execution venues:

- Athens Stock Exchange
- Cyprus Stock Exchange

and the following brokers for reception and transmission of orders, which are using the various execution venues as stated at their websites at their order/best execution policies:

- [Castle Harbour Securities](#)
- [Saxo Bank](#)
- [Barclays Bank](#)
- [Linear Investments Ltd](#)
- [R.J. O'brien](#)
- [Hellenic Bank](#)
- [Bank of Cyprus](#)
- [Astro Bank](#)
- [Eurobank](#)
- [Athlos Capital Investment Services Ltd](#)

The Company will not unfairly discriminate between execution venues but will make a decision on an execution venue based on a consideration of the execution factors..

In respect of Financial Instruments that can be traded on a regulated market, an MTF or on an OTF, you should note that, subject to your prior express consent, in order to obtain best execution for you we may be required to execute orders on your behalf outside of a regulated market, an MTF or an OTF. As part of our client on-boarding, we require that you provide this consent as, without it, we will be restricted to executing your orders solely on regulated markets, MTFs or OTFs and will therefore be unable to access diverse sources of liquidity. This may have a potentially detrimental effect on the quality of the execution that we are able to provide to you.

9 FEES & CHARGES

For equities, fees and charges, and the methodology for calculating these, are agreed in advance and disclosed to a client. In addition, where foreign exchange is charged, the Company will charge a separate commission so that overall charges are transparent.

In quote driven markets such as Cash Bonds, the Company, in common with our competitors, does not charge an explicit commission but imposes a mark-up or spread between where it may buy a financial instrument and where it may sell the same instrument. The Company will ensure that mark-ups and spreads charged on transactions where best execution is owed are reasonable, not excessive and will be within a range that we consider reasonable for the product type, tenor, liquidity and size of the trade.

The Company will not structure or charge its commission in such a way as to discriminate unfairly between execution venues. Should there be any variance between commission rates for different exchanges, this will reflect the actual difference in the cost to the Company of executing on those venues in accordance with this policy. The Company does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue.

10 MONITORING & REVIEW

The Company has implemented a governance framework and control process through which it systematically monitors the effectiveness of our order execution arrangements (including this Order Execution Policy), to identify and, where appropriate, correct any deficiencies. This includes the Company conducting best execution monitoring for relevant trades on a post trade basis. Through this governance framework and controls process the Company will assess whether the execution venues included in this Policy provide the best possible result for you or whether we need to make any changes to ensure the quality and appropriateness of our execution arrangements.

We will review our order execution arrangements and Order Execution Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of your orders on a consistent basis using the venues included in the Appendix. As part of this review, we will consider whether could consistently achieve better execution results if the Company were to include additional or different execution venues or entities, assign a different relative importance to the best

execution factors or modify any other aspect of the Order Execution Policy and/or arrangements. The review will encompass all aspects of the Company's best execution governance framework. Any material changes to this Order Execution Policy will be notified to you via publication on our website.

Monitoring, review and verification of best execution arrangements and this Order Execution Policy will take account of publicly available information and data on best execution, including by venue and asset class published by trading venues and other firms, in order to assess whether the Company is meeting its objective of obtaining the best possible execution for clients.

The Company is required to be able to demonstrate to clients or applicable regulators that we have executed their orders in accordance with this Order Execution Policy. All such requests should be directed to argus@argus.com.cy.

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