

SHEER MARKETS (CYPRUS) LTD

BEST INTEREST AND ORDER EXECUTION POLICY

V 1.0

September 2020

Contents

1. INTRODUCTION	3
2. LEGAL AND REGULATORY REQUIREMENTS	3
3. GENERAL	3
4. INTERPRETATION OF TERMS	4
5. TYPES OF FINANCIAL INSTRUMENTS	4
6. TYPES OF EXECUTION ORDERS	4
7. EXECUTION VENUE	5
8. EXECUTION OF ORDERS	6
9. BEST EXECUTION CRITERIA	6
9.1 BEST EXECUTION FACTORS:	6
9.2 OTHER FACTORS AFFECTING THE EXECUTION OF YOUR ORDER	7
10. REVIEW, ONGOING MONITORING & RECORD-KEEPING	8
11. AMENDMENT/REVIEW	8
12. RECORD KEEPING	8
13. CLIENT CONSENT	8

1. INTRODUCTION

SHEER MARKETS (CYPRUS) LTD (hereinafter “the Company”) is incorporated in Cyprus under registration number HE 404686 through the Department of Registrar of Companies and Official Receiver).

The Company is authorized and regulated by the Cyprus Securities and Exchange Commission to act as a Cyprus Investment Firm (CIF) with CIF License No. 395/20

2. LEGAL AND REGULATORY REQUIREMENTS

The Company operates under the provision of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (the “Markets in Financial Instruments Directive (2014/65/EU”) or “MiFID II”) which was transposed into Cypriot Law, the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)2017).

Under the above legislation, the Company is required to take all sufficient steps to obtain the best possible result when executing your orders, taking into account a range of factors. This is referred to as providing you with “best execution”.

Following the implementation of the MiFID II and accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87 (I)2017), the Company shall provide its clients and potential clients with a summary of its Best Interest & Order Execution Policy (hereinafter the “Policy”. This Policy sets out our approach for carrying out Orders from origination to execution, the venues we use and an explanation of how the different factors influence our execution approach, so that we can obtain the best possible result when executing your Orders.

3. GENERAL

The Company is required to take all sufficient steps to act in the best interest of its Clients when receiving and transmitting orders for execution and to provide its such Clients and/or potential Clients with this Order Execution Policy (hereinafter, the “Policy”).

The Policy sets out the procedures and methods used by the Company to ensure the fair, prompt and expeditious execution with the best possible trade execution condition for its Clients.

This Policy forms part of the Terms and Conditions of Business with the Company, thus the Client is also bound by the terms of this Policy and this Policy should be read in conjunction with the Terms & Conditions of the Company.

All Clients are required to familiarize themselves with this Policy and to make sure that the principles specified herein are acceptable by them, while the Company shall, to the extent possible, adhere to this Policy when receiving and transmitting Clients' orders.

4. INTERPRETATION OF TERMS

Pending Order: shall mean either a buy stop, or sell stop, or buy limit, or sell limit order. An order to be executed at a later time and a price that the Client shall specify.

Take Profit: shall mean an instruction that is attached to an open order if the type is a market order and an instruction that is attached to a price range or limit order before execution for securing profit. In the case of a market order negative or positive slippage might occur.

Over-the-Counter (OTC): shall mean trading of financial instruments directly between two parties, Outside of an exchange traded environment.

5. TYPES OF FINANCIAL INSTRUMENTS

This Policy applies when executing orders on your behalf on Financial Instruments offered by the Company, for all types of Contracts for Difference ("CFDs") offered by the Company.

CFDs are leveraged products and as such carry a high degree of risk. They are not appropriate for anyone. You should not trade with us, unless you understand the nature of the transaction you are entering and the extend of your potential loss from a trade. You must satisfy yourself that 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.

6. TYPES OF EXECUTION ORDERS

The Client is given the option to place with the Company the following types of execution orders:

Market Order Versus Pending Order: Market Order: The Client places a "Market Order" which is an order instantly executed against a price specified by the Client. The Company reaches the price specified by the Client, and the order will be executed at that price.

Pending Order: This is an order to buy or sell a CFD in the future at the best available price which is pre-defined.

The following types of Pending Orders are available:

- **"Buy Limit"** which is the placing of an order to buy a Financial Instrument at or below a specific price

- **“Buy Stop”** which is the placing of an order to buy a Financial Instrument at a price above the one currently provided, and it is triggered when the market price touches or goes through the buy stop price
- **“Sell Limit”** which is the placing of an order to sell a Financial Instrument at a specifies price or better, and
- **“Sell Stop”** which is the placing of an order to sell a Financial Instrument when it reaches a certain price.

The Client may attach to a Pending Order a “Stop Loss” and/or a “Take Profit”. In case that the Client has no balance and no transactional activity (trading/withdrawals/deposits) in his trading account for thirty (30) consecutive days, any Pending Orders may be deleted.

Maximum number of open positions: Any client may, concurrently hold or place up to a total of 200 orders i.e. Market orders and Pending Orders.

Modification of an order: The Client may modify an order before it is being executed. The client cannot change or remove a “Stop Loss”, “Take Profit” and “Pending Orders” if the price has reached the level for order execution.

7. EXECUTION VENUE

Execution Venues are the entities with which the orders are placed and executed.

The Company maintains will collaborate with the below liquidity providers:

- CMC Markets Ltd
- CFH Clearing Limited

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

For the purposes of execution of Client Orders in Financial Instruments provided by the Company, the company is always the counterparty (or “principal”) to all your trades. Therefore, the Company is the sole Execution Venue for the execution of the Clients orders. Should the Client decide to open a position in a Financial Instrument with the Company then that open position may only be closed by the Company.

Operating hours: The Company’s operating hours are as follows

- Round – the – clock : From Sunday 00:00 until Friday 00:00
- Non Working hours: From Saturday 00:01 until Sunday 23:59

8.EXECUTION OF ORDERS

Subject to any specific instructions that may be given by you, when executing Orders on your behalf, the Company will take sufficient steps to obtain the best possible result for you taking into account the Execution Factors highlighted below. It is noted that any specific instructions from you may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions.

The Company will determine the relative importance of the Execution Factors by using its commercial judgment and experience in light of market information available and taking into account the execution criteria described below.

You acknowledge that our price may differ from any price which is or might have been available elsewhere and that in such a case, the Company's final price will include the Company's mark-up/commissions that will be clearly specified at the Company's main website.

The Company shall satisfy the following conditions when carrying out Client Orders:

- a) Ensures that orders executed on behalf of Clients are promptly and accurately recorded and allocated;
- b) Carries out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable;
- c) Informs a retail Client about any material difficulty relevant to the proper carrying out
- d) of orders promptly upon becoming aware of the difficulty.

9.BEST EXECUTION CRITERIA

9.1 BEST EXECUTION FACTORS:

It is our regulatory obligation to take all sufficient steps to obtain when executing orders, the best possible result for our clients considering price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the Order. The company determines the relative importance of the above factors by using its commercial judgment and experience in the light of the information available on the market and considering the following criteria:

- a) The characteristics of the client, including the categorization of the client as retail or professional
- b) The characteristics of the client order
- c) The characteristics of Financial Instruments that are the subject of that order,
- d) The characteristics of the Execution Venues to which that order can be directed, and
- e) The market impact at the time of the Execution

For retail clients, the best possible result (or "Best Execution") 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.

(a) Price: For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's prices. The difference between the lower and the higher price of a given CFD is the spread.

(b) Costs: For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website.

(c) Speed of Execution: The Company places a significant importance when executing Client Orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his Orders at a delay and hence the Orders to be executed at better or worst prevailing price offered by the Company.

d) Likelihood of Execution: The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred. In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed.

9.2 OTHER FACTORS AFFECTING THE EXECUTION OF YOUR ORDER

9.2.1 The Company reserves the right to modify its spread under certain market conditions, including but not limited to fundamental market announcements, where there is fast moving market or low liquidity.

9.2.2 The majority of the trades should be automatically priced and executed over our Platform. However, in certain circumstances, such as for example, unusual market conditions or the size and nature of your order of a Financial Instrument may be wholly or partly manually executed. During times of high demand, manual pricing and/ or execution may cause delays in processing your order which in turn can have an impact on the price at which your order is executed. The Company has invested substantially in its technology to minimize the risk of such delays.

9.2.3 If the Client undertakes transactions on an electronic system, he/she will be exposed to risks associated with the system including the failure of hardware and software (Internet / Servers). The result of any system failure may be that your order is either not executed according to your instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure. The use of wireless connection or dial-up connection or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Client and Company's when using the Company's Electronic Trading Platform. This delay may result in sending to the Company out of date "market orders". In this case the Company will update the price and execute the order at the market price available.

10. REVIEW, ONGOING MONITORING & RECORD-KEEPING

The Company shall review this Policy and its Order Execution Arrangements on annual basis and whenever there is a material change that could impact any parameters of best execution. During the review of this Policy and our Order Execution Arrangements, we endeavor to ensure its effectiveness to ensure that we constitute to comply with our regulatory obligation and that intended best execution outcomes can be successfully achieved on an ongoing basis. If at any time we identify any deficiencies, we shall take appropriate remedial action and where necessary, we shall amend this Policy to give effective immediately.

11. AMENDMENT/REVIEW

The Company will review and monitor the effectiveness of the Policy and arrangements and, where appropriate, correct and deficiencies. The Company will assess from time to time, whether any execution venues enable the Company to provide the best possible result for the Client's order and whether amendments to its execution arrangements are required.

A review will also be carried out whenever a material change occurs that affects the ability of the Company to continue to obtain the best possible result for the execution of its Clients orders on a consistent basis using the venues included in the Policy.

The Company will not be obliged to notify its Clients individually of changes, other than substantial material changes to the Policy. Thus, the Clients should refer to the Company's website for the latest and most up to date version of the Policy, which will be applicable from the date of publication on the Company's website www.sheermarkets.com Legal Documents area.

12. RECORD KEEPING

The records kept in accordance with this Policy shall be provided to the client involved upon request and shall be kept for a period of five years and, where requested by the competent authority, for a period of up to seven years.

13. CLIENT CONSENT

By entering into the Client Agreement with the Company for the provision of investment services, the Client is consenting to the application of this Policy on him. When establishing a business relation with the Client, the Company is required to obtain the Client's prior consent to this Policy. The Company is also required to obtain the Client's prior express consent before it transmits its order for execution outside a Regulated Market. The Company obtains the above through this Policy.

Should you have any questions about our Policy, kindly e-mail your request to our Support team to the support@sheermarkets.com