

ARGON FINANCIAL LIMITED (trading as ProSpreads)

Order Execution Policy

Under the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II") and The Financial Services (Markets in Financial Instruments) Act 2018 ("the Act") ProSpreads is required to put in place an Order Execution Policy. The aim of this policy is to set out in sufficient details and in an easy to understand way how ProSpreads will handle the execution of orders on behalf of its clients'. This policy should be read in conjunction with our Terms & Conditions, Conflicts of Interest Policy and Risk Warning Notice, which are all available on our website (www.prospreads.com) or on request from our Compliance Department by email (compliance@prospreads.com).

Introduction

The content of this document, is prepared in accordance with Article 27 of MiFID II reflecting our everyday practice when dealing with ProSpreads clients and the steps ProSpreads will take in order to obtain the best possible result when executing orders.

It is ProSpreads' intention to exercise consistent standards and operate appropriate processes across all markets in which we operate, it is ProSpreads' policy to;

- Establish and maintain its Order Execution Policy;
- Provide ProSpreads' Order Execution Policy to its clients;
- Monitor the effectiveness of ProSpreads' Order Execution Policy;
- Review the Order Execution Policy at least annually; and
- Demonstrate that ProSpreads' execute orders in accordance with its Best Execution Policy

Scope

The Order Execution Policy applies to all client orders executed by ProSpreads acting on your behalf relating to financial spread betting transactions. The term 'client' should be interpreted with reference to Retail Clients and Professional Clients in the context of this Policy.

In all circumstances, ProSpreads will be acting as principal and as such; ProSpreads is your order execution venue. All spread bets are executed on an 'OTC' basis rather than through a regulated market or multilateral trading facility (MTF).

Should you execute your order through one of ProSpreads' online trading platforms, (a "Direct Instruction") ProSpreads shall assume that you have provided ProSpreads with direct instructions. In such circumstances ProSpreads will have complied with its obligation to take all sufficient steps to obtain the best possible result when executing an order on your behalf.

Should you execute your order through the ProSpreads trading desk and provide a specific instruction, (a "Specific Instruction") ProSpreads is not obliged to follow the Best Execution Procedure which may result in best execution not being achievable.

Should you execute your order through ProSpreads' trading desk and in the absence of a specific instruction, ProSpreads will seek to follow our Best Execution Procedure for those relevant parts of the order not covered by your instruction. ProSpreads' Best Execution Procedure has been determined taking into consideration various execution factors and criteria relevant to your order with the intention of obtaining the best possible result on a consistent basis.

Best Execution Procedure

Execution factors and criteria

With the implementation of MiFID II, the responsibilities for Investment firms, such as ProSpreads, in respect of executing orders on behalf of clients have been significantly extended. The factors and criteria have been widened to ensure that the best possible result has been achieved for the client, that execution of orders has been fair and ensuring that clients remain sufficiently protected. Best execution obligations do not apply to Eligible Counterparties however a duty to identify and manage any conflicts of interest remain.

ProSpreads' fundamental principles under its Best Execution Procedure is to ensure that ProSpreads, when executing orders takes **all sufficient steps** to obtain the best possible result for our clients considering;

Price and cost

The spread bet price is determined by the price ProSpreads is able to obtain for the underlying instrument and the 'Spread Charge', which is defined as the spread which is added to the underlying market price, resulting in the spread bet price. ProSpreads ensures complete transparency by providing you with access to both the spread bet price and the price of the underlying when executing your orders. The spread charge that is applied to the underlying price can be viewed on the spread card under the "Products" tab on the home page of the ProSpreads website.

Size of the order and likelihood of execution

When ProSpreads accept an instruction from you regarding a spread bet, ProSpreads may only accept the spread bet on the basis that ProSpreads would be able to fill at least the equivalent hedge as a proprietary trade in the underlying market.

Circumstances may arise in which ProSpreads may only be able to 'partially fill' your order due to the liquidity of the marketplace.

Speed of execution

In most circumstances, spread bets requested by you will be processed immediately. However, occasionally situations may occur that prevent instant execution. For example, there may be a delay in execution should lack of liquidity in the underlying market prevent execution of our hedge, against your spread bet.

ProSpreads will endeavour to fulfil your instructions within a timely manner, given prevailing market conditions.

Nature of the Order and any other factors

Your spread bet becomes effective as soon as you receive confirmation from ProSpreads that your spread bet has been 'filled' or 'part filled'. It is important to note that ProSpreads cannot guarantee the execution price of orders. ProSpreads makes every effort to execute orders at or very close

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to the specified order. However, due to price movements in the underlying, it is possible that our price may move quickly or erratically causing market slippage when ProSpreads execute your orders on your behalf.

With ProSpreads' discretion, it is possible to execute trades through the trading platform outside our trading hours but during the relevant exchange's opening period. Your orders will not be monitored outside our trading hours and consequently the maximum margin available during this period is equivalent to 100% of our margin requirement.

ProSpreads will also consider (i) commissions, (ii) fees, (iii) exchanges fees, and (iv) clearing and settlement costs when executing orders and choosing venues to evaluate the explicit external cost of a transaction.

ProSpreads is also required to consider additional execution factors, and their relative importance to our Best Execution Procedure, ranking them based on the following criteria;

- Client characteristics
- Characteristics and nature of the order
- Characteristics of the underlying financial instrument and the proposed spread bet
- Characteristics of the execution venue

Dealing with your orders

You may request for your position to be altered on certain triggers such as an adverse market move to prevent significant losses or if the ProSpreads offer price exceeds a specified order price to consolidate profits. In most cases when a 'stop order' is triggered, it will be executed at or very close to the specified price. However, this is not guaranteed. In extreme market conditions where our price may need to change quickly due to changes in the underlying investment, the 'stop order' would be filled as soon as possible but in these circumstances you would only be eligible for our price at the time the order was filled.

Execution factors and criteria

ProSpreads engages and accepts orders from clients in durable means, either electronically, by email or voice based, using our dedicated dealing telephone lines.

Compliance

ProSpreads Compliance Department will regularly assess orders received from clients against the Order Execution Policy to ensure the best possible outcome has been achieved for the client.

ProSpreads will make public annually our top 5 venues for each class of financial instruments in terms of;

- Trading volumes where we execute the equivalent hedge
- Information of the quality of execution obtained

Additionally, we will also disclose, for each of our venues;

- Venue name
- Class of underlying financial instrument
- Number and volume of orders per venue, measured against total executed orders
- Percentage of passive/aggressive orders

We will also summarise the analysis involved and conclusions we have come to having looked at the quality of execution obtained and provided.

Should ProSpreads decide to change this policy; we will provide you with sufficient notice.