

**MiFID II Information Document
on INVESTMENT and ANCILLARY SERVICES
in FINANCIAL INSTRUMENTS-
BEST EXECUTION POLICY**

**Mega Equity Securities & Financial Services
Public Ltd**

effective 3rd January 2018

1.1 BEST EXECUTION POLICY

1.1.1 Scope of Application

Only the Clients categorised as **Retail** or **Professional** fall within the scope of **Best Execution**. So, in case you have been categorised as a Retail Client or as a Professional Client, when we execute orders on your behalf, receive and transmit your orders for execution to third parties and/or place orders with other entities for execution that result from our decisions to deal in Financial Instruments on your behalf we will follow our **Order Execution Policy**.

MegaEquity will always apply the principles of Best Execution where required under applicable law, unless specific instructions received from a Client restrict MegaEquity's ability to apply the principles fully. Where there are specific instructions from the Client, MegaEquity will execute the order following the specific instructions.

In case you have been categorised as an Eligible Counterparty, although the Order Execution Policy does not apply to you, in our relationship with you, we will act honestly, fairly and professionally and communicate in a way which is fair, clear and not misleading, taking into account the nature of you as a client and of our business.

The following cases are exempted from the obligation of MegaEquity to execute orders on terms most favourable to its Clients:

- a) The client has been categorised as an Eligible Counterparty.
- b) MegaEquity executes a Client order or a specific part of that order following specific instructions of the Client which relate to that order or part thereof.
- c) The Client posts an order via a Direct Electronic Access (DEA) system.

1.1.2 Transactions where Best Execution has Limited Scope

(i) Single venue transactions

The nature of a transaction may result in there being only one venue of execution and therefore the only pricing consideration is time of execution. It therefore precludes the use of comparable prices and the delivery of Best Execution.

(ii) Online trading system

Where the Client requests and get access to prices displayed on the Online Trading System and the Client decides to deal at the prices displayed, the Client is responsible for achieving his own Best Execution.

(iii) Client Specific Instructions

Any specific instruction of the Client may prevent MegaEquity from taking the steps that it has designed and implemented in its Order Execution Policy to obtain the best possible result for the execution of those orders. When the Client's instructions relate to a part of the order, MegaEquity applies its Order Execution Policy in respect of the elements that are not covered by such instructions.

If the Client does not provide any instructions, MegaEquity will exercise its own discretion regarding the order in accordance with this Policy. The receipt of specific instruction may affect the relative importance assigned to the various execution factors and prevent MegaEquity from taking the steps it has designed and implemented to obtain best execution in respect of the elements covered by such instructions.

1.1.3 Execution Factors and Criteria

MegaEquity, in order to achieve the best possible result for the Client when executing orders is taking into account the following Execution Factors by reference to the Execution Criteria set out further below.

(a) Execution Factors

At least the following factors are considered when executing or transmitting orders:

- (i) Price : of the Financial Instrument;
- (ii) Costs: the costs related to the execution (i.e. execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order);
- (iii) Speed: the speed of execution
- (iv) Likelihood of execution and its settlement;
- (v) Size of the order;
- (vi) Type of the Financial Instrument including whether it is executed on a Regulated Market, Multilateral Trading Facility (MTF), or over the counter (OTC);
- (vii) Client's instructions for the execution of the order;
- (viii) Any other consideration relevant to the execution of the order at MegaEquity's discretion, e.g. prevailing market conditions, the availability of price improvement (the opportunity of an order to be executed at a better price than that which is currently quoted publicly).

MegaEquity may take into account, at its discretion, additional other factors, such as market conditions, considered at the time relevant for the execution.

(b) Execution criteria

MegaEquity in order to determine the relative importance of each execution factor referred to above takes into account the following execution criteria:

- (i) The Client's categorisation;
- (ii) The Characteristics of the Client order;
- (iii) The type of the Financial Instrument being the subject of the order; and
- (iv) The characteristics of the execution venues to which the order can be directed.

1.1.4 Importance of Execution Factors in relation to Client Categorisation

Obtaining the best possible result requires prioritising different execution factors relevant to the specific order of the Client. Outcomes for Clients may vary depending on the prioritisation of execution factors in applying the primary principle.

(i) Retail Clients

When executing or transmitting on behalf of a Retail Client, the best possible result is determined in terms of:

- (i) the Total Consideration, which represents the Financial Instrument price and all costs related to the execution;
- (ii) the speed of the execution;
- (iii) the characteristics of the order and of the underlying Financial Instrument;
- (iv) the correctness of the execution.

(ii) Professional Clients

When providing Professional Clients with best execution MegaEquity is not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution. However MegaEquity considers

that the most important execution factor for its Professional Clients is also the **Total Consideration** (as defined above). However, there may be circumstances where the primary execution factors may vary and price is no longer the dominant execution factor; for example, for transactions in illiquid securities, likelihood of execution and market impact become more important. The importance of these factors and how they are treated may vary depending on the characteristics of the order, the type of the financial instrument which is the subject of the order and the characteristics of the execution venues to which the order can be directed.

MegaEquity cannot guarantee that it will be always possible to execute an order at the best price available due to market conditions and liquidity of the market, but MegaEquity will always strive to execute an order in accordance with this Policy.

1.1.5 Execution Venues

Appendix I shows a list of the Execution Venues on which MegaEquity considers it enables it to obtain on a consistent basis Best Execution.

In cases where more than one competing venues exist for the execution of an order, MegaEquity assesses and compares the results in each one of the execution venues in order to achieve the best possible result for the client. MegaEquity will select an execution venue based primarily on the availability of best pricing for the specific Financial Instrument and the amount of accessible liquidity offered by the execution venue.

In some circumstances, depending on the nature and features of the Financial instruments, there may be only one and/ or limited execution venues, and in executing a trade MegaEquity shall be deemed to have provided the best possible result in respect of these types of Financial Instruments. In other instances, the Client, may instruct MegaEquity to route his order to a particular venue or to use certain order types or access certain liquidity events (e.g. auction or listed bonds or derivatives). In such case MegaEquity will consider additional execution venue criteria, considering but not limited the overall technical and operational offering of an execution venue, connectivity, reliability and clearing requirements as well as the costs of accessing such execution venue.

MegaEquity may, subject to Client's express consent, execute orders in an execution venue that is not a Regulated Market or an MTF or OTF. There are consequences of executing transaction outside Regulated Market or an MTF or OTF, including counterparty risk.

MegaEquity may execute a Client's order either at an execution venue in which it is a member or, in case it is not, through another broker which is a member and has access to the specific execution venue. In such a case, the Company takes all reasonable measures to achieve the best possible result based on its order execution policy, ensuring that the other entity has those execution specifications that will allow MegaEquity discharge its obligations deriving from its order execution policy.

MegaEquity regularly assesses the Execution Venues available in respect of any Financial Instruments that it trades to identify those that will enable MegaEquity, on a consistent basis, to obtain the best possible result when executing Clients' orders taking into account execution factors and criteria. The list of Execution Venues may be updated, if considered necessary, following such assessment, and any changes or updates are posted either through durable medium or on MegaEquity's website.

1.1.6 Reception and Transmission of Orders to third parties

MegaEquity will generally place or transmit clients' orders via third-party Brokers and Counterparties/ Intermediaries for execution.

The choice of Brokers or Counterparties has a direct impact on price and cost of the execution, thus on Total Consideration. For the selection of brokers and counterparties, MegaEquity applies a due diligence procedure which considers a number of criteria including assessment of:

- (i) financial soundness of the broker and counterparty;
- (ii) access to execution venues or other brokers and counterparties;
- (iii) reliability of execution and settlement process.

MegaEquity ensures that the best execution policies and practices of its associates Brokers or Counterparties are compliant with the best execution requirements under MiFID II. In addition, MegaEquity regularly monitors and evaluates the quality of services provided by the third party associates during the term of their cooperation.

MegaEquity is considered to have taken all sufficient steps so as to obtain the best possible result for its Clients, to the extent that it follows specific instructions from its clients, when placing an order with, or transmitting an order to a third party for execution; in this case MegaEquity is not required to take any additional measures.

The list of MegaEquity' associates may be updated, if considered necessary, following such assessment, and any changes or updates are posted either through Durable Medium or on MegaEquity's website.

1.1.7 Execution of orders over-the-counter (OTC)

MegaEquity may execute or accept instructions to execute orders in financial instruments traded over-the-counter (OTC). A financial instrument or a transaction is an Over –the- Counter or OTC product or transaction when it is:

- (i) not admitted to trading, or
- (ii) not traded on a trading venue (i.e. a Regulated Market, an MTF or OTF), or
- (iii) trading on a trading venue but transacted on OTC.

When executing orders or taking the decision to deal in OTC products including bespoke products, MegaEquity checks the fairness of the price proposed to the Client when executing orders or taking decisions to deal in OTC products, by gathering market data used in the estimation of the price of such products and, where possible, by comparing with similar or comparable products.

While execution of order over-the-counter may provide an improved execution price and faster execution, the Client shall take into consideration of additional risks may be incurred including (but not limited to):

- (i) A settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of a Regulated Market or MTF or OTF and relevant central counterparty clearing house.
- (ii) Transactions are not be subject to the rules of Regulated Market or MTF or OTF, which are designed to provide for a fair and orderly treatment of orders.

Consent for OTC transactions

If the possibility for the execution of an order at over the counter exists, MegaEquity will notify the Client of

such possibility. However, before proceeding to execute any order for transactions outside a Regulated Market or MTF or OTF such as OTC, the **prior express client consent** should be received. This consent may be in the form of a general agreement or in respect of individual transactions.

The Client, upon signing the Investment Services Agreement for the provision of Services will be deemed to have expressly given his consent to MegaEquity for the execution of orders in Financial Instruments outside Regulated Market or MTF or OTF such as in OTC.

1.1.8 Exceptions /Limitations

Under certain circumstances MegaEquity may be unable to fulfil its Best Execution obligations in full. However, irrespective of these circumstances MegaEquity will make every effort to continue to act honestly, fairly, professionally and communicate in a way that is fair, clear and not misleading. Such circumstances, not exhaustively, are noted herein below.

(i) Extreme market conditions

During extremely volatile markets an order may be executed at a price substantially different from the quoted best bid or offer or an order may be executed only partially. In the case of a market disruption event, orders may be treated by the market as though MegaEquity is acting as an agent with discretion.

In extreme market situations trading system constraints may require automated trading systems to be suspended. Such events may lead to execution delays and increased price volatility. If MegaEquity is aware of such circumstances, it will notify its Clients prior to executing or transmitting their orders. Once the Client has agreed to proceed with its order, the most important execution factor becomes executing orders in time.

(ii) Illiquid markets

In case of less actively traded Financial Instruments, MegaEquity may not be able to execute orders with the best possible result. Such situations can occur, for example, under the following circumstances:

- (a) supply and/or demand is limited for a given Financial Instrument;
- (b) determination of price is not fully transparent;
- (c) abrupt changes in market prices.

In case of manual execution, MegaEquity should notify the Client of these special circumstances and has to receive an explicit instruction to proceed with the execution of the order.

(iii) Extraordinary, unforeseen circumstances

In case of extraordinary, unforeseen circumstances (such as computer system failure, system unavailability at a specific execution venue) which do not permit the Company to execute orders on terms most favourable to the client and in line with its Best Execution Policy, the Company will execute orders in the most reasonable manner taking into account those factors which render compliance with its policy impossible.