

ORDER EXECUTION POLICY & BEST PRACTICES FOR CLIENT

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1. INTRODUCTION

- 1.1 **Royal Financial Trading (CY) Limited**, hereinafter referred to as the “Company” or “Royal” is incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE349061. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (‘CySEC’), with license No. 312/16, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the “Law”). The Company’s head office is located at Franklin Roosevelt Avenue, Limassol, 3045, Cyprus.
- 1.2 Following the implementation of the Markets in Financial Instruments Directive (MiFID II) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (the “MiFIR”) in the European Union and its transposition in Cyprus with Law 87(I) of 2017, the Company is required to provide its Clients and potential Clients with its Order Execution Policy and Policy to act in the Best Interest of the Client (hereinafter the “Order Execution Policy and Policy to Act in the Best Interest of the Client”).
- 1.3 Under the above legislation, the Company is required to take all sufficient steps to act in the best interest of the Client when receiving and transmitting orders for execution and when providing the investment service of Portfolio Management, and to take all reasonable steps to obtain the best possible result (or “best execution”) for its Clients when executing client orders. In addition, these rules require Cyprus Investment Firms to put in place a relevant Policy and to provide appropriate information to their Clients on the Order Execution and Best Interest Policy.
- 1.4 The Terms and Conditions must be read carefully by all Clients and prospective Clients as they contain important information on Client requests and instructions, opening positions, closing positions, orders, Stop Outs etc.

2. DEFINITIONS

Agent - The Company transmits the Client’s orders to Liquidity Providers for further execution.

Buy Limit Order - An order to open a Long Position at a price lower than the current market price.

CFD - Contracts for Difference

Instant Execution - A method which executes the order, according to the Client’s specifications, at the best available price. If the requested price is not available, the current available price will be sent to the Client to confirm execution (requote).

Limit Order - An order to open a position at a specific price or a better one.

Market Execution - The order is executed depending on the depth of the market. Under Market Execution, there are no re quotes and the order is executed at the best available price in the market.

Market Order - An order for a trade to be executed at the current market price.

No-Dealing Desk Execution - Clients’ orders are sent directly to the interbank market, without a dealing desk involved in the transaction.

Pending Order - An instruction from the Client to the Company to open a position once the price has reached the level of the Order.

Price Gap on the Market Opening shall mean the following:

- a. The first Bid of the current trading session is higher than the last Ask of the previous session, or
- b. The first Ask of the current trading session is lower than the last Bid of the previous session.
- c. Abnormal Spread - during market opening/closing, the spread can be significantly increased during the first and last trading hour due to very thin liquidity.

Principal - The Company acts as the sole execution venue with respect to the execution of Client orders.

Requote - This occurs when the price requested by a Client is not available for execution of an order and the Company quotes the current available price to the Client for execution. The Client must explicitly agree to accept the requoted price, prior to execution. Requotes are the result of the Instant Execution method.

Riskless Principal - The Company receives a Client's order for execution and immediately executes an identical order in the market, while taking on the role of principal, in order to fill the Client's order.

Scalping - A trading strategy based on the notion that you buy then sell (or vice versa) a currency within a very short time frame.

Slippage - This is when an order is executed at a price which is different from the expected price. This usually happens during periods of high volatility. There are two kinds of slippage, positive and negative. Positive slippage occurs when the order is executed at a better price than the one requested; a negative slippage is the exact opposite. Slippage may occur in any combination of account types, order types, execution methods. Please be informed that in case a slippage is experienced in the market, the orders will be executed at the next available price in cases of market execution. Instant Execution requotes occur when entering or exiting the market.

Stop Order - A market order placed to close a previously-opened position at a certain price in order to limit potential losses.

Stop Out Order - An instruction to close the Client's open position without the consent of the Client or any prior notice, in case of insufficient funds required for maintaining open positions.

Take Profit Order - A market order placed to close a previously-opened position at a certain price in order to lock down on profits.

3. SCOPE OF THE POLICY

The Policy applies with respect to the Company's relationship with retail and professional Clients (excluding Clients classified as Eligible Counterparty).

The Policy applies to Retail Clients, Professional Clients as per their classification in Article 4 of MiFID II:

- 'client' means any natural or legal person to whom an investment firm provides investment or ancillary services;
- 'professional client' means a client meeting the criteria laid down in Annex II;
- 'retail client' means a client who is not a professional client;

4. INSTRUMENTS

The Company offers and executes a wide range of financial instruments in FX, Equities, Cryptocurrencies and Commodity CFDs including Energies and Metals. However, certain financial instruments may not be available to the client, depending on their country of residence.

ORDER TYPE DEFINITIONS

There are different types of orders as follows:

- a. **Buy Stop:** this is an order to buy at a specified price ('the stop price') that is higher than the current market price.
- b. **Sell Stop:** this is an order to sell at a specified price ('the stop price') that is lower than the current market price.
- c. **Buy Limit:** this is an order to buy at a specified price ('the limit price') that is lower than the current market price.
- d. **Sell Limit:** this is an order to sell at a specified price ('the limit price') that is higher than the current market price.
- e. **Stop Loss:** this is an order that is attached to an already-open position to close at a specified price ('the stop loss price'). A 'stop loss' is used to minimize losses.
- f. **Take Profit:** this is an order that is attached to an already-open position to close at a specified price ('the take profit price'). A 'take profit' is used to secure profits.

ORDER EXECUTION ELEMENTS

Prices: The Company generates its own tradable prices based on price feeds from some of the world's leading liquidity providers and independent price providers. The main way in which the Company will ensure that the Customer receives the best execution will be to ensure that the calculation of the 'bid' and 'ask' spread is made with reference to a range of underlying price providers and data sources. The Company reviews its independent price providers at least once a year to ensure that correct and competitive pricing is offered.

Slippage: at the time that an order is presented for execution, the specific price requested by the Customer may not be available; therefore, the order will be executed at the next best available price. If the execution price is better than the price requested by the Customer, that is referred to as a 'positive slippage'. In contrast, if the execution price is worse than the price requested by the Customer, this is referred to as a 'negative slippage'. Please be advised that 'slippage' is a normal market practice and a regular feature of the foreign exchange markets under conditions including, but not limited to, liquidity and volatility due to news announcements, economic events and market openings. The Company's automated execution software does not operate based on any individual parameters related to the execution of orders through any specific Customer accounts.

Partial Fills: this is the practice of executing an order in parts if there is not enough liquidity in the market to fill in the full order at a specific price. Partial fills may be executed at different prices.

Commission: the Client shall be charged commission when trading some types of financial instruments. Further information is available online at www.oneroyal.eu

5. BEST EXECUTION FACTORS

The Company acts either as principal, or riskless principal, and not as agent (as defined in Section 2 above) when executing Client orders.

5.1 The Company shall take all sufficient steps to obtain the best possible results for its Clients, taking into account the following factors when executing Clients orders:

- 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 they are referred to as the Company's price. The difference between the lower and the higher price of a given CFD is the spread. Order such as Buy Limit, Buy Stop, Stop Loss and Take Profit for opened short positions are executed at ASK price. Order such as Sell Limit, Sell Stop, Stop Loss and Take Profit for opened long positions are executed at BID price. The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's website. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company reviews its third party external reference sources at least once a day (constantly during trading sessions, more than once a day), to ensure that the data obtained remain competitive. The Company will not quote any price outside the Company's operations time (see execution venue below); therefore, no orders can be placed by the Client during that time. If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop; these orders will be closed. But, under certain trading conditions, it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the Client's declared price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session, to such an extent, that under the rules of the relevant exchange trading is suspended or restricted. This may also occur at the opening of a trading session.

The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under Contract Specifications on the main Website of the Company.

- 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 Website; commissions may be charged either in the form of a percentage of the overall value of the trade or as a fixed amount. The value of opened positions in some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time.

For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are, instead, charged explicitly to the Client account.

- c. **Speed of Execution:** The Company places a significant importance when executing a Client's orders and strives to offer high speed of execution, within the limitations of technology and communications links, at all times.

Speed of Execution can be affected by factors which may include poor internet connection, or any other link to the Company's servers and platforms which may affect execution of the Client's orders. For example, a Client's order might be delayed when received by the Company's platform; thus, affecting the price of execution.

- d. **Likelihood of Execution:** As it is explained in the Execution Venue section of this Policy, the Company acts as principal, whereby it will be the Execution Venue for the execution of the Client's orders for the financial instrument of CFDs. In addition, the Company reserves the right to decline an order of any type or to offer the Client a new price for an instant order. In this case, Client can either accept or refuse the new price.

The Client may give instructions by telephone to modify or close a position. The client is responsible for the security of his Access Data. If the Client undertakes transactions on an electronic system (Client Terminal), he will be exposed to risks associated with the system including failure of hardware and software (Internet / Servers). Any system failure may result in the failure of the order being executed according to his instructions or being executed at all. The Company does not accept any liability in the case of such a failure.

- e. **Likelihood of settlement:** The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Company strives to provide its Clients with the fastest execution at the best available prices. Nonetheless, the volatility in the market may

affect the price, speed and volume. Therefore, trading during volatile conditions when important news and data releases are occurring is incredibly risky and, therefore, the best execution criteria might not apply. Therefore, the execution pricing will always be provided at the first available price.

- f. **Size of Order:** The actual minimum size of an order is different for each type of account. A lot is a unit measuring the transaction amount and it is different for each type of CFD.

Please refer to the Company's website for the value of minimum size of an order and each lot for a given CFD type. It is noted that the Company may limit the maximum volume of the single transaction. The actual maximum volume of the single transaction is different for each type of account. In addition, the Company reserves the right to decline an order as explained in the agreement entered with the Client. Please refer to the Company's website for the value of the maximum volume of the single transaction.

- g. **Nature of Orders:** The particular category of an order can affect the execution of the Client's order. The following types of orders can be placed:

- Market Order: An order for a trade to be executed at the best available price.
- Instant Order: A method which executes the order at the most recently available price. In instant execution, if the requested price is not available, the current available price will be sent to the Client to confirm execution (requote).
- Limit Order: An order to open a position at a specific price or a better one.
- Stop Order: A market order placed to close a previously-opened position at a certain price in order to limit potential losses.

- h. **Market Impact:** Some factors may rapidly affect the price of the underlying instruments, from which the Company's quoted price is derived, and may also affect the rest of the factors herein. The Company will take all reasonable steps to obtain the best possible result for its Clients.

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Nevertheless, whenever there is a specific instruction from the Client, the Company shall make sure that the Client's order shall be executed following its specific instruction.

6. EXECUTION VENUES

- 6.1 Execution Venues are the entities with which the orders are placed. For the purposes of orders for the financial instrument of CFDs, the Company acts as principal (therefore, the Company is the sole Execution Venue for the execution of the Client's orders). Moreover, when the Company executes Clients' orders, it may, in turn, route its own orders to regulated EU and Non-EU third-party financial institutions. In that respect, the Company may route Client's orders for execution to an affiliated entity, which is regulated in a third country, when the Company is acting as Riskless Principal.

- 6.2 The Client acknowledges that the transactions entered in CFDs with the Company are not undertaken on a recognized exchange, rather they are undertaken over-the-counter (OTC). As such, they may expose the Client to greater risks than regulated exchange transactions. Therefore, the Company may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the client terminal or quote feeds.
- 6.3 The Company takes into consideration multiple factors when selecting liquidity providers such as the likelihood of execution, operations quality, market position, costs to the Company, swap costs, authorization/regulation and pricing. Regarding its price feeders, these are reputable providers.
- 6.4 We pass all client trades to our Australian-based related company Royal Financial Trading PTY LTD. The data feed provided by Royal Australia consists of 3+ other main Liquidity providers, hence providing backups in case of any issue which makes our data feed and pricing consistent.

We generally review these venues on an annual basis, taking into account the factors set out in section 6.3, to ensure they provide best execution. In situations where it appears that better execution is available from a broker that we don't ordinarily use, we may use that other broker on a case-by case basis.

7. BEST EXECUTION CRITERIA

The Company will determine the relative importance of the above Best Execution Factors (see point 5) by using its commercial judgment and experience, in the light of the information available, in the market, while taking into account:

- a. The characteristics of the Client order.
- b. The characteristics of financial instruments that are the subject of that order.
- c. The characteristics of the execution venue to which that order is directed.
- d. The characteristics of the Client, including his categorization as retail or professional. In view of the above, the Company assigns the following importance levels for the above Best Execution Factors:

FACTOR	IMPORTANCE LEVEL	REMARKS
Price	High	We place strong emphasis on the quality and level of the price data that we receive from external sources in order to provide our Clients with competitive price quotes. However, we do not guarantee that our quoted prices will be at a price which is as good or better than the ones that might have been available elsewhere. We take all reasonable steps to keep the costs of your transactions low and competitive, to a possible extent. Additional costs might be charged by the Company's Liquidity Providers.
Costs	High	We take all reasonable steps to keep the costs of your transactions low and competitive, to a possible extent. Additional costs might be charged by the Company's Liquidity Providers.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every Client and we repeatedly monitor these factors to ensure we maintain our high-execution standards.
Likelihood of Execution	High	Even though we reserve the right to decline a Client order, we aim to execute all Clients' orders, to a possible extent possible.
Likelihood of Settlement	Medium	See relevant description in Best Execution Factors (point 5, above).
Size of order	Medium	See relevant description in Best Execution Factors (point 5, above).
Nature of orders	Medium	See relevant description in Best Execution Factors (point 5, above).
Market Impact	Medium	See relevant description in Best Execution Factors (point 5, above).

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.

Warning: Please note that when you provide specific instructions on executing an order, this may prevent the firm from taking the steps that are designed and implemented, according to this policy, to obtain the best possible result for the execution of these orders in respect of the elements covered by those instructions.

8. EXECUTION OF CLIENT ORDERS

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 it impracticable, or the interests of the Client require otherwise;
- c. informs a retail Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

9. LEVERAGE

The company takes into consideration the Policy statement that was issued by CYSEC on the 27th of September 2019, the Cyprus National Product Intervention measures ("CyNPIMs"), which restricted the marketing, distribution and sale of contract for difference ("CFDs") as mentioned below,

- a. Leverage limits are restricted from 30:1 to 2:1 on the opening of a new position by a retail client;
- b. Leverage for Retail clients is restricted as listed below depending on the type and volatility of the underlying asset:
 - 30:1 for major currency pairs;
 - 20:1 for non-major currency pairs, gold and major indices;
 - 10:1 for commodities other than gold and non-major equity indices;
 - 5:1 for individual equities and other reference values;
 - 2:1 for cryptocurrencies.

10. NEGATIVE BALANCE PROTECTION

The Company offers negative balance protection for retail clients; this means that client's losses cannot exceed the client's amount invested.

11. RECORD KEEPING

The Company keeps records of all steps followed to achieve compliance with the above-mentioned obligations in order to evidence the continuous monitoring of best execution and demonstrate compliance with the relevant obligations to any Competent Authority.

12. DEMONSTRATION

The Company should be able to demonstrate to clients, upon request, that their orders have been executed in accordance with this Policy.

MONITORING

The Company assesses, on a regular basis, particular transactions in order to determine whether it has complied with its execution policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client. The Policy should be reviewed by the relevant departments at least on an annual basis and whenever a "material change" occurs.

Monitoring may include comparing similar transactions:

- i. on the same execution venue or with the same entity, in order to test whether a firm's Judgment about how orders are executed is correct, or
- ii. on different execution venues or entities chosen from among those in the firm's (execution) policy, in order to test whether the 'best' execution venue or entity is being chosen for a given type of transaction.

Where monitoring reveals that a firm has fallen short of obtaining the best possible result, the firm should consider whether this is because the firm has failed to follow its (execution) policy and/or arrangements or because of a deficiency in such policy and/or arrangements, and make appropriate amendments.

14. AMENDMENT OF THE POLICY AND ADDITIONAL INFORMATION

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate and/or at least annually. The Company shall inform its Clients as regards the amended version of its policy through an email.

Should you require any further information and/or have any questions about this policy please direct your request and/or questions to support@oneroyal.eu

15. CLIENT CONSENT

The Company is required, when establishing a business relationship with the Customer, to obtain his/her prior consent to this Policy.

By entering into the 'Customer Agreement', the Customer provides the consent where the Customer is informed that any orders placed with the Company for the Financial Instruments offered by the Company, the Company acts as the principal and the Company is the sole Execution Venue, which is a non-regulated market.

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on himself.