



SUMMARY OF BEST EXECUTION POLICY

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SUMMARY OF BEST EXECUTION POLICY

Pursuant to the European Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments (“MiFID”) which has been implemented by Cyprus legislation on Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) O.C.M ONLINE CAPITAL MARKETS (“the Company”) is required to take all reasonable steps to obtain the best possible result when executing clients’ orders or when receiving or transmitting orders for execution.

For the purpose of fulfilling its obligations as mentioned above the Company has set up and adopted a Best Execution Policy which in effect is an overview of how trades and orders are executed and in effect, how the Company will obtain best execution for its clients. The Company is further required to provide appropriate information to its clients and/or prospective clients with regards such framework and it is for this purpose that this Summary has been produced.

This policy is not intended to create third party rights or duties that would not already exist if the Policy had not been made available and it does not form part of any contract between the Company or any of its affiliates and any client/user or prospective client/user.

By entering into the User Agreement means you agree with the present execution policy.

PURPOSE OF POLICY

This policy applies **only** to retail and professional clients where the Company executes transactions with such clients for the financial instruments of Contracts for Differences (for the definition please refer to the Terms and Conditions agreement). This policy describes the criteria and factors taken into consideration to obtain the best possible result.

TYPES OF ORDERS

There are different types of Orders that the client is possible to give to the Company. Given the market volatility when trading the client may wish to limit his/her risk and better manage investment strategies simply by choosing different types of orders.

- a. **Instant Order:** When a client gives a Market Order it means that the client instructs the Company to execute it as promptly as possible at the prevailing market price. The Company will execute the order without considering to price changes. This means in effect, that if the prices change significantly by the time the client fills in his order, the order will most likely be exposed to risks, including execution at a prices that is substantially different from the prices when the order was entered. The client may further attach to the order a Stop Loss and/or Take Profit

- b. **Pending Order:** There are several kinds of limit orders, including a Buy Limit and Sell Limit. When a client gives a limit order it means that the Company will execute it at a later time at the price that the client specified in his/her order. Therefore, the Company will continuously monitor this order and when the price specified by the order is reached, the Company will then execute it, or under certain market conditions, the order might not be executed at the declared price but at the next best price. The client may further attach to a pending order a Stop Loss and/or Take Profit order.
- c. **Stop Loss Order:** This order allows you to limit the amount that you are willing to risk by establishing a bottom level on the losses. When the stop order is reached, the Company will automatically liquidate your trade.
- d. **Take Profit Order:** This order allows you to limit the amount that you want to profit by establishing a top level on the earnings. When the take profit order is reached, the Company will automatically liquidate your trade. It is noted that any given order may be modified should the client wishes to do so but any amendment can only be done before the execution of the order. Moreover, in case of Stop Loss, Take Profit and limit Orders, the client cannot alter or remove such orders where the price has reached the level of the order execution.

APPROACH TO BEST EXECUTION

In order for the Company to obtain the most reasonable execution for the order of its clients, The Company relies on three basic components:

- (a) state-of-the-art technology for routing, monitoring and executing orders;
- (b) careful consideration of the elements of order execution and;
- (c) regular and careful examination of the overall execution policy

When executing an Order O.C.M ONLINE CAPITAL MARKETS shall consider:

- (i) the classification of the client as retail or professional;
- (ii) the nature of the client's order
- (iii) the characteristics of the financial instruments subject to that order
- (iv) the characteristics of the execution venues to which that order can be directed

A. Technology

The Company uses automated systems to route and execute client orders, the substantial investment in cutting edge technological tools guarantees the best execution possible. The technology consists in a fast, secure, Forex trading system. The trading platform is able to process variety of orders relying on solid resources and sustainable IT infrastructure. The system was built and is maintained by expert professionals from both the financial and the software sectors, in a manner that enable O.C.M Online Capital Markets to use this advanced technology as a competitive advantage.

B. Elements of Our Best Execution

As mentioned above, the Company shall take all reasonable steps to ensure that the client receives the best possible result. In such attempt the Company will take into account the following elements when executing

Clients' orders:

(1) **Prices:** During the time of operations the Company shall quote two prices; the ASK price (Buy) and the

BID price (Sell). The ASK price is a higher price at which the client can purchase that Financial Instruments and BID price is a lower price at which the client can sell it. Therefore, limit orders to buy, Stop Loss and Take Profit for opened short position orders, are executed at ASK price. Other orders such as limit orders to sell, Stop

Loss and Take Profit for long position are executed in BID price.

The company's price for a given Financial Instruments is calculated by reference to the price of the relevant underlying financial instrument, which the Company obtains from third party external reference sources (Data feeds).

The company's prices are constructed with reference to the given Financial Instruments Contract Specification, which can be found in the Company's website. The Company updates its prices as frequently as the limitations of technology and communications links allow. The company reviews its used third party external reference sources at least once a year, to ensure that the data obtained continue to be competitive. The Company will not quote any price outside Company's operations time (see operation time below) therefore no orders can be placed by the Client during that time.

(2) **Costs:** the Company may charge commissions and/or swaps when opening a position, which are not incorporated into the Company quoted price but are explicitly stated into the Client's account. Commissions may be charged either in the form of percentage or as a fixed amount. Swaps vary from time to time as they are based on prevailing market interest rates.

Details on the amounts and/or rates on commissions and financing fees are available on the commissions and charges list in the Company website.

- (3) **Speed and Likelihood of the Execution:** Due to the unprecedented levels of volatility affecting both price and volume the Company seeks to provide client order with the fastest execution reasonably possible.

Additionally, the Company reserves the right to decline to execute any type of order or to offer the Client a new price for the order.

- (4) **Speed and Likelihood of Settlement:** The Company shall proceed to a settlement of all transaction upon execution of such transactions.

- (5) **Size of the Order:** The minimum size of an order is 0.05 lots (one twentieth of a lot). A lot is a unit measuring the transaction amount and it is different for each type of Financial Instruments. Please refer to the Charges and Commission list in the Company's website for the value of each lot for a given Financial Instrument type. Although there is no maximum size of an order where the Client can place with the Company, the Company reserves the right to decline an order as explained in the agreement entered with the Client

- (6) **Market Impact and Overall Execution Quality:** As any of the above as well as the price of the financial instruments traded may be affected by many factors, the Company shall focus on prompt, sequential and reliable execution. The Company requests from the clients to bear in mind that its obligation to best execution does not solely depend on the above list which is not to be considered as exhaustive. Neither the clients should consider the order of the above list to be presented in priority. Even if a trade appears not to have been executed at the best possible price, it does not necessarily constitute a violation of this policy.

C. Regular Review of Execution Quality and of Execution Venues

The Company will regularly monitor the overall quality of its order executions and the effectiveness of this Policy. The Company, if considers, appropriate has the right to amend this Policy.

D. List of Execution Venues

The venues to which clients place their orders or to where the Company transmits orders for execution are known as the Execution Venues. The Company is the sole Execution Venue when it comes to executing orders as it acts as principal and not as agent on clients' behalf.

The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on are cognized exchange, rather they are undertaken through the Company's Trading Platform and, accordingly, 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 trading platform or quote feeds.

OPERATIONS TIMES

The Company operation hours for placing orders and/or for trading CFDs is round the clock, 22:00:01p.m. GMT Sunday through 22:00:00 p.m. GMT Friday. For other CFDs Please refer to our website for additional information. The Company reserves the right to suspend or modify its trading hours at any time and on such event will inform Customers in advance on a best efforts basis of any changes in its trading hours.

CLIENT CONSENT

This is to be read in conjunction with the User Agreement and should the client agree to the User Agreement it means that the client also agrees with the terms of this Policy.