



stonefort
Best Execution
Policy

Best Execution Policy

Stonefort Securities Limited (referred to interchangeably in this best execution policy (the “**Policy**”), wherever the context requires, as the “**Company**”, “**Stonefort**”, “**our**”, “**Our**”, “**we**” “**We**”, “**us**”, “**Us**”, or, “**SFS**”), is incorporated in Mauritius and holds a full-service dealer (excluding underwriting) license (license No. GB 24202921), issued by the Mauritius Financial Services Commission under section 29 of the Mauritius Securities Act 2005, as amended (the “**Law**”).

The Policy sets out how Stonefort is handling its clients (referred to interchangeably in the Policy, wherever the context requires, as “**You**”, “**you**”, “**Your**”, “**your**”, or, “**Client**”) orders in order to meet its best execution obligations pursuant to the Law.

1. Scope and purpose

1.1. The Policy lays down our approach to handling the placement of your trading orders to consistently obtain the best possible results for you, when executing or transmitting your orders to liquidity providers (the “**LPs**”) for execution (as applicable). The Policy applies in addition to our ‘Client Agreement’ (as amended from time to time), which can be found on our [website](#) (the “**Client Agreement**”).

1.2. The Policy is applicable to Retail Clients and Professional Clients. The Policy shall not apply to you, if you are categorized as an Alternate Counterparty, unless we inform you otherwise in writing.

2. Best execution

2.1. Execution of Orders

If we accept your order, we may either execute it ourselves on our own account (acting as principal) or transmit it to an LP for execution (acting as agent). In all cases, we ensure that your orders are promptly and fairly executed or transmitted for execution.

2.2. Best Efforts and Limitations

While we take reasonable steps to achieve the best possible result for you in accordance to the factors outlined herein, neither we nor our LPs can guarantee that the best possible result will be achieved on every single order and in respect of each Client. Market conditions, including the entry of new orders or the availability of better pricing with other investment firms, may affect the execution of your order.

3. Execution factors

When we execute or transmit your trading orders, we take, and we reasonably ensure that our LP takes, as applicable, the following factors into account:

3.1. Price

For each contract for difference (“**CFD**”), the Company quotes two prices: a higher price (the ‘**Ask**’), at which a Client may buy the relevant CFD, and a lower price (the ‘**Bid**’), at which a Client may sell that CFD (together, the “**Company Prices**”). The difference between the Bid and the Ask for a given CFD constitutes the spread.

Buy-side orders, including 'Buy Limit' and 'Buy Stop' orders, as well as 'Stop Loss' and 'Take Profit' instructions relating to open short positions, are executed at the 'Ask' price. Sell-side orders, including 'Sell Limit' and 'Sell Stop' orders, as well as 'Stop Loss' and 'Take Profit' instructions relating to open long positions, are executed at the 'Bid' price.

The Company's prices for a CFD are derived by reference to the price of the relevant underlying asset, as obtained from third-party external reference sources. Such prices are made available via the Company's trading platforms and are updated as frequently as permitted by technological and communication constraints. The Company reviews its external reference sources at least on a daily basis to ensure that the prices remain competitive. No prices are quoted outside the Company's operational trading hours.

When the market price reaches the level of an order such as a 'Stop Loss', 'Take Profit', 'Buy Limit', 'Buy Stop', 'Sell Limit', or 'Sell Stop', the order is generally executed immediately. However, under certain market conditions, it may not be possible to execute such orders at the price specified by the Client. In such circumstances, the Company reserves the right to execute the order at the first available market price.

This situation may arise, for example, during periods of rapid price movements where prices rise or fall sharply within a short period, including where trading is suspended or restricted in accordance with the rules of the relevant exchange. It may also occur at the opening of trading sessions or in other circumstances where market liquidity is limited.

3.2.Costs

In order to open a position in certain types of CFDs, the Customer may be required to pay commissions and/or financing fees, the applicable amounts of which are disclosed on the Company's [website](#). Commissions may be charged either as a percentage of the total value of the trade or as a fixed fee per transaction. In respect of financing fees, the value of open positions in certain types of CFDs may be increased or reduced on a daily basis by the application of a financing charge or credit (commonly referred to as a 'swap rate') for the duration of the contract. Financing fees are calculated by reference to prevailing market interest rates, which may change from time to time. For all CFDs offered by the Company, commissions and financing fees are not included in the Company's quoted prices and are charged separately and explicitly to the Customer's trading account.

3.3.Speed of execution

When acting as principal or as agent, the Company places significant emphasis on the efficient execution of Client orders and endeavours to provide high-speed execution at all times, subject to the limitations of available technology and communication links. Also, it is hereby emphasized that Clients are responsible for maintaining the confidentiality and security of their access credentials. The Client understands that electronic trading systems or platforms are subject to inherent risks, including potential failures of hardware, software, internet connectivity, or servers. As a result of such failures, an order may not be executed in accordance with the Client's inputted (on the Company's electronic trading platform) order, or may not be executed at all. The Company shall not be liable for any loss arising from such system failures.

3.4.Likelihood of Execution

In certain circumstances, the Company may act as principal and serve as the execution venue for Client orders in respect of CFD instruments. In other circumstances, the Company may act as agent and arrange for execution through another financial institution, which will be disclosed to the Client where applicable. Where the Company acts as agent, execution is subject to the availability of prices and liquidity provided by the relevant third-party market makers or financial institutions, and execution outcomes may therefore vary. In both scenarios, the Company reserves the right, in accordance with applicable laws and market conditions, to decline an order or to offer the Client an alternative price in respect of a market order. Accordingly, when acting as agent, the likelihood of execution is influenced by prevailing market conditions and the prices made available by external execution venues. In certain circumstances, it may not be possible to arrange the execution of an order. This may include, without limitation, periods surrounding the release of significant news, the opening of trading sessions, or market conditions characterised by heightened volatility where prices may move rapidly and materially away from the stated levels. Such circumstances may also arise where there is insufficient liquidity to execute the requested order size at the specified price, during periods of rapid price movement, or where a force majeure event occurs. Where the Company is unable to proceed with an order due to pricing, volume, or other relevant considerations, the order will not be executed. In addition, and in accordance with the provisions of the Client Agreement, the Company reserves the right, at its discretion and where permitted by applicable law, to decline, refuse, or refrain from transmitting or arranging the execution of any order of the Client, without prior notice or explanation.

3.5.Size of the order

The minimum and maximum order size of a transaction varies depending on the type of account and the specific CFD instrument. A “lot” represents a unit used to measure transaction volume and its value differs across CFD types. It is hereby clarified that the Company may impose limits on the minimum and maximum volume of transactions, on its electronic trading platform, and such volumes shall be subject to change at any time, at the Company’s sole and absolute discretion. Moreover, in accordance with the terms of the Client Agreement, the Company reserves the right to decline an order where relevant limits or conditions apply.

3.6.Other considerations relevant to the execution of the order (for example, market impact)

Certain factors may rapidly influence the price of the underlying instruments from which the Company derives its quoted prices, and may also affect other execution considerations. The Company takes all reasonable steps to achieve the best possible outcome for its Clients. Also, the Company considers price and costs to be the primary execution factors, followed by speed, likelihood of execution and settlement, order size and nature, and market impact. While these factors are important across all asset classes traded by the Company, the list is not exhaustive, and the order in which the factors are presented does not imply a fixed hierarchy. Where a Client provides a specific instruction regarding an order, the Company will execute the order in accordance with that instruction.

3.7.Likelihood of Settlement

The Company ensures that all executed transactions are settled, regardless of whether it is acting as principal or as agent. As the financial instruments offered by the Company are CFDs, they do

not involve the physical delivery of the underlying asset. Therefore, settlement differs from that of traditional instruments, such as shares, where actual delivery of the asset would occur.

We assume that a Client's primary objective is to achieve the best possible overall result, taking into account both the price of the financial instrument and any associated execution costs. Accordingly, the Company assigns relative priority to price and costs over other execution factors. Given that CFDs are typically subject to rapid price fluctuations, the Company also considers speed of execution to be a key factor in achieving the best possible outcome.

3.8. Client's Specific Instruction

All trading operations must be carried out by the Client through the Company's electronic trading platform, subject to the functionalities of such platform made available to the Client by the Company. Other than this, the Client has no right to require execution in accordance with any specific instruction.

4. Lifecycle of the order

The lifecycle of an order outlines the entire process from the moment a Client places a trade to its execution and confirmation. Understanding this lifecycle is essential for ensuring transparency, efficiency, and proper management of Client orders.

4.1. Orders Cannot Be Edited Once Executed

Once an order has been executed, it is final and cannot be modified. Any changes to price, quantity, or order type, require the Client to cancel the original order (if it is not yet executed) and place a new one. This process ensures accuracy and integrity in trade records, protecting both the Client and the Company.

4.2. Execution or Transmission of Orders

Orders may be executed directly by the Company or transmitted to an LP for execution. Certain orders may be refused due to compliance, risk, or other policy restrictions. Accepted orders are processed in the order of receipt and executed exactly as placed by the Client through the Company's electronic trading platform.

4.3. Confirmation of Execution

Upon execution, the LP sends a confirmation to the Company, which is then communicated to the Client via the Company's electronic trading platform in written form. This confirmation includes critical details such as executed price, quantity, and timestamp, ensuring transparency, accountability, and accurate tracking of transactions.

4.4. Restriction on orders placed outside market hours

Clients are hereby warned that they cannot place orders outside market hours, and therefore, if a Client places an order outside market hours, such order will be deemed null and void.

5. Refusal to transmit or execute

5.1. Refusal to Transmit or Execute Orders

The Company is committed to executing Clients orders promptly, fairly, and in accordance with the Policy. Nevertheless, there are circumstances in which the Company may refuse to transmit or execute an order. The Policy is intended to protect Clients, maintain market integrity, and ensure compliance with all applicable laws, regulations, and regulatory requirements under the FSC Mauritius legal framework.

5.2. Circumstances for Refusal

The Company may, at its discretion, refuse to transmit or execute an order. Such circumstances include, but are not limited to:

1. **Account Limitations:** The Client's account does not have sufficient funds or margin to cover the order. Ensuring adequate funds prevents settlement failures and protects both the Client and the Company.
2. **Market Quotes:** The quote displayed on the Company's electronic trading platform may be invalid, delayed, or no longer representative of the prevailing market conditions. This may occur during periods of high volatility, low liquidity, or rapid market movements. Acting on outdated or inaccurate quotes could expose the Client to unintended risk.
3. **Suspicion of Abuse or Illegality:** The Company may refuse an order if it has reasonable grounds to believe the order forms part of abusive trading strategies, market manipulation, or other unlawful activity. This ensures compliance with regulatory requirements and protects the integrity of the market.
4. **Legal or Regulatory Breach:** Orders may be refused if executing them would contravene applicable laws, regulations, or the terms of the Client Agreement. Compliance with the legal and regulatory framework is essential for safeguarding Client interests.
5. **Client or Asset Events:** Orders may be refused where an insolvency event affects the Client or the underlying asset, or if a corporate action occurs that affects the order. This helps manage risks arising from corporate actions or changes in Client status.
6. **Order Size:** Orders that do not meet the minimum size requirements established by the Company may be refused to ensure operational feasibility and efficient execution.
7. **Exceptional or Disruptive Market Conditions:** Market disruptions, exceptional events, or manifest errors in pricing may prevent the Company from executing orders reliably. Refusal in such circumstances safeguards Clients from unintended losses.
8. **Client Status Changes:** Orders may be refused if the Client dies, becomes incapacitated, or if the account is subject to closure or restrictions. This ensures that orders are only executed for Clients able to manage and authorize transactions.

The Company may also refuse orders for other reasonable grounds, including, without limitation:

- (A) Restrictions imposed by LPs, exchanges, or other market participants;
- (B) Operational or technical limitations; or
- (C) Circumstances where execution of the order could compromise regulatory compliance, risk management, or obligations owed to the Company.

5.3. Actions Following Order Acceptance

If, at any time before or after acceptance, the Company becomes aware that any of the circumstances above apply, it may, at its sole discretion:

1. **Void the Order:** Cancel the order and any resulting transaction as if it had never occurred; or
2. **Allow the Order to Remain:** Let the order and any resulting transaction remain in place until closed.

The Company will make reasonable efforts to notify the Client in writing before taking such action. If prior notification is not feasible, the Company will notify the Client as soon as reasonably possible afterwards, consistent with legal and operational constraints.

5.4. Client and Regulatory Considerations

The Policy ensures that Client orders are executed in a fair, transparent, and consistent manner, while protecting Clients from unintended exposure to market, operational, or legal risks. It is designed to fully comply with the regulatory requirements of the FSC Mauritius, as well as with applicable laws and the terms and conditions of the Client Agreement.

The Company will not be responsible for any losses arising from the refusal to execute an order, except in cases where such loss results directly from fraud, wilful misconduct, or gross negligence by the Company.

By clearly outlining the circumstances under which orders may be refused and the procedures for taking such actions, the Policy seeks to balance the interests of Clients, the Company, and regulatory authorities, while supporting market integrity and operational reliability.

6. Types of Orders

6.1. Market Orders

A market order is an instruction to buy or sell a CFD at the current market price and results in opening a position. As stated above, CFDs are bought at the '**Ask**' price and sold at the '**Bid**' price. 'Stop Loss' and 'Take Profit' orders can be attached to a market order. Market orders are available for all account types.

6.2. Pending Orders

The Company offers the following types of pending orders: '**Buy Limit**', '**Buy Stop**', '**Sell Limit**', and '**Sell Stop**', which allow Clients to enter the market at a pre-defined price in the future. Pending orders are executed once the market price reaches the requested level.

It is noted that, under certain market conditions, execution at the requested price may not be possible. In such cases, the Company may execute the order at the first available best price. This may occur, for example:

- (A) During periods of rapid price fluctuations;
- (B) When prices rise or fall significantly in a single trading session;
- (C) At market openings;
- (D) When liquidity is insufficient; or
- (E) Where trading is suspended or restricted under exchange rules.

'Stop Loss' and 'Take Profit' orders can also be attached to pending orders. Pending orders remain valid until they are explicitly cancelled by the Client.

6.3. Take Profit Orders

A **'Take Profit'** order is designed to secure profits when the price of a CFD reaches a predetermined level. Execution of this order results in the full closing of the position.

- (A) **'Take Profit'** orders must be attached to either an open position or a pending order and cannot be placed independently.
- (B) For long positions, the order is checked against the **'Bid'** price (always set above the current **'Bid'**).
- (C) For short positions, the order is checked against the **'Ask'** price (always set below the current **'Ask'**).

6.4. Stop Loss Orders

A **'Stop Loss'** order is designed to limit losses if the price of a CFD moves against the Client's position. Once the specified level is reached, the position is automatically closed.

- (A) **'Stop Loss'** orders must be attached to an open position or a pending order.
- (B) For long positions, the order is checked against the **'Bid'** price (always set below the current **'Bid'**).
- (C) For short positions, the order is checked against the **'Ask'** price (always set above the current **'Ask'**).

This ensures that losses are managed in line with the Client's risk preferences and the Company's execution procedures.

7. Execution and Operational Risks

The Company is committed to executing Clients orders promptly, fairly, and in accordance with the Policy. Clients should be aware that trading in financial instruments involves inherent risks. These risks may arise from market conditions, operational factors, technological limitations, or regulatory requirements. This section sets out the key execution and operational risks relevant to Clients and the Company, as well as the measures the Company takes to mitigate them.

7.1. Execution Risks

Execution risks refer to circumstances in which an order may not be executed at the expected price or in the expected timeframe. Indicative execution risks include:

- (A) **Slippage:** The risk of a difference between the expected price at order submission and the actual execution price. Slippage may occur during periods of rapid market movements, low liquidity, or other market stress scenarios. The Company monitors trade timing and prices using automated tools and third-party execution reports; however, the best possible result cannot be guaranteed in all circumstances.
- (B) **Gapping:** The risk that a financial instrument opens at a price significantly above or below the previous close with no trading in between. Gapping may occur due to economic events, news announcements, or at market openings/closings, affecting pending orders.
- (C) **Trading outages:** The risk of technical failures, system malfunctions, or connectivity issues, which may prevent timely execution of orders. While the Company maintains robust systems, it cannot be held liable for losses arising from outages, except in cases of fraud, wilful misconduct, or gross negligence.

7.2. Operational and Market Risks

In addition to execution risks, Clients should be aware of the following operational and market risks that may impact order execution and the provision of services:

- (A) Market Risk: Potential losses from adverse price movements in financial instruments, including equities, derivatives, or other assets.
- (B) Liquidity Risk: The risk that insufficient market liquidity prevents execution at desired prices or volumes.
- (C) Counterparty/ Credit Risk: The risk that a counterparty, such as an LP, bank, or Client, fails to meet financial obligations, affecting settlements or margin positions.
- (D) Regulatory/ Compliance Risk: Potential penalties, restrictions, or operational disruptions due to non-compliance with laws, regulations, or licensing requirements.
- (E) Settlement and Custody Risk: The risk of delays or failures in clearing, settlement, or safekeeping processes, including issues with third-party custodians.
- (F) Systemic and Exceptional Event Risk: Risks arising from broader financial system instability, market disruptions, force majeure events, or political instability.
- (G) Legal Risk: Risks of disputes, unenforceable contracts, or litigation associated with trade execution or Client interactions.
- (H) Technology and Cybersecurity Risk: Unauthorized access, data breaches, hacking, or malware may disrupt trading platforms, compromise Client data, or delay order execution.
- (I) Concentration Risk: Overexposure to a single Client, instrument, or sector, which can amplify losses.
- (J) Leverage and Margin Risk: Use of leverage in trading can magnify both gains and losses, affecting execution outcomes and Client positions.

7.3. Mitigation and Monitoring

The Company adopts the following measures to manage and mitigate execution and operational risks:

- (A) Maintenance of trading, monitoring, and risk management systems;
- (B) Monitoring of market conditions, liquidity, and pricing trends;
- (C) Reviews of execution quality, operational processes, and control measures;
- (D) Implementation of contingency and business continuity plans to address operational disruptions;
- (E) Compliance with legal and regulatory obligations, including FSC Mauritius reporting requirements.

7.4. Client Acknowledgment

Clients should understand and acknowledge that:

- (A) Financial markets are inherently uncertain, and execution may not always occur at the expected price;
- (B) The Company cannot guarantee the best possible result for every trade, although reasonable steps are taken to achieve this;
- (C) The Company is not liable for losses arising from the Client's trading operations, except where such loss results directly from the Company's fraud, wilful misconduct, or gross negligence;

(D) Awareness of these risks enables Clients to make informed trading decisions and recognize operational limitations that may affect order execution.

8. Execution venues

8.1. When submitting orders in regards to financial instruments traded outside of a trading venue (such as CFDs), you are exposed to market risks to a higher extent, including, but not limited to, liquidity, volatility (as well as increased slippage risk) and counterparty risks.

8.2. We are committed to regularly monitoring and reviewing the execution quality outcome achieved by us and our LPs, by comparing the execution details to market conditions, through the perspective of the abovementioned execution factors.

9. LPs

We reserve the right to add or remove LPs as deemed appropriate in order to obtain the best possible result for you, as prescribed herein. We select only LPs that we reasonably believe, per their commitments to us, combine high quality service standards with effective best execution arrangements in order to obtain best execution on a consistent basis.

10. Order handling

10.1. You are responsible to maintain the margin amount in your account(s), above the level mandated by the Company for all executed orders. Once this threshold is breached, we will automatically close one or more of your positions with the largest losses until the maintenance margin is back to the reset level.

10.2. The automatic closure of positions is performed by us by placing market orders in the value required to bring your total margin back to the required reset level.

11. Execution of Client Orders

The Company shall ensure that the execution of Clients orders is carried out in a fair, transparent, and timely manner. In doing so, the Company shall ensure that all Client orders executed on its behalf are promptly and accurately recorded and appropriately allocated. Also, comparable Client orders shall be processed sequentially and without undue delay, except where the specific characteristics of the order, prevailing market conditions, or the best interests of the Client make such processing impracticable. Moreover, the Company shall inform Retail Clients promptly of any material difficulty that may affect the proper execution of their orders as soon as it becomes aware of such difficulty.

12. Client's Consent

By entering into the Client Agreement with the Company for the provision of investment services, the Client acknowledges and consents to the application of the Policy in respect of all orders and transactions conducted through the Company.

13. Monitoring & Amendments

13.1. We shall review the Policy on an annual basis, or more frequently, where material changes impacting the herein-enclosed best execution standards occur.

13.2. SFS may amend the Policy (either in whole or in part) from time to time, at its sole discretion. Any amended version shall become effective on the date that the amended Policy is posted on our [website](#), or, if we elect to deliver a notice to you, on the date displayed in the notice. If no date is specified in the notice or if we elect to provide no prior notice, the amended Policy shall become effective immediately upon publication on our [website](#). By continuing to use our services after such publication or notice, you are deemed to have accepted and agreed to the amended Policy. In the event where the terms of the Policy conflict with any of the terms in our Client Agreement, the terms of our Client Agreement shall prevail.

14. Miscellaneous

Capitalized terms used and not defined in the Policy, shall have the meaning ascribed to them in the Client Agreement.



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SECURITIES