



Order Execution and Order Handling Policy

Stratos Europe Ltd

Table of Contents

1.	Introduction.....	3
2.	The Provision of Best Execution.....	3
2.1	Execution Factors for CFDs.....	3
2.2	Execution Criteria for CFDs.....	4
2.3	The Role of Price for CFDs.....	4
2.4	Execution Venues and Liquidity Providers for CFDs.....	5
2.5	Application of Best Execution to CFDs.....	5
2.5.1.	Specific Instructions.....	5
2.5.2.	Market Factors.....	6
2.5.3.	Liquidation Events.....	6
2.6	Professional Clients and Eligible Counterparties.....	6
3.	CFD Execution.....	6
3.1	Execution Model.....	6
3.2	Hedging.....	6
3.3	Pricing.....	7
3.4	Last Look.....	7
3.5	Trading Hours.....	8
3.5.1.	SSCFD - Extended Trading Hours.....	8
4.	Order Execution Risks.....	9
4.1	Slippage.....	9
4.2	Price Gapping and Volatility.....	9
5.	Monitoring and Review.....	9
6.	Reception and transmission of orders for Transferable Securities (“Stocks”).....	10
6.1	Model.....	10
6.2	Order handling arrangements.....	10
6.3	Specific Instructions in relation to the reception and transmission of orders for Stocks.....	11
6.4	Execution factors taken into consideration when receiving and transmitting orders.....	11
6.5	Trading Hours.....	12
6.5.1.	Extended Trading Hours.....	12
6.6	Duty to take sufficient steps when handling client orders.....	12
6.7	Quality of execution monitoring.....	13
6.8	Other relevant considerations for clients obtaining order handling services.....	13
Annex I –	German Branch.....	14
1.	Background.....	14
2.	Effective Date.....	14
3.	Amendments to the Policy.....	14
3.1	German Law and Rules.....	14
3.2	References.....	14

1. Introduction

Stratos Europe Ltd (“we”, “us” or “the Firm”) is a Cyprus Investment Firm (“CIF”) registered with the Cyprus Department of Registrar of Companies (HE 405643) and authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 392/20.

The Firm is committed to delivering the best possible outcomes for our clients in the execution of their orders. This Order Execution Policy (the “Policy”) sets out how the Firm and its branches executes client orders and explains how we satisfy our obligations to provide clients with best execution so that clients may make a more informed decision in their trading.

We are required to take all sufficient steps to obtain the best possible results for our clients taking into account the execution factors set out below (“Best Execution”). The execution factors to be taken into account are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

When offering services for Contracts For Difference (“CFDs”) the Firm executes orders on own account and acts as the sole execution venue for the client. Further information on the execution model is contained in Section 7 of this Policy.

When offering services for Transferable Securities (“Stocks”) the Firm receives orders placed by a client and transmits them for execution to a third party Execution Broker.

The third party Execution Broker the Firm has decided to partner with is Alpaca Securities LLC (“Alpaca”, “Execution Broker”), a U.S. broker dealer registered with the Securities and Exchange Commission (“SEC”), and a member of the U.S. “FINRA”. The Execution Broker has relationships with multiple third party brokers that it can access for the purpose of onward transmission of orders in Stocks. On the basis of these arrangements, the Execution Broker is in the position to achieve best execution in accordance with its locally applicable rules.

The obligation to deliver the best possible result when executing client orders applies in relation to all types of financial instruments.

All clients consent to their orders being executed in accordance with this Policy. Following a reasonable request from a client, the Firm shall provide additional information about this Policy and the consequences of this means of execution, within a reasonable time.

Our commitment to provide clients with Best Execution does not mean that we owe any fiduciary responsibilities in respect of order executions over and above the specific regulatory obligations placed upon us.

2. The Provision of Best Execution

2.1 Execution Factors for CFDs

When determining the strategy for execution of a client’s order we take into account certain execution factors as appropriate, in the context of the terms of the client’s order. Execution factors we may consider include, but are not be limited to:

Factors	Importance Level	Explanations and Remarks
Price	Medium	The determining factor for the execution of a client’s order. The Firm relies on liquidity providers for the provision of pricing.

Factors	Importance Level	Explanations and Remarks
Timely execution	Medium	This factor is particularly important in fast moving markets.
Market liquidity	Medium	The spread is dynamic for certain financial instruments, and may take into account factors such as liquidity and volatility conditions in the underlying markets.
Size of the order	Medium	The minimum size of an order may be different for each asset type and/or financial instrument.
Likelihood of execution	Medium	The Firm is the sole Execution Venue for the execution of the clients' orders for the Financial Instruments provided by us. As such, it strives to execute, in whole, all orders placed by its clients.
Settlement, costs of the transaction	Medium	All transactions are settled upon execution.
Nature of the transaction, including whether it is executed on a regulated market, multilateral trading facility or over the counter	Medium	Some market factors may affect rapidly the quoted price of the Financial Instruments. These factors may, in turn, affect some of the other execution factors listed above. We take all reasonable steps to obtain the best possible result for our clients.
Any other consideration relevant to the execution of the order	As applicable	May vary.

In the absence of specific instructions from the client, the Firm will exercise its own judgment, skill and experience having regard to available market information when determining the Execution Factors for the purpose of providing the client with Best Execution.

The diversity of financial instruments and the types of orders that a client may place with the Firm mean that different Execution Factors could be of greater importance for different trades. For example, in some markets price volatility may mean that speed of execution is a priority, whereas in an illiquid market the fact of execution may itself constitute Best Execution. In another example, during extreme volume and volatility situations, exchange system constraints may require automated trading systems to be switched off and/or electronic routing to be suspended in favour of manual execution. Such events could lead to further execution delays and increased market volatility.

2.2 Execution Criteria for CFDs

When executing client orders, the relative importance that we attach to the Execution Factors in relation to any particular order may be affected by the particular characteristics of the order. These are called the Execution Criteria:

- the characteristics of the client, including the categorisation of the client as retail or professional;
- the characteristics of the client order;
- the characteristics of financial instruments that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

2.3 The Role of Price for CFDs

In the absence of specific client instructions, in relation to the execution of an order on behalf of a retail client, the best possible result is determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. The Firm will give other Execution Factors precedence over the

immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

2.4 Execution Venues and Liquidity Providers for CFDs

The Firm acts as principal in relation to all client trades and therefore acts as the sole execution venue. This means that we act as market maker and our clients deal with us and not within the underlying market.

Although we act as principal, we do assess the venues that we may use for pricing and hedging. These may include:

- Regulated Markets;
- Multilateral Trading Facilities (“MTF”);
- Organised Trading Facilities (“OTF”);
- Internal sources of liquidity; or
- Third party investment firms and brokers that may trade proprietary positions, act as market makers, or as liquidity providers.

Although price and costs for clients are usually considered by us to be the most important factors in our choice of venue, we will also take into account how each of the other Execution Factors are affected, for example, speed of processing and likelihood of order acceptance. The financial soundness and order execution policies of any counterparty or venue are also considered.

Subject to any specific instructions from a client, the Firm may use one or more venues and basis of execution to enable it to obtain the best possible result on a consistent basis when executing an order.

We may execute your orders outside a Regulated Market or an MTF. This allows us to consistently source the best price for client orders; however, it also brings greater counterparty and settlement risk compared to trading on exchange.

2.5 Application of Best Execution to CFDs

The Firm does not guarantee that the best possible price will be obtained in all circumstances. There may be occasions when there is a change to the priorities given to the Execution Factors and Executions Criteria where we deem that execution may not lead to the best possible result.

2.5.1. Specific Instructions

On the acceptance of a specific instruction from a client in accordance with our Terms of Business, the Firm will execute the order following that instruction. Compliance with that instruction will be treated as satisfaction of the Best Execution obligation only in relation to that element of the order. The Firm will continue to seek the best possible outcome for the client in relation to the other Execution Factors.

It should be noted that specific instructions from a client might prevent the Firm from taking the necessary steps it has designed and implemented in this Policy, to obtain the best possible outcome for the execution of those orders in respect of the elements covered by those instructions.

2.5.2. Market Factors

The Firm also holds obligations to take necessary steps to keep an orderly market. The relative ranking of the different Execution Factors can therefore be dependent upon other market factors such as the liquidity of the relevant market, the time of the trade or market disruption events.

2.5.3. Liquidation Events

In an Event of Default under the Terms of Business (e.g. insufficient margin), or other liquidation event, the Firm may seek to immediately terminate, cancel and close-out all or part of any outstanding positions. The Firm retains discretion as to how to handle such liquidation events, including with respect to order execution, quantity, aggregation, priority and pricing.

2.6 Professional Clients and Eligible Counterparties

If we have categorised you as a professional client, we recognise that you will be relying on us to provide Best Execution and we will therefore execute your order in line with this Policy. In certain circumstances, our determination of the relative importance of the Execution Factors may differ from retail clients. This may include, for example, where the likelihood of execution may take precedence over price.

The Best Execution obligation does not apply when dealing with an eligible counterparty.

3. CFD Execution

3.1 Execution Model

The Firm offers execution only and does not make personal recommendations or provide any trading advice. We act as principal counterparty for all client trades. We do not act as agent on behalf of any client to cause the client to execute trades through any other dealing venue or with any other counterparty.

The Firm shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements under the Investment Services and Activities and Regulated Markets Law of 2017.

3.2 Hedging

The Firm uses a Matched Principal Trading model. This model materialises where three elements are simultaneously fulfilled:

- we interpose between the buyer and seller to the transaction in such a way that we are never exposed to market risk throughout the execution of the transaction (no-risk exposition component);
- both sides are executed simultaneously (timing component); and
- the transaction is concluded at a price where we make no profit or loss, other than a previously disclosed commission, fee or charge for the transaction.

In order to employ the above-mentioned model, each order the Firm accepts from its clients, will be automatically and immediately matched on a principal to principal basis with a Group Undertaking as defined in the Terms of Business so that the Group Undertaking effectively assumes the market risk associated with each trading position of the Firm's clients.

3.3 Pricing

The Firm acts as market maker forming its own prices. Prices provided by us are indicative, provided for information purposes only and do not constitute an offer to buy or sell. The rate used to execute your order may therefore differ from the indicative quote previously provided. Our prices will be our objective view of the bids and offers available to arm's length market participants in respect of transactions of a normal market size and is the main way we will ensure that the client obtains the best possible result. Our bid and offer prices may differ from those of third parties as a result of adding our spread and liquidity.

We will seek to provide bid and offer prices that are reasonably related to current market conditions in respect of the underlying markets. We ensure that the price we offer at any given time is always considered fair and the best price we can offer the client.

For foreign exchange, CFDs on metals, and CFDs on cryptocurrencies, we form our prices with reference to prices we receive from our selected price sources; then we remove prices that we deem are inaccurate, outliers, or outdated prices; then we calculate a value weighted average using the available liquidity associated with each price; and then we apply our mark-up which may vary for each instrument. For CFDs on single shares, CFDs on commodities, CFDs on VIX, CFDs on Bund, we form our prices with reference to prices we receive from the market or exchange for the underlying assets, we modify the price by a nominal amount in a random manner to prevent the reference price from being reverse engineered, and then add our mark-up. For CFDs on indexes, we form our prices with reference to prices we receive from the market or exchange for the underlying assets, we modify the price by a nominal amount in a random manner to prevent the reference price from being reverse engineered, and apply the fair value to convert the futures reference price into a cash price, and then add our mark-up. Fair value is a widely recognized calculation to represent the theoretical assumption of where a futures contract should be priced given such things as the current index level, index dividends, days to expiration and interest rates. For basket products, we form our prices with reference to prices we receive from our price sources or from the market or exchange depending on the underlying asset that makes up the basket, and we apply the applicable weighting, and combine to create the basket price.

3.4 Last Look

The Firm may rely on third parties as a price reference and/or hedging counterparty to hedge client orders. As part of the trade acceptance process operated by such third parties, they may automatically apply a number of risk management and operational controls before they accept or reject our trade (such as a price check, limits on counterparty exposure, credit checks, acceptance of currency pairs, and other controls). These controls utilized by such third party prior to order acceptance are referred to collectively as "last look". A rejection by such third parties may cause the Firm to reject a client order.

In order to ensure that last look is not abused by our price providers, and that the Firm continuously provides the best possible results to our clients, we have put in place a number of price provider monitoring mechanisms. We conduct regular price provider performance reviews, including review of price providers' average order rejection and acceptance times. A longer order acceptance or rejection time may be indicative of the price provider attempting to use abusive last look practices for its own benefit. We review the statistics and assess whether a price provider's response times are disproportionate to the average of our other price providers for the type of instruments and orders executed. Where any deviations from the norm are identified, we will investigate the possible causes for the delay which may involve discussing the deviations with the price provider. In case the price provider's response times for accepting and rejecting orders do not improve thereafter, we may take measures to limit the amount of trades executed with the price provider, and may ultimately terminate our relationship with the price provider.

3.5 Trading Hours

Our markets may be open for trading during times that are different than markets for trading the underlying assets. The trading hours for our markets are determined based on trading hours and liquidity of the reference underlying asset.

Under normal circumstances, we strive to adhere to the pre-determined trading hours we have published in advance on our websites, however trading conditions may cause us to deviate from such trading hours as we reasonably determine. In order to maintain an orderly market, we may deviate from such trading hours in an effort to protect our clients from prices or executions that are not representative of what we consider an accurate market price.

More information can be found here: [TraduCFDTradingHours.pdf](#)

3.5.1. SSCFD - Extended Trading Hours

Regarding our SSCFD products (Single Share CFDs having as an underlying asset a public listed stock), we offer extended trading hours on select US equities. The SSCFD instruments, which are offered within extended market hours, are differentiated with a suffix of “.ext”.

The extended hours include “Pre and After hours” and an “Overnight Session” and they are offered during the following time sessions:

- Pricing Hours (EST):
 - Pre and after hours (4AM – 9:30AM, 4PM – 8PM)
 - Overnight session (8:00 PM ET – 4:00 AM ET Sunday – Thursday)

In order to acquire pricing during these extended hours, we are cooperating with two different pricing vendors. One of the vendors offers pricing during the pre and after-hours session and the other one offers pricing during the overnight session.

Both Vendors use an Alternative Trading System (ATS) which operates a fully automated electronic book (“Order Book”) for limit orders to buy or sell securities with a continuous, automated and automatic matching function. During the ATS’ trading sessions, the System matches orders within the ATS on a price-time priority basis. Orders submitted to the ATS are time-stamped upon receipt for prioritization purposes. When the ATS operates during the extended trading hours of U.S. exchanges, trades executed on the ATS are not priced according to and do not relate to the National Best Bid Offer (NBBO), which is not available during the ATS’ extended trading hours. Rather, reference prices for trades executed on the ATS are based on best available bid and offer on the ATS at the time of the trade.

In the case that no new price quote was updated within a few minutes, our systems will illustrate the price as non-tradable until the next price quote is available. If there is no pricing, we are not proceeding to execution.

Further, a Group Undertaking (as defined in the Terms of Business) will provide price liquidity data for the execution of the Firm’s customers’ trades, and the provision of immediately matched hedging on a one-to-one basis assuming market risk associated with each customer trading position.

4. Order Execution Risks

4.1 Slippage

Market conditions, such as available liquidity, trading volume, and fast-moving markets may result in the execution of a trade at a price which is different than the quoted price.

The Firm will take sufficient steps to obtain the best possible result for our clients in regards to execution of a CFD trade based on the price quotes provided by us. When receiving and transmitting orders for Stocks, the Firm relies on the Execution Broker.

4.2 Price Gapping and Volatility

Markets may be extremely volatile with significant price movements and gapping (where a price may jump with no price recorded between the last quoted price and the current price). This may occur after a news announcement, a market event, economic event or between the close and re-opening of a market.

In a volatile market, due to the speed at which prices are changing in the underlying instrument and by virtue of inevitable latency in the electronic trading system (principally between the client's internet access and our servers, and the Firm's technology and execution venue), the price at which the client's order is executed may change from the quoted price, before the client's order is executed by the relevant execution venue.

Clients should be aware of the following risks associated with volatile markets, especially at or near the close of the market for the underlying instrument and/or our market for an instrument:

- An order may be executed at a substantially different price from the quoted price or the last reported trade price at the time of order entry;
- An order may be only partially executed or may be executed in several separate trades at different prices;
- Order execution may be delayed; and
- Market opening prices may differ significantly from the market closing prices.

5. Monitoring and Review

The Firm will monitor the effectiveness of this Policy and where necessary, make modifications. The Firm may use third party market data as one way to monitor its own price quotes. Additionally, the Firm regularly assesses whether or not its Execution Venues allow the Firm to continue to provide the best possible results for its clients, taking into consideration the information published further to RTS 28, or whether the Firm needs to make changes to its execution arrangements.

The Firm has procedures and processes in place to analyse the quality of execution, as well as to monitor best execution, by:

- reviewing system settings and/or parameters;
- systematically comparing prices provided by its execution venues against external price sources or other venues to ensure that there are no significant or systematic deviations in the pricing provided to its clients;

-
- monitoring quality of execution by reviewing statistics related to frequency of rejections and re-quotes, as well as the symmetry of any observed slippages (positive vs negative);
 - reviewing the speed of price updating;
 - comparing the average speed of execution with industry standards;
 - monitoring any complaints related to the quality of execution in order to ensure that any deficiencies are improved.

The Firm will review this Policy at least annually and whenever the Firm reasonably determines that a material change may affect the ability to obtain Best Execution for clients. A material change shall be a significant event that could impact parameters of Best Execution, such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

We will notify clients of any material changes to the Policy in accordance with our Terms of Business and we will maintain a copy on our website.

6. Reception and transmission of orders for Transferable Securities (“Stocks”)

6.1 Model

The Firm only receives and transmits client orders to the Execution Broker. Thus, the Firm does not execute client orders in relation to Stocks, but it is still under an obligation to take all sufficient steps in order to obtain the best possible result for its clients.

The Firm is obliged to ensure that client orders are received and transmitted to the Execution Broker promptly and fairly. Unless instructed otherwise by the customer or where prevailing market conditions prevent the Firm from doing so, all orders will be received and transmitted to the Execution Broker in sequence and in a prompt manner in accordance with the firm’s order handling process.

The Firm is not in a position to guarantee that the best execution is achieved for every trade placed by the clients. The Firm’s methodology is to achieve the best possible results on a consistent basis, and not the best outcome for each individual order.

The Execution Broker selected by the Firm may not be an authorised person in the European Economic Area (“EEA”) but may be a U.S. SEC registered broker dealer and a member of U.S. FINRA. If so, it will be subject to different legal and regulatory requirements. The way the Execution Broker will execute your transactions should comply with the laws and regulations applicable to it in its home jurisdiction and it is not subject to the Cyprus Securities and Exchange Commission’s (“CySEC”) regulatory regime. The client’s rights and responsibilities for the services provided by the Execution Broker are set out in the Execution Broker’s own Terms of Business, which are separately agreed to by the client.

6.2 Order handling arrangements

Orders for execution in US-listed securities on the New York Stock Exchange (“NYSE”) or the National Association of Securities Dealers Automated Quotations (“NASDAQ”) are received and transmitted to the Execution Broker in the following manner:

- Orders for full Stocks will be executed by the Execution Broker, as agent, through any of their third party Execution Brokers or venues they have relationships with.

- Orders for fractions of Stocks will be executed by the Execution Broker, as principal. Where the order placed by the client contains both a whole Stock and fraction of a Stock, it will be executed in a mixed capacity by the Execution Broker. The latter has a system in place with regards to its fractional shares and listed securities arrangements that aims to ensure that its customers obtain best execution and/or benefits from price improvements.

If order size permits it, the Execution Broker commits to execute each client order in accordance with the US “National Best Bid and Offer” regime (“NBBO”).

The Firm does not aggregate client orders with those of any other clients. However, the Execution Broker may, if they consider this necessary and if this is in the clients’ best interests, aggregate client orders. The latter may occur in exceptional circumstances at the discretion of the Execution Broker and as a consequence of aggregation the affected clients may not get the same price in comparison with the price they would get if aggregation did not occur.

In a stable non-volatile market, the Execution Broker shall execute fully each client order. The Execution Broker may execute partially a client order in volatile market conditions where the liquidity for a Stock is limited, i.e. - there are not enough Stocks to fill the client order. Another reason for the partial filling of a client order may be in cases of unexpected technological impediments. In such cases, the unexecuted part of the client order will be cancelled.

6.3 Specific Instructions in relation to the reception and transmission of orders for Stocks

Where a client provides specific instructions to the Firm, the firm will transmit their order in accordance with those instructions. These specific instructions may prevent the Firm from acting in accordance with this policy.

Where the Firm receives specific instructions, those instructions shall be deemed to constitute best execution (to the extent best execution is applicable).

Where those instructions only relate to some aspects of an order, the Firm will comply with the policy in relation to its other elements. A client order may be executed outside of a trading venue and therefore the client provides express consent for such orders to be executed outside of a trading venue.

6.4 Execution factors taken into consideration when receiving and transmitting orders

When determining the strategy for execution of a client’s order we take into account certain execution factors as appropriate, in the context of the terms of the client’s order. Execution factors we may consider include, but are not be limited to:

Factors	Importance Level
Price	High
Timely execution	Medium
Market liquidity	Medium
Size of the order	Medium
Likelihood of execution	Medium

Settlement, costs of the transaction	Medium
Nature of the transaction, including whether it is executed on a regulated market, multilateral trading facility or over the counter	Medium
Any other consideration relevant to the execution of the order	As applicable

In determining importance given to execution factors the Firm takes into consideration a list of execution criteria and market conditions including (but not limited to):

- Order type
- Estimated time for execution
- The Firm's commission and its potential impact on the total cost incurred by the client
- Availability for price improvement
- Liquidity of a specific Stock

Price is the primary factor taken into consideration by the Firm. In certain circumstances the Firm may conclude that the speed and likelihood of execution have precedence over other factors (such as price) if these other factors are essential for the delivery of the best possible result and this is in the best interests of the clients. An example of such a scenario is a case where a client places a large order for a Stock which is low in liquidity.

6.5 Trading Hours

Regular trading hours for US equity markets are between 9:30 am and 4 pm ET Monday to Friday.

6.5.1. Extended Trading Hours

Extended hours trading is available before the market opens and after the market closes, allowing market participants to buy and sell securities outside of the core session. The client can also trade US exchange-listed securities pre market (4 – 9:30 am ET) and after hours (4 – 8 pm ET) Monday to Friday.

6.6 Duty to take sufficient steps when handling client orders

The Firm has a duty to take all sufficient steps in order to obtain the best possible result for clients when handling their orders.

The Firm applies a 3-step methodology to comply with its duty when receiving and transmitting orders for Stocks:

1) Preliminary and ongoing technological assessment of the relationship with the Execution Broker

The Firm, via the Stratos Group Best Execution Committee, periodically reviews the technological arrangements implemented between the Firm and the Execution Broker and, if necessary, investigates and where needed remedies any deficiencies.

2) Periodical assessment of the Firm's own technological arrangements

The Firm constantly reviews its compatibility with the Execution Broker's systems in order for orders to be transmitted in a timely and sequential manner. If necessary the Firm investigates and where needed remedies any deficiencies to the compatibility and the overall order transmission methodology.

3) Ongoing consideration of the factors (including their level of importance) listed in Section 10.4. of this policy

The Firm, via the Stratos Group Best Execution Committee, monitors and evaluates the different parameters which may affect the ultimate execution outcome for the client. Where necessary, the firm shall address any deficiencies with the Execution Broker.

6.7 Quality of execution monitoring

The Firm conducts a regular review of a "Best Execution Report" provided by the Execution Broker. The report contains granular data on the quality of execution obtained for clients for the months in question. The report also contains a "best execution index" which has been created by the Execution Broker to evaluate execution quality.

The Execution Broker assesses each venue's data and compares venue performance and their internal benchmarks, weighted by importance. The sum of the weighted average of each category becomes the venue's index score. Based on these measures the Execution Broker's Best Execution Committee will deliberate and alter routing to the venues as needed.

On the basis of the Best Execution Reports provided by the Execution venue and any other information pertaining to the factors in Section 10.4., the Firm will conduct an annual quality of execution analysis which will be summarised and published in the firm's mandatory annual Quality of Execution Report, published on its website.

6.8 Other relevant considerations for clients obtaining order handling services

Where the client has invested in an ownership interest in a company (a Stock), if that company becomes insolvent, the ability to trade those Stocks may be restricted, and the price of the Stocks may fall, which could result in the client losing all the money they have paid for those Stocks. In these circumstances, the relevant Stocks will be dealt with in accordance with appropriate insolvency procedures maintained by the third-party responsible for safeguarding the Stocks, which is the Execution Broker. The client should also be aware that if trading in a Stock is suspended or if that Stock is no longer listed on a relevant venue, this may affect their ability to sell that Stock and may result in action being taken to close out their positions.

Annex I – German Branch

1. Background

Stratos Europe Ltd has established a German MiFID Branch (“Branch”). Under applicable German rules, the Branch itself is considered an autonomous entity and needs to comply with certain German rules.

This Annex supplements the Firm’s Order Execution Policy to reflect applicable German rules.

In case of deviations of this Annex to the referenced policy, this Annex takes precedence.

2. Effective Date

This Annex shall be effective upon initiation of the Branch’s operative business.

3. Amendments to the Policy

3.1 German Law and Rules

Regarding best execution of client orders the Branch must (if and when orders are executed) apply the following (as amended):

- Section 82 German Securities Trading Act (Wertpapierhandelsgesetz, “WpHG”). For this purpose the Branch applies the Order Execution Policy of the Firm.
- BT 4 of the Minimum Requirements on Compliance (MaComp) – Circular 05/2018 of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, “BaFin”).

Under section “3.1. Execution Model” of the Order Execution Policy instead of the “Investment Services and Activities and Regulated Markets Law of 2017” the following provisions apply according to section 82(8) WpHG:

- Section 63(1) and (3) - (7) WpHG regarding the applicable general rules of conduct, and
- Section 70 WpHG regarding inducements in relation to third parties.

3.2 References

Any reference contained in the Firm’s Order Execution Policy and referring to Cypriot law or legal requirements must be read and understood as a reference to the corresponding German law or legal requirements.