

ALFA FINANCIALS (PTY) LTD.

ORDER EXECUTION POLICY

Version 1.0
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ORDER EXECUTION POLICY

INTRODUCTION

- 1.1 Alfa Financials (PTY) SA (“The Company”) is an Authorized Financial Services Provider with the Financial Services Board under Lic. No. 45695. This Order Execution Policy (hereinafter the “Policy”) forms part of the Client Agreement. Therefore, all Clients and prospective Clients should read carefully the Policy before they begin to trade with the Company as by entering into the Client Agreement with the Company, you are also agreeing to the terms of our Order Execution Policy relating to financial instruments provided by the Company.
- 1.2 The contract specifications for all instruments are available online on the Company’s website <http://www.alfafinancials.co.za> and on the Company’s Online Trading Platform, Alfa Trader.
- 1.3 This Policy applies to all clients when executing transactions in the Financial Instruments provided by the Company. The Company, through its trading platform (“AlfaTrader”), provides the client with live streaming prices (“Quotes”) as received from its third party price providers. It is up to the Company’s discretion to decide which types of Financial Instruments to make available and to publish the prices at which these can be traded. The Company is always the counterparty (or principal) to every trade; therefore if the Client decides to open a position in a Financial Instrument with the Company, that position can only be closed with the Company.
- 1.4 If you believe that your order has not been executed in line with this policy, then you should contact the Company at the earliest opportunity.

BEST EXECUTION POLICY

- 2.1 When executing client orders the Company takes the following factors* into consideration in order to obtain the best possible result for its clients:

Price

As stated above, the Company provides live streaming quotes for the instruments provided on its platforms. The Company’s price for any given instrument is referenced to the underlying financial instrument which is obtained through third party external sources. The Company regularly reviews its third party price providers ensuring competitive and reliable pricing information.

Slippage

At the time that an order is presented for execution, the specific price requested by the Client may not be available; therefore, the order will be executed close to or a number of pips away from the client’s requested price. If the execution price is better than the price

requested by the client this is referred to as 'positive slippage'. In contrast, if the execution price is worse than the price requested by the client this is referred to as 'negative slippage'. Please be advised that 'slippage' is a normal market practice and a regular feature of the foreign exchange and stock markets under conditions such as illiquidity and volatility due to news announcements, economic events and market openings. AlfaTrader automated execution software does not operate based on any individual parameters related to the execution of orders through any specific client accounts.

Order Size

The minimum size of an order is 0.01 lots on AlfaTrader. 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. The Company strives to fill all orders of all sizes, however due to market liquidity at the time of execution, the price given may be different from the declared price. The Company may also limit the maximum volume of a single transaction depending on the available liquidity. The Company reserves the right to place a cap on the number of contracts and/or limit on the total net position value per profile for a specific instrument.

Partial fills

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

Commissions

When trades are conducted using the AlfaTrader platform, commissions will apply per transaction. Other fees may apply for some types of financial instrument which may be subject to 'swap fees'. Details of such commissions and other transaction fees are available via the Company's website <http://www.alfafinancials.co.za>

Speed

The Company acts as principal and not as agent on the client's behalf and is therefore the sole execution venue. In this capacity the Company seeks to execute clients' orders with the fastest execution as reasonably possible. The Company reserves the right to decline an order of any type. In such cases a new offer will be made which the client may accept or refuse. The Company will strive to provide the best possible price to its clients, however under certain circumstances, for example, but not limited to, where there is a fast moving market or low liquidity, at the beginning of trading sessions, around fundamental announcements, it may not be possible to guarantee the execution of any or all pending orders at the declared price.

Likelihood of Execution

The Company relies on third party liquidity providers for prices and available volume, therefore execution of the Client's orders will depend on the pricing and available liquidity

of the providers. Although the Company executes all orders placed by the Clients, it reserves the right to decline an order of any type.

Orders

Market Order, Buy Limit, Sell Limit, Sell Stop, Buy Stop, Stop Loss, Take Profit on Financial Instruments are executed in the manner explained in 'Order Types' section below. It should be noted that the price at which a trade is executed at may vary significantly from original requested price during abnormal market conditions. This may occur, for example, at the following cases:

- During Market opening times;
- During news times;
- During volatile periods where prices may move significantly up or down and away from declared price;
- Where there is 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;
- If there is insufficient liquidity for the execution of the specific volume at the declared price.

** Please note that this is not an exhaustive list.*

SPECIFIC INSTRUCTIONS

- 3.1 When the Client gives a specific instruction, such as order execution or transmission, the Company shall execute the order in accordance with that instruction. However, the Client should be aware that in providing a specific instruction, he/she may prevent the Company from implementing Best Execution Policy in obtaining the best possible result for the execution or transmission of the order in respect of the factors covered by those instructions.

ORDER TYPES

- 4.1 Given the risks that arise when trading in volatile markets, clients may want to consider using different types of orders to limit risk and manage investment strategies. Please note that the following descriptions of order types may apply only to some, and not all, types of financial instruments.

Market Order

This is an order to either buy or sell at the 'ask' or 'bid' price (respectively) as it appears in the quotes flow at the time the client presents the order for execution. The system automatically aggregates the volume received from third party liquidity providers and executes the 'market order' at VWAP ('Volume-Weighted Average Price') that is the average and best available price at the time of the execution. Once the 'market order' is

triggered it shall be subject to the conditions described in the 'Good 'til Cancelled' section.

Stop Order

This is an order to buy or sell once the market reaches the 'stop price'. Once the market reaches the 'stop price' the 'stop order' is triggered and treated as a 'market order'. If the 'stop order' is not triggered it shall remain in the system until a later date subject to the conditions described in the 'Good 'til Cancelled' 'Good 'til Friday ' section. For CFDs on FX, spot metals, equities, indices and futures, 'stop orders' should be placed a minimum number of pips away from the current market price in order for these to be valid. Stop Orders placed within the current bid-ask spread will be automatically removed.

Stop Loss

This is an order to minimize losses. Once the market reaches the 'stop loss price' the order is triggered and treated as a 'market order'. If the 'stop loss' is not triggered it shall remain in the system until a later date. For CFDs on FX, spot metals, equities, indices and futures, 'stop loss' orders should be placed a minimum number of pips away from the current market price in order for these to be valid. 'Stop Loss' orders placed within the current bid-ask spread will be automatically removed.

Limit Orders

This is an order to buy or sell once the market reaches the 'limit price'. Once the market reaches the 'limit price' the 'limit order' is triggered and executed at the 'limit price' or better. If the 'limit order' is not triggered it shall remain in the system until a later date subject to the conditions described in the 'Good 'til Cancelled' 'Good 'til Friday ' section. For CFDs on FX, spot metals, equities, indices and futures, 'limit orders' should be placed a minimum number of pips away from the current market price in order for these to be valid. Limit Orders placed within the current bid-ask spread will be automatically removed.

Take Profit

This is an order to secure profits. Once the market reaches the 'take profit price' the order is triggered and treated as a 'limit order'. If the 'take profit' is not triggered it shall remain in the system until a later date. For CFDs on FX, spot metals, equities, indices and futures, 'take profit' orders should be placed a minimum number of pips away from the current market price in order for these to be valid. 'Take Profit' orders placed within the current bid-ask spread will be automatically removed.

Good 'til Cancelled ('GTC') (= Expiry)

This is an execution setting that the client may apply to 'pending orders'. The order may remain 'live' and pending for execution until such time as the order is triggered and treated as a market order or cancelled by the client.

Good 'til Friday ('GTF') (= Expiry)

This is an execution setting that the client may apply to 'pending orders'. The order may remain 'live' and pending for execution until such time as the order is triggered and treated as a market order or cancelled by the client.

Pending Order Modification/Cancellation

The client may modify/ cancel a 'pending order' if the market did not reach the level of the price specified by the client.

- 4.2 Most of the orders shall be automatically executed by AlfaTrader, as described above. But it should be noted that the Company reserves the right, at its absolute discretion, to manually execute in whole or in part any order. The same practice applies for orders of a significant size. In addition, orders may be manually executed at the discretion of the Company in the event of a reasonable suspicion of arbitrage practices unrelated to market inefficiencies, including, but not limited to, latency arbitrage and swap arbitrage.

EXECUTION VENUE

- 5.1 The Company acts as principal, and not as agent on the client's behalf, for all transactions in the instruments provided by the Company and therefore is the sole venue for execution of the clients' orders. The Company's internal procedures and high performance standards ensure its clients receive the best possible result when dealing with their orders.
- 5.2 The Company's operation time: round-the-clock from 22:00:01 GMT Sunday through to 21:00:00 GMT Friday. Non-working periods: from 21:00:01 GMT Friday through 22.00.00 GMT Sunday.
- 5.3 The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognized exchange, rather they are undertaken through the Company's Online Trading Platform, AlfaTrader, 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 or closing price of an order in certain cases including but not limited to instances of a technical failure of the trading platform. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. The Client is obliged to close an open position of any given Financial Instruments during the opening hours of AlfaTrader. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus the Company.

REGULAR MONITORING AND REVIEW OF THE ORDER EXECUTION POLICY

- 6.1 The Company will monitor and evaluate the effectiveness of its order execution policy with regard to factors that may affect its ability to achieve best execution for its Clients.

The Company will review its policy at least annually and will notify you of any changes to its policy.

CLIENT CONSENT

- 7.1 By entering into the Client Agreement, the Client provides the consents to this Policy where the Client 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.