



Lunaro Markets Limited

Order Execution Policy

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1. Purpose

Lunaro Markets Limited (“Lunaro/ Lunaro Markets”, the “Firm”, “we”, “our” “us” or the “Company”), registered under the laws of Abu Dhabi Global Market (“ADGM”) under Financial Services Permission Number 200034 and authorized and regulated by the Financial Services Regulatory Authority (“FSRA”), having its registered offices 1009, 10, Al Khatem Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates) is committed to treating our clients (‘you’, ‘your’, ‘yours’) honestly, transacting with you in a professional and transparent manner, and to act in your best interests when providing you with our Trading Services.

As per the Financial Services Regulatory Authority (FSRA) Conduct of Business Rulebook, including COBS Rule 6.5 relating to Best Execution and COBS Rules 6.7 and 6.8 relating to order execution and associated dealing obligations. this document provides a summary of this Policy which applies to Lunaro Markets Limited’s execution of orders for all types of financial instruments on behalf of retail and professional clients. However, given the differences in market structures and the structure of financial instruments, it may be difficult to identify and apply a uniform standard of, and procedure for, this policy that would be valid and effective for all classes of instrument. This policy’s obligations will therefore be applied by taking into account the different circumstances surrounding the execution of orders for particular types of financial instruments.

We take all the sufficient steps to obtain the best possible result for our clients in relation to trading financial instruments. We would also like to provide appropriate information to you about our Policy. Please note that you provide your consent through the Account Opening Application, wherein the client confirms that they have read, understood, and accepted the “Terms and Conditions, Privacy Policy, Risk Disclosure, Conflict of Interest Policy, Order Execution Policy, and FATCA & CRS Regulations, including any applicable fees, charges, and account terms.” The client further acknowledges their ongoing responsibility to review and comply with the account agreement and any subsequent updates or amendments.

2. What Is Best Execution?

Best execution is the requirement to take all reasonable steps to obtain, when executing orders, the best possible result for clients. To do this, Lunaro takes into account execution factors such as price, costs, speed, trading venues, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

The relative importance assigned to each execution factor shall be determined by the Firm in accordance with its best execution obligations under the FSRA Conduct of Business Rulebook (COBS), in regard to:

- (i) the client's categorisation as Retail or Professional under the ADGM FSRA client classification framework;
- (ii) the nature and characteristics of the order;
- (iii) the type of leveraged products; and
- (iv) the relevant execution venue or market.

Lunaro acts in accordance with the best interests of our clients when passing client orders to other entities for execution. Aside from the explicit best execution rules explained in this policy, we have an overriding duty to act honestly, fairly and professionally in accordance with the best interests of our clients.

3. Scope

This Policy sets out the principles that we follow to obtain the best results for our clients when executing orders, that we refer to as “Best Execution”.

While applicable regulations distinguish between Retail Clients and Professional Clients, this Policy applies equally to both client categories in relation to the execution of financial instrument transactions. The Policy provides a general overview of Lunaro’s commitment to conducting business in a transparent, fair, not misleading and professional manner, with due regard to clients’ best interests. In relation to this policy, Lunaro is required to take all sufficient steps to obtain the best possible result when executing client orders directly or when placing or transmitting orders to other entities for execution.

Lunaro provides access to a wide range of investment services and products to our clients through different accounts:

- Contracts for difference (‘CFDs’) are provided through a CFD Account; and
- Direct Market Access (‘DMA’) to the world’s global derivatives markets are provided through a DMA Account,

(each an ‘Account’ and together, the ‘Accounts’). This Policy applies to all Accounts’ orders, although we explain in more detail how our Policy applies to CFDs in Section 7.

This Policy may be amended from time to time. Any amendment to this Policy shall be deemed to be accepted by you after the date on which the amendment to this Policy is published on our Website. It is your responsibility to ensure that you have the most updated version of this Policy which is reflected on the firm’s website. Capitalized terms used in this

Policy shall have the same meaning as defined in the Client Agreement and any other relevant policies, unless otherwise defined herein.

Disclaimer

The Client acknowledges that trading in leveraged products carries a significant risk of loss, including the potential to lose the entire amount invested, and may not be suitable for all clients. This Policy is not intended to be a comprehensive risk disclosure document; it rather sets out the manner in which Lunaro seeks to achieve the best possible execution outcome for its clients in accordance with its obligations under the FSRA Conduct of Business Rulebook (COBS)

Where no specific client instruction is provided regarding the method or venue of execution, the Firm shall execute all accepted orders in accordance with this Policy. Upon acceptance of your order and when there is no specific client instruction regarding the execution method, we will execute the order in accordance with this Policy.

4. Client Classification

In regard to this Policy, we treat retail and professional clients in the same manner. Clients are usually onboarded as Retail Clients. Where a client requests Professional Client classification, the Firm shall obtain all relevant documentation and conduct the necessary assessment to verify that the client meets the criteria mentioned under the ADGM FSRA AML Rulebook. Professional Client status shall only be granted upon the Firm's satisfaction that all applicable criteria have been fulfilled.

5. Achieving Best Execution

5.1 Best Execution Factors

Our Policy comprises a set of procedures that are designed to obtain the best possible execution result for you subject to and taking into account several criteria. These are called Execution Factors, which are also explained in detail below:

- a. **Price** – this is the price a Financial Instrument is executed at.
- b. **Costs** – this includes implicit costs such as the possible market impact; explicit external costs e.g. exchange or clearing fees, overnight swaps; and explicit internal costs which represents Lunaro Market's Limited's own remuneration through commission or spread.

- c. **Speed** – this is the time it takes to execute your transaction including settlement.
- d. **Likelihood of execution and settlement** – the likelihood that Lunaro Markets Limited will be able to complete your transaction.
- e. **Size** – this is the size of the transaction executed for a client, accounting for how this affects the price of execution.
- f. **Venues** – the execution venue(s) available for the relevant Financial Instrument, including regulated markets, multilateral trading facilities, organised trading facilities, liquidity providers, market makers, or other counterparties, and the quality of execution available on those venues.

Nature of the transaction or any other consideration relevant to the execution of the transaction – this is how the particular characteristics of a client transaction can affect how Best Execution is received.

- **Price:** For the most frequently traded (liquid) instruments, market price will be the overriding factor in attaining best execution. With other factors, such as costs remaining equal, our execution arrangements will drive Lunaro to find the most advantageous (best) price available. This will be the case for the majority of orders for clients where the size of the order does not limit Lunaro's choice of venue. However, in some circumstances, for some of our clients, the orders, financial instruments or markets and other execution factors may become more important than price in obtaining the best possible execution result.
- **Costs:** We consider the costs payable by you to execute an order of high importance in obtaining the best possible results for you because such costs are a component of the total consideration payable by you. Accordingly, costs such as execution fees, fees for the submission of orders and fees related to market data access, financing charges on leveraged positions, and overnight swap charges on positions held beyond the end of the trading day shall be taken into consideration.

The price and costs together are also known as Total Consideration.

Where explicit costs (such as exchange fees or settlement/custody costs, etc.) would make the overall consideration of the execution prohibitive because of the cost of many small executions on an order book, for example, this cost as an execution factor may become the most important.

In some circumstances other costs (e.g. overseas brokerage commissions) may be the most important factor. Although other factors might be more favourable to the execution of your order, where these costs have an adverse impact on your total consideration, Lunaro will consider cost to be of higher importance than other factors.

- Speed of execution: Similarly, the speed of execution may be important for some types of order, or client. Speed will be a high priority for a client executing an order in a liquid equity in a fast market or for a high frequency trading client.
- Likelihood of Execution and Settlement: In some instances, Lunaro's ability to execute and settle the order will be the primary factor to be considered. Where the instrument is illiquid (i.e. rarely traded), the size of the order is prohibitive, or some other factor impacts the order, the Policy ensures that actually executing and settling the order takes precedence over other factors.

To deliver a better overall result for the client and achieve Best Execution, we will consider the likelihood of execution and settlement as taking precedence over total consideration. This will become the most important factor.

- Size and Nature of the order: The best price in a market is usually represented by the opportunity to trade in a particular size (i.e., number of shares, units, contracts etc.) which may not match the size of the client's order. Where the order is bigger than the typical quoted size, then the part of the order executed over and above the threshold may only be available at a less favourable price.
- Venues: The most appropriate execution venue(s) will be selected to achieve Best Execution on a consistent basis. In assessing execution venues, we consider factors such as available liquidity, price competitiveness, costs, speed, reliability, settlement arrangements, market impact, and the overall quality of execution.
The selection of venue may differ depending on the financial instrument, order size, market conditions, or any client-specific instruction. We do not access the execution venues ourselves, refer to Section 7.1 for more details.
- Any other consideration relevant to the execution of the order: We will also take into account any other factor relevant to the order that it believes warrants consideration in terms of how that order should be executed. This could simply be whether it is a buy or sell order, a limit order, or the market that the instrument is traded on.

5.2 Client Specific Instructions

Where the client provides Lunaro with a client-specific instruction in relation to an order, we will follow that instruction when executing the trade as far as it is reasonably and commercially possible and in accordance with regulatory and compliance requirements.

Where a specific instruction from a client may limit Lunaro's ability to obtain the best possible result, Lunaro will notify the client of this consequence prior to execution where reasonably practicable.

By following the client specific instruction, we will have satisfied the obligation to provide the client with Best Execution in relation to the relevant part of the transaction to which the instruction applied. Any remaining portion of the order not covered by these instructions may still be applicable for Best Execution in accordance with the criteria laid out in this Policy.

Examples of these instructions may include, but are not limited to, requests to execute on a particular venue or to execute an order over a particular timeframe. To the extent that is reasonably practical the client gives Lunaro Markets Limited an instruction, this instruction overrides the Best Execution obligation for the scope of that particular part of an order, as any client specific instruction may prevent us from taking the steps that have been designed and implemented in the Best Execution Policy.

6. A – Best Execution for CFDs and FX orders

Lunaro engages with liquidity providers (LPs) and Prime Brokers (PBs) to provide online and continuous prices in FX and CFD markets to you. Lunaro provides the venue to match your trades and orders with our LPs and PBs, and so will act as a matched principal for all the retail clients in the execution and clearing of the CFDs on behalf of you and our LPs and PBs.

We do not access the execution venues ourselves. We will only transmit orders to an approved third party for execution. Lunaro remains solely responsible to our clients for taking all sufficient steps to obtain the best possible result for them, in accordance with the FSRA's regulatory requirements. Some specific considerations for best execution for CFD and FX trades in addition to those detailed above are identified below.

6.A1 Selecting an Execution Venue

We carefully select the leading brokers with whom to execute transactions or transmit orders. Brokers are selected according to the quality of trade execution. Selection would include factors not limited to criteria such as:

- a. Their best/order execution arrangements and best/order execution policies so as to satisfy ourselves that they are appropriate and comply with the requirement to provide us with best execution.
- b. Their creditworthiness, reputation, regulatory status and financial stability.
- c. Their access to markets and quality of service (such as responsiveness and promptness of execution).
- d. Their risk and liquidity management processes.
- e. Competitiveness of costs and charges.
- f. Ability to handle less liquid instruments and provide consistently competitive spreads.

Lunaro undertakes ongoing due diligence and monitoring of all third-party brokers as per its Third party Management Policy. It is our policy that third party brokerage costs incurred on behalf of Clients will relate solely to the execution of trades and will not include costs for the provision of investment research or other services.

6.A2 Size of Order: The way that we execute an unusual order (for example, one that is larger than the normal market size or has unusual features such as an extended or shortened settlement period) may differ from the way it executes a standard order. The Company reserves the right to decline any order. The Company makes every effort to fill the order of the client irrespective of the volume however, if this is achieved, it will be at a best available price, as the liquidity provider may allow at the time of execution.

6.A3 Slippage: At the time that an order is presented for execution, a specific price quoted to a client may not be available. This may occur, for example, due to fast moving markets or latency generated by, amongst other things, a client's internet connection. Therefore, the client's order will be executed as close as practicable to the quoted price.

If the execution price is better than the price quoted to the client, this is referred to as "positive slippage". Lunaro will always give its clients the benefit of any positive slippage that occurs with respect to a client's orders. Conversely, if the execution price is worse than the price quoted to the client, this is referred to as "negative slippage". Our clients will be obliged to pay the executed price, even if worse than the specific price quoted to a client. Slippage is normal and regularly occurs in the financial markets for CFDs and FX transactions.

6.A4 Speed of Execution: This can be particularly important in fast moving markets. Also, while the internet is generally reliable, technical problems or other conditions may from time-to-time delay or prevent the client from accessing the trading platform and executing trades. Liquidity can affect order execution. When customers place a high volume of orders, order imbalances and backlogs can occur, requiring more time to execute orders. Execution delays can be caused by the number and size of orders and ultimately this will affect the processing speed at which current quotations or last-sale information is provided based on system capacity constraints.

At times of high volatility or dependent on the volume of your trades, your trades will then be executed at the next best price subject to possible slippage. Stop/Limit orders may also be affected by this.

6.A5 Likelihood of Execution and Settlement: The best price is of little use if we cannot execute at it or if the transaction fails to complete. As described in this Policy, the Company acts as matched principal to its clients' trades, as such the Company relies on third party liquidity providers for prices and available volume and transmits orders to these counterparties, therefore the execution of a client's orders will depend on the pricing and available liquidity of the providers.

6 B– Best Execution for DMA / ETD Orders

Lunaro provides Direct Market Access ('DMA') to exchange-listed derivatives (Futures and Options) via trading platforms like CQG, Trading Technologies and Rithmic. For DMA orders, prices are set by the relevant exchange and not by Lunaro.

6B.1 Order Routing: Client orders placed through DMA platforms are transmitted to the relevant exchange via Lunaro's approved clearing broker(s). Lunaro takes all sufficient steps to ensure timely and accurate transmission of orders.

6B.2 Clearing: All exchange-listed instruments are cleared through a regulated clearing house.

6B.3 Client-Specific Instructions: Where a client provides a specific instruction regarding a DMA order (e.g. a limit price or a specific exchange session), Lunaro will follow that instruction to the extent reasonably practicable. The client should be aware that specific instructions may prevent Lunaro from taking steps otherwise designed to achieve best execution.

7. Margin Requirements and Stop-Out Liquidation

Prior to trading, an initial deposit must be made to facilitate executing trades or placing orders. Margin levels are calculated in real time on any open positions that you have.

On our Trading platform, if there is insufficient margin in your account to meet your margin requirement, your account will no longer be capable of opening new positions and may be subject to an automatic Stop-Out procedure. When this occurs, your open position carrying the largest loss will be liquidated first and subsequently each open position with the largest loss will be liquidated thereafter until your available margin is able to satisfy your margin requirement.

Lunaro will endeavour to contact its clients in the event of a margin-call, and before any automatic Stop out occurs, but will not be held liable if contact is not made in time.

If the market for a specific Instrument is closed (i.e., it is during non-trading hours), Lunaro will not be able to close that Order and the next largest Order for an Instrument in an open market might be liquidated instead in accordance with the foregoing.

Any such stop-out liquidation will be undertaken strictly on a non-managed basis, and we are not responsible for any price movement, whether negative or positive, in respect of the Instrument post close out.

- It is your full responsibility to ensure your Account is fully funded to maintain any Open Position or pending Orders.
- It is your responsibility to ensure that there is still sufficient available equity to cover any costs of carrying a position overnight such as swaps, overnight fees, or dividends. If there is insufficient available equity, then the position may be liquidated.
- Margins are calculated based on the value of the instrument you are trading converted into your account base currency.

The Firm operates a tiered margin monitoring and liquidation framework, the thresholds of which are determined by the Firm at its sole discretion and communicated to Clients from time to time. Upon an Account reaching the prescribed margin threshold, the Firm shall endeavour to issue margin call and low equity notifications and restrict the Account to close-only activity. Where the margin deficiency remains unremedied, Lunaro reserves the right to initiate liquidation of open positions, either automatically or manually depending on the Account type, with positions carrying the largest loss liquidated first. Margin notifications are issued as a courtesy and do not constitute an obligation on the part of Lunaro. It is the Client's sole responsibility to monitor Account equity levels and maintain sufficient funds at all times, and Lunaro shall not be held liable for any losses arising from liquidation events pursuant to this framework. Additionally, Retail Clients protected from negative balance protection, ensuring that losses shall not exceed the total funds held in their Account.

8. Order Types

8.1 General

Above scenarios are not an exhaustive list of all order types available for execution on the System. If you have any questions about the execution of an order type which is not included in this Policy, it is your responsibility to seek clarification from Lunaro by contacting our Trade Support Department at support@lunaro.com

8.2 Market Orders

When you place a market Order, the trading platform will obtain the best market price which is available at the time of execution. You acknowledge that there may be latency between the time you place an Order and the time that Order is executed. Therefore, it is likely that the market price at the time the Order is placed may be different from the market price at the time of execution. On our trading platforms, market Orders shall be executed at the market price which is available at the time of execution. In such instances, Slippage may occur and may be unfavourable to you.

8.3 Limit Orders

Limit orders shall be executed subject to liquidity, and partial fills on limit orders may occur. Prices appearing on screens are for indication purposes only and a price may be shown on the screens without the sufficient liquidity at that price level to fulfil an entire client order.

8.4 Stop and Stop Loss Orders

Order entry tools are provided by Lunaro's online trading platforms to allow you to manage your own position. You will be able to enter a limit and stop loss orders at the same time a new position is created.

9. Order Placement

9.1 System Orders

When you place an Order through our platform, we will to the extent practicable and legally possible, execute your Order in accordance with your instructions. In some instances, trading rules for specific Instruments may prevent us from following your instruction.

9.2 Off Market Hours Instructions

If you place an Order through the System outside of market hours, that Order will not be executed until the market re-opens.

9.3 Orders Placed by Telephone or Registered Email

When the client places an Order over the telephone with a Lunaro's Trade Support Member, or submits it via the their registered email address on record with the Firm, we will to the extent practicable and legally possible, execute your Order only in accordance your instructions. Orders received from any unregistered email address shall not be accepted or acted upon by

the Firm. In some instances, trading rules for specific Instruments may prevent us from following your instructions. An Order shall only be deemed executed upon verbal confirmation by the Dealer or written confirmation via email. Once such confirmation has been provided, the Transaction is binding and cannot be cancelled. The Transaction shall thereafter be recorded on the Client's Account following completion of the Firm's internal processes.

10. Event of Client Default or other liquidation event

In an event of Client Default, (e.g., insufficient margin), or other liquidation event, we may seek to immediately terminate, cancel and close-out all or part of any outstanding positions. We retain discretion as to how to handle the close-out, including with respect to order execution, fill quantity, aggregation, priority and pricing.

11. Governance

We have a governance framework in place to ensure that there is appropriate oversight over the Company's arrangements to deliver the best possible result for Clients and achieve best execution wherever possible. We regularly review our execution venues and monitor the quality of trade execution as a part of our responsibility.

12. Monitoring and Reviewing the Order Execution Policy

Lunaro will monitor and review its order Execution Policy to ensure we always deliver the best possible result for our clients. We reserve the right to amend or correct any deficiencies of our order execution policy. We will review our order execution arrangements and policy regularly and whenever a material change occurs that affects our ability to continue to obtain the best possible execution for our clients. The most current version of this Policy shall at all times be published on the Firm's official website at www.lunaro.com. It is the Client's sole responsibility to periodically review the website to ensure familiarity with the latest version.