EmKap

BEST EXECUTION POLICY

Version	3
Approved by	BOD
Policy Owner	Compliance
Date Last Reviewed	July 2026
Review Frequency	Annually
Next Review Date	July 2027

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1. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	Definitions
Best Execution	The obligation to take all sufficient steps to obtain the best possible result for Clients when executing or transmitting Client orders, taking into account the execution factors prescribed under MiFID II.
Execution Venue	A regulated market, Multilateral Trading Facility (MTF), Organised Trading Facility (OTF), Systematic Internaliser, market maker, liquidity provider or other entity through which Client orders may be executed.
Execution Factors	The criteria considered when determining Best Execution, including price, costs, speed, likelihood of execution, likelihood of settlement, size, nature of the order and any other relevant consideration.
Liquidity Provider	A financial institution or market participant providing executable bid and offer prices to facilitate order execution.
Material Change	A significant event affecting the Company's ability to continue obtaining the best possible result for Clients, including regulatory developments, changes to execution venues, technology, market structure or liquidity arrangements.
OTC Transaction	A transaction executed outside a regulated market, MTF or OTF.

Specific Instruction	An instruction provided by a Client regarding all or part of an order, including the execution venue, timing or method of execution.

2. INTRODUCTION

This Best Execution Policy ("the Policy") establishes the principles, procedures and controls adopted by EmKap Ltd ("the Company") to ensure that, when executing orders or receiving and transmitting orders in financial instruments on behalf of Clients, the Company takes all sufficient steps to obtain the best possible result for its Clients in accordance with applicable legal and regulatory requirements.

The Policy forms part of the Company's overall governance and internal control framework and reflects its commitment to acting honestly, fairly and professionally in accordance with the best interests of its Clients. The Policy explains:

- how Client orders are executed;
- how execution venues are selected;
- the execution factors considered by the Company;
- methodology used to determine Best Execution;
- the circumstances in which specific Client instructions may affect Best Execution obligations;
- the Company's monitoring and governance arrangements; and
- the circumstances under which this Policy is reviewed and updated.

The Company seeks to achieve Best Execution on a consistent basis, recognising that the obligation is one of taking all sufficient steps to obtain the best possible result rather than guaranteeing the best price for every individual transaction.

3. REGULATORY FRAMEWORK

This Policy has been prepared in accordance with:

- Directive 2014/65/EU on Markets in Financial Instruments ("MiFID II");
- Commission Delegated Regulation (EU) 2017/565;

- The Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), as amended;
- Applicable Circulars, Directives and Guidance issued by the Cyprus Securities and Exchange Commission ("CySEC") particularly Circular C343 (Thematic Review of Best Execution Obligations of CIFs , 25 October 2019), as may be updated or superseded from time to time;
- Relevant guidance published by the European Securities and Markets Authority (ESMA).

Where applicable, this Policy will also support the Company's obligations under the Markets in Crypto-Assets Regulation (EU) 2023/1114 ("MiCA") for crypto-asset services once authorised as a Crypto-Asset Service Provider ("CASP").

4. SCOPE

This Policy applies whenever the Company:

- executes orders on behalf of Clients;
- receives and transmits Client orders;
- executes transactions over the counter ("OTC");
- provides execution services in relation to financial instruments for which the Company is authorised.

The Policy applies to Retail Clients and Professional Clients as defined in the Company's Client Categorisation Policy. Unless expressly agreed otherwise or required by law, this Policy does not apply when dealing with Eligible Counterparties. The Policy applies across all financial instruments for which the Company is authorised to provide investment services, including but not limited to:

- Equities;
- Bonds;
- Exchange Traded Funds;
- Structured Products;

- Money Market Instruments;
- Derivatives;
- Units in Collective Investment Undertakings;
- Any additional financial instruments permitted under the Company's regulatory authorisation.

Where the Company becomes authorised to provide crypto-asset services under MiCA, this Policy shall be reviewed to include the execution of crypto-asset orders.

5. BEST EXECUTION PRINCIPLES

The Company shall take all sufficient steps to obtain the best possible result for its Clients when executing orders or receiving and transmitting orders for execution. The Company recognises that Best Execution is assessed on a consistent basis through the effectiveness of its execution arrangements rather than solely by reference to the outcome of any individual transaction.

5.1 Acting in the Client's Best Interests

The Company shall act honestly, fairly and professionally in accordance with the best interests of its Clients and shall establish and maintain effective arrangements to ensure that Client orders are executed promptly, fairly and efficiently.

5.2 Execution Arrangements

The Company shall establish and maintain execution arrangements designed to obtain the best possible result by considering:

- execution quality;
- pricing;
- transaction costs;
- execution speed;
- settlement efficiency;
- liquidity;

- market conditions;
- operational resilience; and
- any other relevant execution factor.

5.3 Retail Clients

For Retail Clients, the best possible result shall ordinarily be determined in terms of total consideration, representing the price of the financial instrument together with all costs directly related to execution, including execution venue fees, clearing and settlement costs and any third-party charges directly associated with the execution of the order.

5.4 Professional Clients

For Professional Clients, the Company may determine that execution factors other than total consideration are of greater importance where this is necessary to obtain the best possible outcome, taking into account the nature of the Client, the transaction and prevailing market conditions.

5.5 Consistency of Execution

The Company regularly assesses the effectiveness of its execution arrangements and execution venues to ensure that they continue to deliver the best possible results for Clients on a consistent basis.

6. EXECUTION FACTORS

When executing orders on behalf of Clients, the Company shall take all sufficient steps to obtain the best possible result by considering a combination of execution factors. The relative importance assigned to each execution factor shall depend on the characteristics of the Client, the order, the financial instrument, the execution venue and prevailing market conditions.

The Company recognises that no single execution factor will always be decisive. Instead, the Company applies a balanced assessment to determine which combination of execution factors is most likely to achieve the best possible result for each transaction. The Company considers, where relevant, the following execution factors:

6.1 Price

Price is the market value at which a financial instrument may be bought or sold at the time of execution. The Company seeks to obtain the most favourable available price, taking into account prevailing market conditions, available liquidity, bid-offer spreads and execution venue pricing.

For OTC transactions, price fairness is assessed using independent market data, comparable instruments, pricing models and quotations obtained from approved counterparties or liquidity providers.

6.2 Costs

The Company considers all costs directly associated with execution, including:

- execution venue fees;
- brokerage commissions;
- clearing and settlement fees;
- custodian charges (where applicable);
- taxes and regulatory levies (where applicable); and
- any other third-party costs directly related to execution.

For Retail Clients, total consideration (price plus costs) will ordinarily represent the most important execution factor.

6.3 Speed of Execution

The Company seeks to execute Client orders as promptly as reasonably practicable, taking into account:

- market conditions;
- liquidity;
- order complexity;

- trading venue operating hours;
- communication systems; and
- operational resilience.

During periods of exceptional market volatility, execution speed may be affected by market conditions outside the Company's control.

6.4 Likelihood of Execution

The Company considers the probability that an order can be executed successfully. Factors considered include:

- available market liquidity;
- order size;
- market depth;
- availability of counterparties;
- market volatility; and
- trading restrictions affecting the instrument.

Where multiple execution venues are available, the Company may prioritise execution certainty over marginal price improvements.

6.5 Likelihood of Settlement

The Company considers the likelihood that executed transactions will settle successfully and within the applicable settlement cycle. Relevant considerations include:

- counterparty reliability;
- settlement infrastructure;
- market practices;
- operational capability; and
- clearing arrangements.

6.6 Size of the Order

Large or illiquid orders may require a different execution strategy to minimise market impact and maximise execution certainty. Where appropriate, orders may be executed:

- in multiple tranches;
- over a period of time;
- across multiple execution venues; or
- through approved liquidity providers.

6.7 Nature of the Order

The Company considers the specific characteristics of the order, including:

- market order;
- limit order;
- stop order;
- request for quote (RFQ);
- block trade;
- OTC transaction; and
- any other order type accepted by the Company.

Different execution methodologies may be appropriate depending on the nature of the order.

6.8 Market Impact

Where execution of a Client order could significantly influence market prices, the Company may adopt an execution strategy designed to minimise adverse market impact while continuing to pursue the best possible result.

6.9 Liquidity

The Company assesses liquidity available across execution venues and approved counterparties before determining the most appropriate execution route. Where liquidity is limited, execution certainty may be prioritised over immediate price improvements.

6.10 Other Relevant Considerations

Additional factors may include prevailing market conditions; market volatility; trading halts; corporate actions; exchange rules; regulatory restrictions; operational risks; and any other factor reasonably considered relevant to achieving Best Execution.

7. DETERMINING THE RELATIVE IMPORTANCE OF EXECUTION FACTORS

The Company determines the relative importance of each execution factor by considering:

- the characteristics of the Client;
- the characteristics of the order;
- the characteristics of the financial instrument;
- the characteristics of the available execution venues; and
- prevailing market conditions.

The weighting assigned to each execution factor may therefore differ from one transaction to another. The Company applies the following general methodology when determining the relative importance of execution factors:

Client / Order Type	Primary Consideration	Secondary Considerations
Retail Clients	Total Consideration (Price + Costs)	Speed, likelihood of execution and settlement
Professional Clients	Price, liquidity and likelihood of execution	Speed, market impact, settlement
Large Orders	Likelihood of execution, Liquidity and market impact	Price, speed
Illiquid Orders	Execution Certainty	Price

OTC Transactions	Fair pricing and execution certainty	settlement, liquidity

The weighting applied is not fixed and may vary according to prevailing market conditions, characteristics of the financial instrument and the Client's specific instructions. Additionally, the above matrix represents general guidance only. The Company retains discretion to adjust the weighting of execution factors where this is necessary to obtain the best possible result.

8. CLIENT INSTRUCTIONS

Clients may provide specific instructions concerning all or part of an order. Examples include instructions relating to execution venue; timing; price; order type; settlement arrangements; or execution methodology.

Where a Client provides specific instructions, the Company shall execute the order in accordance with those instructions to the extent reasonably possible. The Client acknowledges that such instructions may prevent the Company from taking the steps designed to obtain the best possible result under this Policy.

Where a Client provides instructions relating to only part of an order, the Company shall continue to apply this Policy to those aspects of the order not covered by the specific instruction.

9. ORDER AGGREGATION AND ALLOCATION POLICY

EmKap may aggregate Client orders only where:

- aggregation is unlikely to disadvantage any Client overall;
- Clients have been informed that aggregation may operate to their disadvantage in particular circumstances;
- aggregation is consistent with the Company's Order Allocation procedures; and
- allocation is conducted fairly and promptly.

Where partial execution occurs, allocations shall be made in accordance with the Company's Order Allocation Policy and in a manner that treats Clients fairly and consistently.

When the Company aggregates a Client order with a transaction for its own account given EMKAP's Dealing on Own Account Department, such aggregation must not work to a Client's disadvantage unless the Company can demonstrate on reasonable grounds that it could not otherwise have executed the order on such advantageous terms, and specific allocation rules apply where the own-account trade is only partially executed.

10. EXECUTION VENUES

The Company shall maintain effective order execution arrangements designed to enable it to obtain, on a consistent basis, the best possible result for Clients. Client orders may be executed through one or more execution venues depending on the characteristics of the Client, the order, the financial instrument and prevailing market conditions.

The Company does not guarantee that every individual transaction will achieve the best possible price available in the market at all times. Rather, the Company seeks to achieve the best possible result on a consistent basis through the application of this Policy and its execution arrangements.

10.1 Type of Execution Venues

The Company may execute or transmit Client orders through one or more of the following execution venues:

- Regulated Markets;
- Multilateral Trading Facilities (MTFs);
- Organised Trading Facilities (OTFs);
- Systematic Internalisers;
- Market Makers;

- Liquidity Providers;
- Approved OTC Counterparties;
- Other entities performing an equivalent execution function.

Execution venues are selected only after appropriate due diligence has been undertaken.

10.2 Selection of Execution Venues

When selecting execution venues, the Company undertakes a periodic assessment of each venue to ensure that it continues to provide the best possible result for Clients. Execution venues are assessed using both quantitative and qualitative criteria, including:

- competitiveness of pricing;
- execution quality;
- liquidity available;
- speed of execution;
- settlement efficiency;
- operational resilience;
- financial standing of the venue or counterparty;
- regulatory status; and
- historical execution performance.

No single execution venue will necessarily be appropriate for every transaction.

10.3 Review of Execution Venues

Execution venues are subject to ongoing assessment by the Company. The Company periodically evaluates whether each execution venue continues to provide the best possible result for Clients. The review includes consideration of:

- execution quality;
- transaction costs;

- rejected orders;
- failed settlements;
- pricing competitiveness;
- liquidity;
- operational incidents;
- client complaints; and
- regulatory developments.

Where deficiencies are identified, the Company shall take appropriate corrective action, including restricting or removing the execution venue where necessary.

10.4 Execution Outside a Trading Venue

Where the Company executes Client orders outside a Regulated Market, MTF or OTF, the Company shall obtain the Client's prior express consent in accordance with applicable regulatory requirements. Such consent may be obtained through the Client Agreement or by another durable medium provided in the onboarding pack before the relevant investment service is provided.

11. OTC TRANSACTIONS AND FAIR PRICING

Certain financial instruments are traded exclusively or predominantly on an over the counter ("OTC") basis. Where executing OTC transactions, the Company shall establish appropriate arrangements to ensure that prices offered to Clients are fair and consistent with prevailing market conditions.

11.1 Fair Pricing Methodology

When determining whether an OTC price is fair, the Company may consider one or more of the following:

- executable quotations from approved liquidity providers;

- independent pricing vendors;
- observable market data;
- prices of comparable financial instruments;
- pricing models;
- prevailing market liquidity;
- bid-offer spreads;
- market volatility;
- transaction size;
- any other objective pricing information available at the time.

The methodology applied shall be proportionate to the complexity and liquidity of the relevant financial instrument.

11.2 Counterparty selection

The Company maintains a list of approved counterparties and liquidity providers. Counterparties are selected following appropriate due diligence and are periodically reviewed against criteria including:

- financial soundness;
- execution quality;
- regulatory status;
- settlement capability;
- operational resilience;
- pricing competitiveness;
- market reputation; and
- ongoing service performance

12. CONFLICTS OF INTEREST

The Company maintains effective organisational and administrative arrangements designed to identify, prevent, manage and, where appropriate, disclose conflicts of interest that could adversely affect the quality of execution provided to Clients.

Where conflicts cannot be effectively managed, the Company shall disclose the nature and source of the conflict to the Client before undertaking the relevant investment service, where required by applicable law.

The Company periodically reviews its execution arrangements to ensure that remuneration structures, commercial relationships and other business interests do not impair its ability to comply with its Best Execution obligations. This Policy should be read together with the Company's:

- Conflicts of Interest Policy;
- Personal Account Dealing Policy;
- Market Abuse Prevention Policy; and
- Order Allocation Policy.

In accordance with Article 39a of Regulation (EU) No 600/2014 (MiFIR), the Company does not receive any fee, commission or non-monetary benefit from any third party in exchange for directing or routing Client orders to that third party, a particular execution venue, or a particular counterparty for execution. The Company's arrangements for identifying and managing inducements of this kind are further described in the Company's Conflicts of Interest Policy.

13. MONITORING OF EXECUTION ARRANGEMENTS

The Company shall establish and maintain effective monitoring procedures designed to assess the ongoing effectiveness of its execution arrangements. Monitoring activities shall include, where applicable:

- execution quality analysis;

- execution venue comparisons;
- OTC pricing reviews;
- liquidity provider assessments;
- rejected and cancelled order analysis;
- settlement performance;
- execution error reviews;
- operational incident analysis;
- client complaints relating to execution quality; and
- compliance monitoring findings.

Monitoring shall be proportionate to the nature, scale and complexity of the Company's activities.

13.1 Execution Quality Reviews

The Company shall periodically assess whether:

- execution venues continue to provide competitive pricing;
- execution factors remain appropriately weighted;
- execution arrangements remain effective;
- changes to market structure require amendments to this Policy; and
- any deficiencies require remedial action.

13.2 Corrective Action

Where deficiencies are identified, the Company shall implement appropriate corrective measures without undue delay. Corrective measures may include:

- changing execution venues;
- amending execution arrangements;
- revising internal procedures;
- enhancing staff training;

- implementing technology improvements; or
- updating this Policy.

14. RECORD-KEEPING

EmKap shall maintain complete, accurate and up-to-date records relating to the reception, transmission and execution of Client orders in accordance with the law, directives, regulations, circulars or guidance issued by CySEC and ESMA.

Record keeping arrangements are designed to enable the Company to demonstrate compliance with its Best Execution obligations, facilitate regulatory supervision, support internal governance and ensure the reconstruction of each stage of the order lifecycle.

The Company shall maintain records including, where applicable:

- Client orders received, transmitted and executed;
- Order timestamps and execution timestamps;
- Execution venue details;
- Allocation records;
- Order amendments and cancellations;
- Telephone recordings and electronic communications relating to Client orders;
- Execution reports and confirmations;
- Execution quality monitoring and Best Execution assessments;
- Order routing information;
- Counterparty information;
- Client instructions;
- Internal approvals and decision-making records where relevant; and
- Any other records required under applicable legislation.

All records relating to the reception, transmission, and execution of client orders including telephone recordings, electronic communications, order routing data, and execution quality reports shall be retained for a minimum period of five (5) years from the date of creation, or for up to seven (7) years where requested by CySEC.

Records shall be stored in a durable medium that allows the storage of information in a manner accessible for future reference, and which enables the reconstruction of each key stage of a transaction in its original form. The storage medium shall ensure that the information cannot be altered or deleted and that it remains legible throughout the retention period.

All records shall be readily available to CySEC and other competent authorities upon request, and to the Firm's internal and external auditors for the purpose of compliance monitoring and audit review.

The Firm shall implement appropriate technical and organisational measures to safeguard client information, prevent unauthorised access or alteration, and ensure compliance with the General Data Protection Regulation (EU) 2016/679 (GDPR).

15. POLICY REVIEW AND CLIENT NOTIFICATION

15.1 Review of this Policy

This Policy shall be reviewed at least annually and, in addition, promptly following any Material Change or other development that could affect the Company's ability to continue obtaining the best possible result for its Clients, including changes to applicable law, regulation, CySEC circulars, directives or guidance, or relevant ESMA guidance. Reviews shall be conducted by the Compliance Function and approved in accordance with the Company's governance arrangements.

Where a review identifies deficiencies in the Company's execution arrangements, the Company shall take the corrective action described in the Monitoring of Execution Arrangements section above.

15.2 Notification of Material Changes

Where a review or other event results in a material change to this Policy, the Company shall notify affected Clients of that change, through the Company's website, client portal or another durable medium, within a reasonable time of the change taking effect. Changes that are administrative, clarificatory or otherwise non-material in nature do not require individual Client notification.

For the avoidance of doubt, the Company may amend this Policy from time to time without obtaining each Client's prior consent to the amendment, save where such consent is separately required by applicable law (for example, in relation to execution outside a trading venue, as set out above).

15.3 Availability of this Policy

The current version of this Policy is published on the Company's website (www.emkap.com) and is made available to Clients before the provision of the relevant investment service and upon request thereafter. Clients are encouraged to consult the published version periodically, including following any notification of a material change under section 15.2.

15.4 Consent to this Policy

Clients provide their consent to this Policy upon execution of the Client Agreement or acceptance of the Company's onboarding documentation, prior to the provision of investment services. Continued use of the Company's services following any notification of a material change under section 15.2 constitutes the Client's continued acceptance of this Policy as amended.

16 DISCLAIMER

This Policy does not constitute a legal advice. All clients, prior to entering into any of the above-mentioned transactions, whether professional or retail clients, are advised to ensure that they have made an independent assessment concerning the transaction(s) and, if necessary, seek independent legal advice.