

Ballinger Markets Limited

Best Execution Policy

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Purpose

The purpose of this Client Order Execution Policy (the “**Policy**”) is to set out the principles and procedures which must be followed by Ballinger Markets Limited (the “**Company**”) in order to provide the best execution, as required by the Markets in Financial Instruments Directive 2014/65/EU (the “**MiFID II**”) duly implemented in the Maltese law, when executing an order received from a client intending to make use of the services of the Company.

Scope

When executing transactions in financial instruments , the Company will take all sufficient steps to obtain the best possible result for the client on a consistent basis taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant to the execution of the order (together termed as ‘The execution factors’). This Policy shall apply to the professional clients of the Company while it shall not apply to business conducted with eligible counterparties. Since the Company does not provide services to Retail Clients, this Policy is also not directed at or intended for Retail Clients.

Objective

The objective of this Policy is to ensure that the Company is taking all sufficient steps to obtain, when executing Clients’ orders, the best possible result for its clients, considering the best execution factors as defined below.

Application of Best Execution

The obligation to take all sufficient steps to obtain the best possible result for clients applies where the Company owes a client contractual or agency obligations. The Best Execution obligation applies to only to Professional clients where such client places legitimate reliance on the Company to provide best execution. The considerations to take into account when determining whether a client is placing legitimate reliance on the Company are set out below.

Although it is assumed that Professional clients do not rely on the Company to provide Best Execution, it is accepted from the Company’s end that there are certain circumstances where such clients may place such reliance on the Company. Indications that Professional Clients may be legitimately relying on the Company to provide Best Execution include:

- Where we execute client’s order by dealing as riskless principal or on a matched principal basis;
 - Where we deal on their behalf on an agency basis (this may be based on Terms of Business state that we will deal with our clients as principal);
 - Where we are given discretion by them in relation to the execution of their order;

- Where their order is worked by the Company's trading desk; and
- Other circumstances such as where they cannot shop around for alternative prices (e.g. due to the complexity of the financial instrument or nature of the transaction).

Transactions and Financial Instruments in scope of the Best Execution Obligation

For the purpose of this Policy, the relevant transactions are those transactions where any part of the origination or execution of the Client order or transaction involves the Company having a direct relationship with the Client, regardless of where the Client is established.

The asset classes in which the Company executes client transactions (or passes orders for execution to a third party) and that are within scope of the Best Execution requirement are included in Appendix I to this policy.

Spot FX transactions are not within the scope of MIFID II unless they are linked to a specific transaction which is itself within scope, in which case they may be taken into consideration as part of the overall costs of the transaction.

The decision around best execution of specific financial instruments will be made having regard to the relative instrument-related considerations as outlined in Appendix 2 to this Policy.

This Policy will apply when the Company provides the following investment services (the “**Services**”):

- a. executing orders on behalf of Clients;
- b. receiving and transmitting client orders to third parties for execution, in respect of the financial instruments set out in Appendix 1 of this Policy.

The best execution requirements apply to the Company towards its Clients when the following circumstances arise:

- a. when the Company receives an order from a Client and the Company executes that order on a riskless principal basis or by acting as the agent of the Client (the “**agency**” or “**riskless principal trading**”);
- b. when the Company enters into a transaction with a Client on a principal basis, who legitimately is relying on the Company to protect its interests (the “**legitimate reliance**”).

Agency or Riskless Principal Trading

Unless otherwise determined, this Policy shall always apply in circumstances where the Company is acting in an agency or riskless principal capacity or have a contractual obligation to do so.

For the purpose of this Policy, the Company shall be acting on an agency bases when entering into a transaction for and on behalf of the Clients.

For the purpose of this Policy, the Company shall be carrying out a riskless principal trading when entering into a transaction in the market as principal (i.e. for and on its own behalf) but on the basis that the Company has an equivalent transaction with the Client.

Principal Trading

The Company shall be complying with the best execution requirement when acting in a principal capacity and the Client is placing a legitimate reliance on the Company to protect its interest in relation to the execution of a transaction. When executing Clients' orders on a principal basis, in order to determine whether the Clients are placing legitimate reliance on the Company, the Company shall be assessing the factors in the section below.

Professional clients – placement of a legitimate reliance on the Company and the applicability of Best Execution Requirements

In determining as to whether a legitimate reliance is being placed on the Company for best interest, the Company shall take the following matters into consideration:

- a. which party initiated the transaction – Where the Client initiates the transaction it is less likely that legitimate reliance is placed on the Company;
- b. the market practice and the existence of a convention for the Clients to “shop around” - Where the market practice for a particular asset class or product suggests that the Client has ready access to various providers who may provide quotes and has the ability to shop around, it is less likely that that legitimate reliance is placed on the Company;
- c. the relative levels of transparency within a market – In circumstances where pricing information is transparent and it is reasonable to consider that the Client has access to such information, it is less likely that legitimate reliance is placed on the Company;
- d. the information provided by the Client and any agreement reached – Where any agreement or arrangement with the Client does not indicate or suggest that an understanding has been reached that the Client shall be placing any legitimate reliance on the Company or that the Company has agreed to operate in line with the best execution requirements.

Exceptions from Best Execution

Without any prejudice to the above mentioned, the Company shall not be providing best execution in any of the following circumstances:

- a. the Client is seeking a quote in competition and has the ability to shop around for alternative quotes;
- b. the Client specifies the price and the trade is executed on risk;
- c. Client specific Instructions apply.

Should the Client provide the Company with a specific instruction in relation to an order, the Company will follow that instruction so far as is reasonably possible when executing the order. By following the Client specific instruction, the Company will have satisfied the obligation to comply with best execution in relation to that transaction. Examples of such instructions may include but are not limited to requests to execute on a particular venue or to execute an order over a particular timeframe.

In circumstances where the Client provides the Company with a specific instruction which applies only to one part or one aspect of an order, the Company will follow that instruction so far as is reasonably possible when executing the order. By following the Client specific instruction, the Company will have satisfied the obligation to comply with best execution in relation to the relevant part of the transaction to which the specific instruction applied. The remaining portion of that order not covered by such specific instructions may still be applicable for best execution in accordance with the criteria laid out in this Policy.

The Client shall acknowledge that a specific instruction may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those orders in respect of the portion of the trade covered by the specific instruction.

Approach to Best Execution

For the best possible execution for the Clients of the Company, the Company relies on three basic components:

- a. state-of-the-art technology for routing, monitoring and executing orders;
- b. careful consideration of the elements of order execution and;
- c. regular and careful examination of the overall execution policy and Execution Venues.

Technology

The Company uses automated systems to route and execute Client orders and the substantial investment in cutting edge technological tools made by the Company guarantees the best execution possible. The platform is able to process a variety of orders relying on solid resources and sustainable IT infrastructure. The system was built and is maintained by expert professionals from both the financial and the software sectors, in a manner that enable the Company to use this advanced technology as a competitive advantage.

The Best Execution Factors

The Company will take all sufficient steps to obtain the best possible result for the client when executing a client order, and shall take the following factors into account:

- a. Prices

When executing Clients' orders, the Company shall check the fairness of the price proposed to the Client by gathering market data used in the estimation of the price for such financial instrument and, where possible, by comparing with similar or comparable financial instruments.

b. Costs

When executing Clients' orders, the Company shall also take into consideration the costs related to the order of the Client by gathering market data used in the estimation of costs such as the possible market impact, explicit external costs e.g. exchange or clearing fees and explicit internal costs which represent the own remuneration of the Company through commission or spread. Where possible, the Company shall compare these costs with the costs of similar or comparable financial instruments.

c. Speed of Execution

The Company seeks to provide Client order with the fastest execution reasonably possible. Moreover, the Company shall implement procedures and arrangements for handling Client orders to provide for the prompt, fair and expeditious execution of the Client order relative to other Client orders or the trading interest of the Company.

In almost all circumstances, provided that the Client has sufficient margin available on his account and provided that the Client order size requested is equal to or under the maximum internet size permissible, the Client order will be executed at the level requested. In certain circumstances due to speed of internet communications, market volatility or in the case of deliberate manipulation of the quoted prices of the Company, the Client order may be rejected by the Company if the price at which the Client has attempted to trade is not representative of the underlying market price when received by the Company.

d. Likelihood of execution and settlement

In order to achieve the most favourable result for the Client, the Company shall give consideration to whether it will be able to complete a Client transaction or otherwise in terms of execution and settlement.

e. Size of the Order

The Client orders are subject to size considerations. Despite the fact that the Company does not intend to put a maximum size restriction for any order, the Company reserves the right to decline an order if the requested size is larger than the Company is able to trade in the underlying market instrument on the relevant exchange at that time. The Company may offer greater liquidity than the underlying market at its discretion.

The Company will not make a 'partial fill' of any Client order except by agreement in the case of a telephone order. Every market quoted by the Company has an absolute minimum and maximum permitted which can be found by clicking on the information icon button associated with each market on the trading platform. However, this maximum order size may vary due to market conditions and is, at all times, at the discretion of the Company.

f. Nature of the transaction

When executing Clients' orders, the Company shall also take into consideration the nature of the transaction and the articular class of financial instruments that are involved in the Clients' order.

g. Any other consideration relevant to the execution of the transaction

The execution factors taken into consideration by the Company shall be based on the particular characteristics of a client transaction that can affect how best execution is obtained.

The execution factors above are not listed in an order of priority. When executing an order, to determine the importance of the execution factors, the Company shall consider:

- a. the client - including the classification of the Client;
- b. specific instructions of the client (for example receiving an instruction from the client that an execution factor other than price (such as speed of delivery) should have priority);
- c. the nature of the Clients' order;
- d. the characteristics of the financial instrument subject to that order (such as the liquidity of the financial instruments on the relevant execution venues will impact the choice of execution factors, for illiquid financial instruments the likelihood of execution is likely to be more important than price to the client);
- e. The characteristics of the Execution Venues to which that order can be directed (for example an OTC execution as opposed to an execution on a trading venue);
- f. Any other criteria that the Company retains relevant.

As a general rule, the Company will use its commercial judgement and experience, across all products and Services, based on the available market information, to take the sufficient steps in order to obtain the best possible results for its Clients.

Even though the Company will consider the price as the most significant execution factor when executing Clients' orders, there might be circumstances where the Company regards other execution factors to be as important, if not more important, than the price.

Client Order Handling

When executing an order on behalf of a client, the Company applies the following general principles:

- a. the execution of the order is promptly and accurately recorded and allocated;
- b. where comparable orders are received, these are carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impractical, or the interests of the Client require otherwise;
- c. we will inform the Clients, on a best-efforts basis, about any material difficulty relevant to the proper carrying out of orders upon becoming aware of these difficulties;
- d. where responsible for overseeing or arranging the settlement of an executed order, the Company shall take all reasonable steps to ensure that any Client financial instruments or

Client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate Client.

a. Aggregation of Orders

The Company shall not carry out a Client order or a transaction for own account in aggregation with another Client order unless the following conditions are met:

- i. It must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of a Client whose order is to be aggregated;
- ii. It must be disclosed to each Client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- iii. An order allocation policy must be established and effectively implemented, provided for the fair allocation of aggregated order and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where the Company has aggregated transactions for own account with one or more Clients' orders, the Company shall not allocate the related trades in a way that is detrimental to its Clients.

In the eventuality an order of a Client is aggregated with a transaction for the own account of the Company and the aggregated order is partially executed, the Company shall allocate the related trades to the Client in priority to itself. However, if the Company is able to demonstrate on reasonable grounds that without the combination it would not have been able to carry out the order on such advantageous terms, or at all, the Company may allocate the transaction for own account proportionally with its order allocation policy. As part of such order allocation policy, the Company shall put in place procedures designed to prevent the reallocation when it would be detrimental to the Client, of transactions for own account which are executed in combination with Client orders.

b. Restrictions

Where the Company is subject to internal trading restrictions and it is not in a position to accept the Clients' order, the Company shall notify the Client of this fact at the time of order receipt.

c. Execution Costs

When providing the Services, the Company may charge to the Client a fee, commission, mark up or spread in the execution price.

d. Inducements

Any monetary or non-monetary benefits that is received by the Company from third parties shall be in compliance with the applicable rules and in line with the Inducement Rules Policy of the Company.

e. Misuse of Information

The Company shall not misuse information relating to pending Client orders and shall take all reasonable steps to prevent the misuses of such information by any of its relevant persons.

f. Affiliates and Connected Parties

The Company shall use a connected party to execute a Client order only when it assesses that it is in the best interests of the Client to do so and that any conflicts of interest that may arise are prevented, mitigated or managed appropriately.

Selection of Execution Venues and Brokers

The venues to which Clients place their orders or to where the Company transmits orders for execution are referred to in this Policy as “**Execution Venues**”. The Company uses a number of Execution Venues to execute orders on behalf of clients.

1. Execution Venues

For the purpose of this Policy, Execution Venues include Regulated Markets (the “**RMs**”), other exchanges that are not RMs, Multilateral Trading Facilities (the “**MTFs**”), Organised Trading Facilities (the “**OTFs**”), Systematic Internalisers (the “**SI**”), trading desk of the Company, third party investment firms, brokers, and/or affiliates acting as market makers or liquidity providers, other liquidity providers and entities in third countries that provide similar functions (together the “**Execution Venues**”). RMs, MTFs and OTFs are referred to as “**Trading Venues**”.

A list of Execution Venues on which the Company places significant reliance in meeting its best execution obligations are listed in Appendix 3 to this Policy.

The Company selects an Execution Venue based on considerations in line with the execution factors and, where relevant, other qualitative factors, relating to characteristics of the Execution Venues or the nature of the Services in question.

Examples of such criteria include, but are not limited to:

- a. clearing and settlement schemes;
- b. circuit breakers;
- c. market liquidity;
- d. scheduled actions;
- e. venue toxicity;
- f. order matching logic;
- g. access to data and control of information flow;
- h. fees and charges;
- i. whether the client has consented to the order being executed outside a Trading Venue;
- j. any other relevant considerations.

However, these specific factors, will generally be secondary and complementary to the general execution factors listed above.

Should the Company use any other Execution Venue, it shall not receive any remuneration, discount or non-monetary benefit for routing Client orders to a particular Trading Venue or Execution Venue

which would be in breach of the requirements on conflicts of interest or inducements which are applicable to the Company.

The Company shall not structure or charge its commission in such a way as to discriminate unfairly between Execution Venues. The Company shall also ensure that the venue or entity it selects will enable it to obtain results for its Clients that are at least as good as the results that it reasonably could expect from using alternative entities.

With regard to the execution of orders, a single Execution Venue for a particular financial instrument or product will only be used where it is possible to demonstrate that this will allow us to obtain Best Execution for our clients on a consistent basis. A single venue will only be selected if we reasonably expect that the Execution Venue selected will enable the Company to obtain results for the Client which are at least as good as the results that you could reasonably expect from using alternative Execution Venues (assuming there are alternative venues available).

The Company shall periodically review whether the best execution was achieved satisfactorily from the Execution Venues which it used for order execution in the past period. Such review will consider, among others, the following factors:

- a. execution quality based on quality metric published and/or provided by the Execution Venues (based on past performance of the execution venue and the information on execution quality will be published in accordance with RTS 28);
- b. client instructions;
- c. priority of execution factors - factors such as price, speed and likelihood of execution may limit or determine the Execution Venue, e.g. some venues may have better prices or have more liquidity than other venues;
- d. Product type – certain financial instruments may only be available on specific Execution Venues
- e. transaction cost analysis report in respect of performance of the execution taken place on the Execution Venues;
- f. costs of the execution carried out in the Execution Venues;
- g. infrastructure to support clearing and settlement;
- h. best execution governance framework and policy.

The purpose of the above-mentioned periodic assessment carried out by the Company is to identify the Execution Venues that enable the Company, consistently, to obtain the best possible results. Following such regular review, the Company may add or remove any Execution Venue from the list outlined in Appendix 3 to this Policy.

2. Executing Client Orders Outside a Trading Venue

In providing best execution on the financial instruments admitted to trading on a Trading Venue, the Company may decide to execute a Client order outside a Trading Venue. For a Professional Client, consent to execute transactions outside a trading Venue, is deemed to have been given absent to an instruction in writing from the client to the contrary.

The Company shall be carrying out execution of orders outside a Trading Venue only when the execution of Client order outside a Trading Venue is in the best interests of the Client.

The Company will only execute your orders outside a Trading Venue if it believes that it is in the client's best interests to do so; this may however expose the client to additional risks such as:

- The financial instrument purchased may be difficult to realise or may be realised at a worse price than if it were executed on a Trading Venue;
- The investment may be subject to greater price volatility; and
- There may be greater counterparty risk either with the Company or another market participant.

3. Electronic Trading Services

The Client orders received by the Company through its electronic trading services where an Execution Venue is specified are routed directly to that venue on a non-discretionary basis. When the Company does not take an active role in determining the Client order execution parameters, the Company shall seek to transact that Client order in accordance with the instructions of the Client. However, the Company reserves the right to intervene in the routing and execution of such orders where the original parameters could result in adverse market impact.

4. Brokers

There might be circumstances where the Company may choose to utilise either affiliated or non-affiliated brokers to assist in the execution of Client orders. These service providers are usually involved in order to enhance certain benefits to executions, including but not limited to governance, oversight and transparency of an order, consistency of order handling and front to back order processing. The Company also utilised third party brokers or its affiliates in the eventuality in which the Company is not a member in certain RMs.

In selecting the most appropriate broker for the purpose of executing Clients' orders, the Company shall take into account a number of criteria, including their:

- a. Order Execution Policy;
- b. Quality of financials;
- c. Sustainability;
- d. Market and security familiarity;
- e. Access to liquidity or willingness to commit risk to principal trade;
- f. Financial stability and certainty of settlement;
- g. Reliability and Integrity of maintaining confidentiality;
- h. Soundness of technological infrastructure and operational capabilities;
- i. Capability to provide subscription facility in the primary market;
- j. Safeguards and compliance controls to protect Clients;
- k. Pricing and costs for execution-only services;
- l. Ability to provide transaction cost analysis;
- m. Access to Centralized Risk Book;
- n. Ability to provide analysis of speed of execution;
- o. Level of control over interactions with internal and external Systematic Internalisers;
- p. Approach to double caps and new large-in-size venues;
- q. Smart order routing logic and algorithmic trading strategies;

- r. Ability to produce customized reports, trade related performance data, performance attribution, risk reports (including breach violations and rejection) on a periodic basis;
- s. Ability to provide assisted trade reporting.

Should the Company transmit orders to external brokers due to their connectivity, special expertise, or the country exposure required for the execution of the Clients' orders, the Company shall rely on the broker for the best execution. When applicable, the Company will take into consideration whether the broker has a MiFID II compliant policy and whether it has the ability to evidence compliance with the best execution upon request from the Company.

The Company shall carry out periodic reviews to determine that any affiliate or third-party broker used is able to provide the appropriate level of experience and expertise when executing in that market.

The Company shall carry out periodic reviews to determine that any affiliate or third-party broker used has execution arrangements that will enable the Company to meet the best execution obligations and to act in the best interest of its Clients.

Furthermore, the Company shall monitor on a periodic basis the affiliate and third-party brokers executions, to ensure that the best execution obligations of the Company is being met on a consistent basis and any conflict of interests are managed appropriately.

A list of affiliated and third-party brokers on which the Company places significant reliance in meeting its best execution obligations are listed in Appendix 4 to this Policy.

Client Consent

The Company is required to provide appropriate information to its clients about its execution policies in good time before entering into a relationship with a client. Should the Company directly execute client orders, prior consent to the execution policy is required. Consent is deemed to be given by the client seeking to trade with the Company after having received appropriate information on the execution policy in good time before the provision of service. Meanwhile, prior express consent is required before executing orders outside a regulated market, with active consent deemed to be received by signature, email, web-page click, telephone calls (recorded), amongst others. Express consent is not required where the relevant financial instrument is not admitted to trading on a regulated market.

A reference to this Policy shall be included in the Client Agreement and/or Terms and Conditions to this effect. A summary of this policy is to be made publicly available on the Company's website.

Information, Disclosure and Reporting

The Company shall ensure that each of its Clients shall be provided with this Client Order Execution Policy and shall include appropriate details and in a manner, which is easily understood by the Client any queries such Client may have in this regard.

The Company shall demonstrate to its Clients, at their requests, that it has executed their orders in accordance with this Client Order Execution Policy and it shall also demonstrate to the MFSA, upon request, that it is operating in line with this Policy.

In the event that a material change is made to the Company's Best Execution arrangements or the contents of the summary of the Best Execution Policy, the Company is to ensure an updated version is available to its clients on its website. A Professional Client is deemed to have given his consent to receiving updates to the Company's Best Execution Policy via our website if the client place an order with us, absent an instruction in writing from the client to the contrary.

Monitoring and Review

This Client Order Execution Policy, including the order execution arrangements contained therein, shall be the responsibility of Mr. Timothy Hallinan as the Trading Director. The Policy, including the order execution arrangements contained therein shall be reviewed regularly, at least annually, or whenever a material change occurs that presents a change in the rules, regulations or circumstances which may affect the said Policy.

Once updated, Mr. Hallinan shall present the updated version of the Best Execution Policy to the Board of Directors of the Company for their consideration and approval. Any changes shall also be reflected in the Best Execution Policy on the Company's website.

In addition to the annual review, factors that might trigger an early review of this Policy by the Company include:

- a. a material change to the dealing arrangements of the Company;
- b. the launch of, or substantial change to, a service, activity or product;
- c. a significant restructure of part of the business of the Company;
- d. a relevant change in regulation and/or market practice.

A copy of the most recent version will be published on the website of the Company and it is recommended that the Company informs its clients with such changes.

The Company will also update the list of Execution Venues and entities when necessary. The Company shall be notifying the Clients separately of any changes unless these constitute a material change. The addition or removal of a broker from the list of affiliated or third-party brokers would not typically be deemed to constitute a material change.

Appendix 1 - Instruments to which the Policy applies

The Policy applies to the following MIFID II Financial Instruments:

1. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
2. Financial contracts for differences;

Appendix 2 – Instrument related considerations

This appendix shall be providing further details regarding the application of the best execution in relation to specific financial instruments dealt by the Company. This appendix is an attachment to the Best Execution Policy of the Company and should be read in conjunction with this Policy.

1. Forex (FX)

This section provides the class specific details regarding the application of the best execution in relation to FX instruments. For the purpose of this section, the term FX instrument shall include:

- a. FX forwards;
- b. FX swaps;
- c. FX options (OTC);
- d. FX spot;
- e. Non-deliverable FX forward.

Certain FX OTC derivative instruments are not standardised products due to their tailor-made nature, for instance, with unusual long maturity to meet special needs of the investors. Therefore, these instruments are traded over the counter (OTC) where the Company has to verify the prices through specific pricing tools considering all relevant pricing parameters such as interest rates, volatility, and the spread.

a. Application of Best Execution

The Company will largely trade as principal when executing Client orders in FX instruments. Only some transactions could be executed on a riskless principal basis.

Client orders for FX transactions are executed by the Company as principal via the voice trading facilities (the “**Voice Trading**”) of the Company. The Company retains that there is no legitimate reliance being placed on the Company to meet the relevant best execution requirements, where the Client has asked the Company for a quote.

The Company retains that it has satisfied any best execution requirements with respect to a Client order if the Client has given specific instructions, specifying the time the order should be placed or the use of an algo, provided that the Company has followed such instructions.

The Company acknowledges that it owes a duty of best execution when executing orders on behalf of the Clients received through all three trading mediums referenced above. For this purpose, the Company considers to be in receipt of an order where an execution instruction has been provided to the Company and such instruction gives rise to contractual or agency-like obligations for the Client.

For the avoidance of any doubt, the unwind of derivative transactions, where the Client may find it difficult to seek alternative pricing from other parties or novate the transaction to another party, shall be considered as placing legitimate reliance by the Client on the Company.

With the above being acknowledged, the receipt of an order through any trading medium, does not oblige the Company to executing all or part of the order received. The Company reserves the right to execute all or part of the order received by the Client based on the specific order parameters instructed and the prevailing market conditions.

1. Execution Factors

When executing FX transactions where the Company owes a best execution obligation toward the Client, the execution factors will be taken into account according to the following priority order:

- a. price;
- b. costs;
- c. speed;
- d. likelihood of execution and settlement;
- e. size;
- f. nature;
- g. any other consideration relevant to the execution of a transaction.

The following asset specific factors will be taken into consideration when executing a Client order in FX instruments:

- i. skew (i.e. prices modified for risk management purposes in order to encourage trades that lead to an overall risk reduction of the FX trade portfolio);
- ii. exceeded last look tolerance (i.e. a counterparty trade request will be held by the Company for a period of time and will not be executed if the associated price falls outside a pre-determined range at the expiry of this holding period);
- iii. trade frequency exceeded (i.e. submitted trade requests will be rejected if more than a predefined number of trades in the same currency or currency pair are executed within a pre-defined period of time);
- iv. lack of credit (i.e. submitted trade requests will be rejected if the counterparty exceeds their allocated credit line);
- v. client preferences;
- vi. market conditions, when the transaction is received;
- vii. any accompanying instructions;
- viii. the size of the trade.

Provided that the Client has not given to the Company any specific instructions, the price will be the most important execution factor to be taken under consideration by the Company when executing Client orders. However, in illiquid markets, the priority of execution factors may vary, and the Company may assign to the likelihood of execution a higher importance.

When legitimate reliance is placed on the Company and the Client has submitted a request for a quote to the Company, the execution factors will be prioritised in the following order:

For FX spot voice trades in liquid markets

- i. Price;
- ii. Speed;
- iii. Size;
- iv. Costs;
- v. Likelihood of Execution;
- vi. Other Considerations.

For FX spot voice trades in illiquid markets

- i. Size;
- ii. Price;
- iii. Likelihood of Execution;
- iv. Speed;
- v. Costs;
- vi. Other Considerations.

For FX forward and FX Swap voice trades in liquid markets

- i. Price;
- ii. Speed;
- iii. Size;
- iv. Costs;
- v. Likelihood of Execution;
- vi. Other Considerations.

For FX forward and FX swap voice trades in illiquid markets

- i. Size;
- ii. Cost;
- iii. Likelihood of Execution;
- iv. Price;
- v. Speed;
- vi. Other Considerations.

The Company would like to point out that the above-mentioned list provides only an example of the execution factor prioritisation. Other factors may be prioritised over price in illiquid markets because the size of the order could impact the market and costs could be higher.

For FX option trades in liquid markets

- i. Price;
- ii. Size;
- iii. Speed;
- iv. Likelihood of Execution;
- v. Costs;
- vi. Other Considerations.

For FX option trades in illiquid markets

- i. Size;
- ii. Price;
- iii. Speed;
- iv. Likelihood of Execution;
- v. Costs;
- vi. Other Considerations.

2. Client Order Handling

The Company shall be providing its Services to the Clients interested to deal in FX Forwards and FX Swaps on either a principal basis, through electronic and voice channels, or on a riskless basis through AES FX.

The Company shall deal in both developed market and emerging market currencies and the Clients will be given the possibility to execute their orders in real-time for quote driven activities, to trade on eFX or to leave orders.

Should the Company provide quotes or negotiate a price on request with the Client, the Company will not generally be presumed to be receiving a "Client order" as part of a service where best execution will apply. However, the Company will still assess the particular cases to determine whether legitimate reliance has been placed in order to ascertain if best execution applies.

For FX Forwards and FX Swaps, the Company shall be handling the following Client orders:

"At best orders": orders from the Client to buy or sell a volume of a currency pair with the aim of achieving the best possible outcome based on prescribed client instructions and available liquidity.

"Resting orders": orders from the Client to buy or sell a volume of a currency pair at a specified limit price.

At best orders

"At best orders" include the following type of orders:

- a. executing the order at the best price possible for the specified volume and currency pair as soon as practicable given current market conditions;
- b. executing the order at the best price possible for the specified volume and currency pair over a prescribed period of time based on relevant Client instructions;
- c. and executing the order at the best price possible for the specified volume up/down to a prescribed price level. Once this level is reached the execution process is halted until price action allows execution to resume within the given instructions.

The Company shall be executing the Client "at best orders" by obtaining liquidity through its available sources and in accordance with the instructions received by the Clients.

Resting orders

The main orders handled by the Company are the following:

"Stop Loss" order to buy or sell a specified notional amount of a currency pair when an agreed reference price has reached or passed a pre-defined trigger level.

"Take Profit" order to sell above or buy below the current market price if the pre-defined price is reached during order duration in order to lock a profit on a position.

The Company shall be monitoring its Resting Order book continually. Once the agreed limit price has been reached, the Company will proceed to provide best execution either through executing the order in the market, taking on the risk on the trading book or through a combination of both.

The Company shall be providing its Services to the Clients interested to deal in FX options on a principal basis through voice channels.

The Company shall deal in both developed market and emerging market currencies and the Clients will be given the possibility to leave orders with the Company or request a price on a quote basis.

For FX options, the Company shall be handling the following Client orders:

“Spot orders”: orders from the Client to buy or sell a FX option when the underlying FX spot rate reaches a specified level.

“Premium orders”: orders from the Client to buy or sell a FX option at a specified premium as other market variables (spot rate, interest rate, implied volatility) allow that price to be achieved.

“Zero Cost Options”: orders from the Client to buy or sell a FX option without premium as other market variables (spot rate, interest rate, implied volatility) allow that price to be achieved.

3. Execution Venues

A list of Execution Venues that the Company uses for FX instruments is provided below. As the Company will largely trade FX on a principal basis, the Execution Venue will usually be the Company and its affiliates.

Hedging venues

Barclays Capital (Frankfurt)

Barclays Bank Plc (London)

Citibank N.A. (London Branch)

Appendix 3 – Execution Venues

A list of Execution Venues on which the Company places significant reliance in meeting its best execution obligations is provided below.

As the Company trades FX instruments on a principal basis, the Execution Venue will usually be the Company and its affiliates.

Hedging venues

Barclays Capital (Frankfurt)

Barclays Bank Plc (London)

Citibank N.A. (London Branch)

Appendix 4 – Brokers

A list of affiliated and third-party brokers on which the Company places significant reliance in meeting its best execution obligations is provided below.

Barclays Capital (Frankfurt)

Barclays Bank Plc (London)

Citibank N.A. (London Branch)