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BEST ORDER EXECUTION POLICY

This document sets out the execution policy and approach to providing best execution, as required by the amended and recast Markets in Financial Instruments Directive 2014/65/EU (“**MiFID II**”) of BrokerCreditService (Cyprus) Limited (“the Company”, “**we**”, “**us**” or “**our**”).

In general, the obligation to obtain the best possible result for our clients (“client” or “you”) arise in circumstances where we execute orders on your behalf, execute decisions to deal when managing your portfolio or where we act in your best interests when passing your orders, or decisions to deal, to other entities for execution. However, there are could be circumstances where obligation to provide best execution will not apply to the Company. For example, where you are effectively acting as a principal to a bilateral transaction with us, in other words, as market counterparty and/or assuming positional risk under a transaction.

This Policy sets out the circumstances under which we will seek to deliver best execution to you, and the considerations to be taken into account when we deliver it in practice.

When you send an order that includes specific instructions in relation to the handling and execution of the order or its part (specifying a particular execution venue, price, time, method of execution (including type of order) or requesting the use of a particular investment strategy, etc.) then, it will be executed in accordance with these specific instructions. This means that, as provided for in MiFID II, best execution obligation will not apply to such order or its part as described below.

The arrangements described in this Policy are established to ensure that we deliver best execution for you when it is applicable on a general and consistent basis. However, whilst every attempt will be made to achieve best execution for you when required, this does not necessarily mean achieving the best price in each and every case, but rather the best price that can reasonably be expected given the information available during the execution process.

APPLICATION AND SCOPE

Application to Eligible Counterparties

If you are classified as an eligible counterparty, the obligation to provide best execution will not apply to you unless we specifically agreed in writing to provide you with best execution under exceptional circumstances.

Application to Retail and Professional Clients

Retail Clients

Our policy is to always provide best execution to our Retail Clients where it is generally applicable and except the situations when the client sends a specific instruction, as it further described in the relevant section.

Professional clients

We will always provide best execution to our professional clients when we act in an agency capacity (whether pursuant to an express request or implicitly, when executing a large order through a series of matched principal transactions), when we are acting pursuant to a formal discretionary, asset management or advisory mandate, or where we are obliged to do so pursuant to an express contractual provision entered into with you.

In other circumstances, for example, where we provide quotes or negotiate a price with you, on request (dealing on a request for a quote basis) or where you act in a true (not riskless) principal capacity, thereby assuming positional risk under the transaction, the question of whether we owe a best execution obligation will depend on whether you are relying on us to protect your interests, or can legitimately regard us as a market counterparty (see below the procedure for application of the four-fold cumulative test, as advised published by the European Commission for such cases).

Irrespective of whether a specific transaction is covered by this Policy, and whether or not the Company is subject to a duty of best execution, it has an obligation to act honestly, fairly and professionally in accordance with the best interests of its clients.

Application to particular services

This Best Order Execution Policy applies in cases where the Company transmit your orders to other entities for execution, manage your portfolio by executing decisions to deal or when provides the services of execution of orders on your behalf. It applies to a limited extent when the client trades through our DMA arrangements as explained below and exercises his/her own discretion on the execution of the order.

Application to Financial Instruments

The best execution requirement applies to transactions (including derivative and “repo” transactions) in a wide range of financial instruments, the list of which is defined in Appendix I. It shall be noted, that “spot” transactions in FX and commodities instruments are not considered as “financial instruments”, and they are therefore not subject to any obligation of best execution.

FOUR-FOLD CUMMULATIVE TEST

The EU Commission has established a relationship-based “four-fold test” which can be used by us to determine whether or not a client, is indeed legitimately relying on us in a specific transaction or in effect treating us as a market counterparty.

- **which party initiates the transaction**

If you approach us and suggest entering into a specific transaction, it will be less probable that we will owe you best execution.;

- **questions of market practice and the existence of a convention to “shop around”**

For example, in the wholesale OTC derivatives and bond markets, buyers conventionally “shop around” by approaching several dealers/ brokers for a quote and in these circumstances there will be presumed no expectation on your side that we will owe you best execution.

- **the relative levels of price transparency within a market**

In many cases, a client approaching the Company will have as good a view of market conditions as the Company itself, or in some instances even better, for example where other market participants are happy to disclose information to their clients, but not to their competitors. In these circumstances we would assume you do not rely on us. This will be relevant for markets where you do not have ready access to prices while we do. When price transparency is poor, we may be using, where relevant, public reference prices and will disclose the same to you and advise on the methodology for calculating fees and charges.

- **the information provided by us and any agreement reached**

The information we provide to you and our contractual relationship will also be of relevance: where such agreements stipulate circumstances under which we won't owe a duty of best execution, it is less likely that you will be relying on us under such circumstances.

Except where the question is otherwise specifically agreed between us, the Company's staff will use their reasonable judgement in good faith to apply the above principles in determining whether or not the client is seeking to rely on us in particular circumstances. Where none of the four elements of the test indicate that you actually rely on us, we will assume that you regard us as your market counterparty, and will thus not observe the formal best execution requirements - whilst nevertheless continuing to act honestly, fairly and professionally in accordance with your best interests.

In general, the rule is that in cases where we retain a discretion over how any aspects of your order is to be executed, then it is more likely that we will owe a duty of best execution; and controversially, where we have no discretion and/or is assuming the full positional risk in a transaction, then it is less likely.

EXECUTION FACTORS

When executing the client order the Company will take into consideration a range of different factors and determine how to obtain the best possible result for orders executed on your behalf.

Execution Factors considered in this regard include but are not limited to:

- **Price:** this refers to the resulting price of the transaction excluding our own execution charges. It will usually be our most important consideration. After price, costs, speed and likelihood of execution are usually our most important considerations. If you are a retail client, we will usually determine best execution in executing your order in terms of both price and costs (see below).
- **Market impact:** this entails detecting threats to the orderly operation of financial markets, including to reliability and transparency of their price formation process and tackling any behavior that may conclusively result in cascading market impact or large market impact in general. In forming execution strategy, we will always observe the standard of behavior normally expected in the market to which you direct your order. In no case, we will take action, which may result in market distortion or give a misleading impression of trade volumes or value of any financial instrument.
- **Speed:** we interpret speed as the rate at which we are able to progress your order. Where your instructions dictate or imply a rate at which we should progress your order, we will follow your instructions unless we see an immediate and substantial conflict with the price. Where your instructions do not refer to speed, we will progress your order at a rate, which we believe, represents a balance between creating market impact and executing your order in a timely fashion so as to reduce execution risk.
- **Likelihood of execution / size:** we interpret this as the likelihood that we are able to fill your order, or at least a substantial part of it, in its entirety. This factor increases in importance in situations where access to liquidity in the relevant instrument is constrained in some way. For example, if the security itself is illiquid or if you provide a limit price which is not marketable.
- **Likelihood of settlement:** we expect transactions that we execute for you to settle in a timely fashion. If we become aware that a particular execution strategy may compromise likelihood of settlement, we may not pursue that strategy even if it would result in a better price.
- **Costs:** these relate to commissions, costs and the fees that are charged for executing your order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties, such as financial intermediaries or market infrastructure entities. If you deal with us on a fixed commission basis, these costs will have only a minor influence in the way that we execute your order.
- **Nature of the order and any other relevant considerations –** This is a broad category that covers any other factor not listed in the regulations that firms may wish to prioritise in order to achieve the best result for its clients. Examples of this may be the need to maintain anonymity and/or reduce the market impact of the trade, the need to minimise or diversify counterparty exposure, and the need to meet regulatory requirements such as trade publication and reporting.

When seeking for the best possible method for execution, we will consider the following criteria:

- the characteristics of you as our client, including your categorisation as a Retail client or a Professional client;
- the characteristics of your order;
- the characteristics of financial instrument involved;

- the characteristics of the execution venues to which your order can be directed;
- any other circumstances we consider relevant.

Generally, the prioritisation of the execution factors should be determined once, for each relevant class of financial instruments, and then this prioritisation should be applied to all relevant trading activity by the Firm. It may be desirable however, to apply different default prioritisations of the execution factors to specific instruments or trading strategies to be applied in specific situations. In addition, there may be situations where this prioritisation needs to be adjusted, for example due to exceptional circumstances such as volatile markets, credit events and geo-political events.

Execution factors depending on the clients' categorization

Retail clients

The provision of Best Execution for Retail clients will be determined primarily in terms of total consideration, which is the sum of the price of the relevant Financial Instrument and execution costs (Total Consideration).

Total Consideration includes all expenses incurred which are directly related to the execution of the order (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order).

. The other execution factors listed above will only be taken into account to the extent that they help us to achieve the best possible result for you in terms of the Total Consideration.

Professional clients

Where we seek to achieve best execution for our Professional Clients, we will take into account all of the execution factors listed above, and then seek to execute the transaction on the execution venue that demonstrates the best price at the time. In normal circumstances, the prevailing price of the financial instrument will be the most significant factor; however, there will frequently be other, potentially conflicting factors to be taken into account, such as maintaining confidentiality and minimizing the price impact when executing a large transaction, optimizing the result in illiquid markets, or achieving speedy execution in rapidly moving markets. In such circumstances, our staff will use their reasonable judgment and experience to execute the transaction in a manner which can be expected to achieve the optimum overall result for you under the particular circumstances.

SELECTION OF THE EXECUTION VENUES AND BROKERS

Your order can be executed on the following venues depending also on the class of financial instrument :

- regulated markets
- multilateral trading facilities
- organized trading facilities
- systematic internalisers
- market makers and
- other liquidity providers (including ourselves and our affiliates acting as principal including as a systematic internaliser) or entities that perform a similar function to those performed by any of the foregoing in a third country.

Selection of execution venues process based on the different criteria as described below.

The Counterparty reputation, financial stability and regulatory framework

Before establishing relationship with a counterparty, we will assess its' reputation, position on the market financial stability, the services it authorized to provide, as well the counterparty's compliance with AML/TF and safeguarding of clients assets requirements and other factors.

Counterparty performance

When assessing the counterparty we will consider whether a venue provides, or is likely to provide, material opportunities to trade that may not exist within our existing portfolio of venues. Those opportunities may take the form of prices, which improve on those offered by our existing venues or the ability to trade significant additional size at similar prices to those offered on existing venues. We expect liquidity and price to be closely (but not exclusively) associated with the market share the venue commands.

We will usually assess venues according to the following considerations:

- whether the venue functions in a way that might benefit or hinder our ability to achieve best execution;
- whether the rules of the venue and its fee structures encourage or discourage participants and trading behaviours that are compatible with the aims of achieving best execution;
- whether we have confidence that the venue is reliable across a range of market conditions.
- Speed of access, immediacy and likelihood of execution.

We will also assess whether this counterparty enables us to deliver best execution to clients on a continuous basis. In this connection, we will also consider qualitative factors like clearing schemes, circuit breakers, liquidity analysis and any other relevant considerations.

As a basis for our selection and in order to evaluate and compare execution venues, we may review quarterly execution quality reports published by the venues. In addition, we review our own transaction data at least quarterly.

Settlements

We will not generally use a venue if we are not able to determine the obligations (both on us and our trade counterparty) either to settle a transaction or to resolve failed settlements.

In certain cases, a security may only be settled through a particular Global Custodians and depending on what settlement arrangements we are having in place. In case of any limitations with settlement arrangements or additional conditions or requirements, you will be accordingly notified in advance to have time to take a reasonable decision.

Trading obligation that may apply in relation to the financial instrument in concern

When we selecting venues in non-EU jurisdiction, we will take into account the existing trading obligations and ensure the order with respect to the below financial instruments is executed in compliance with the MIFIR¹ rules, particularly

- (a) shares admitted to trading on an EEA regulated market or traded on an EEA trading venue and
- (b) derivatives pertaining to a class of derivatives that has been declared subject to the trading obligation

shall be traded on the EU trading venues as described above or equivalent trading venues, defined by ESMA².

The trading obligation shall take precedence over any particular preferences that you may have conveyed to us in relation to the execution venue.

Factors considered when executing a particular order

When we accept an order from you and immediately send that order directly to one or more execution venues we are choosing between multiple execution venues available for us giving due regard to the following principles according to the type of order that we are trying to execute:

- Where an order has no limit price or is an order to buy in which the limit price is greater than or equal to the best offer price or an order to sell in which the limit price is less than or equal to the best bid price our primary goal will be to achieve the best price/total consideration, followed by maximizing the speed and likelihood of execution;
- Where an order has a limit price, which does not meet the above criteria we consider that the price of the execution is set and our choice of venue will be determined by associated costs and maximizing both the speed and likelihood of execution;

¹ Regulation (EU) No 600/2011 - Markets in Financial Instruments Regulation (MiFIR);

² The European Securities and Markets Authority (ESMA), the EU's securities markets regulator

- When choosing across a range of venues, which do not provide any pre-trade market data and execution prices of which are derived from the bids / offers published by execution venues providing such data our priority will be to maximize the speed and likelihood of execution whilst also minimizing the chance that there are adverse price movements around the time of execution and execution costs.

Without prejudice to the principles of choosing execution venue outlined above, we predominantly give preference to the venue which is proved to be the most developed, liquid and reliable on the particular local market with respect to the particular financial instrument.

Although we are committed to execute your orders in a way we consider the most suitable, when markets become excessively volatile, for example, at the open or close of the standard trading session, the execution of your orders may still be impaired by:

- Substantial difference between the bid or offer price or the last reported sale price quoted at the time of order entry and actual execution price;
- Partial executions or execution of large orders in several transactions at different prices;
- Delays in executing orders through external market makers due to manual routing or execution;
- Substantial deviation of opening prices from the previous day's close prices;
- Locked (the bid equals the offer) or crossed (the bid is higher than the offer) market conditions.
- Order imbalances and back logs due to investors placing high volume of orders.
- Pre-trade filters whether execution venues' or ours, result in orders with a large expected market impact being paused or traded using an algorithm potentially causing slippage from the expected arrival price.

The factors related to selection of venue depending of a particular financial instruments are described in Appendix II.

List of the execution venues

A list of execution venues on which we place significant reliance in meeting our obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution of client orders is set out in

Appendix II.

Within the same exhibit, a list of the entities with which the orders are placed or to which we transmit orders for execution is presented, per class of financial instrument and, if and where applicable, per type of client (retail/professional).

THE EXECUTION STRATEGY AND ARRANGEMENTS

Execution strategy

Once we have accepted your order we will consider the execution factors in the context of the instructions that you have provided to form a suitable execution strategy. Under this execution strategy, we will take sufficient steps to obtain the best possible result for you by employing appropriate aspects of our execution arrangements.

Our execution strategy may result in us deciding between two options:

- 1) routing your order, through one of our execution brokers, to one or more execution venues chosen as provided for in this Policy immediately or rather, releasing parts of your order gradually over an appropriate period of time. An example of the latter instance could be a large order in size and/or an illiquid contract, in which case speed would be deprioritised in order to be more passive within the market and to ensure there is not an unacceptable cost or price impact to you as the client;
- 2) transmitting your order to one of our execution brokers we rely on in providing best execution including venue selection

The execution strategy employed will take into account any information that you provide to us, together with our knowledge of the relevant instrument and the market in which you are seeking to execute.

Where you are using our electronic trading service (DMA) and intend to place the orders to the respective market yourself, the execution strategy will usually be formed automatically. In this circumstances we will consider that we owe you best execution to the limited extent – within the predefined settings employed into the trading system and which provides the order routing to the most liquid market taking into account the type of the order, financial instrument involved, available trading venues, settlement terms and prevailing market conditions as described above.

In transactions where we assume an element of risk, whether executed internally or on an external trading venue, the price may include a spread which reflects, in addition to charges specifically agreed with you, the counterparty risk, market risk, hedging activity, assumption of credit and/or clearing risk and capital charges. These factors are inherent in our business model, and are outside the scope of best execution, except where expressly stated.

Direct Market Access (DMA)

The Company is not a member of any stock exchanges and operates through its established network of global prime brokers, which provides us with an access to the various stock exchanges and markets all over the world. In most cases, the order will be directed to the primary exchange using the electronic facilities provided to us by the respective prime broker who is a member of such exchange (DMA), where a particular security is traded and/or where this instrument is the most liquid, taking into account the Company's available arrangements, including settlements.

Retail Clients will normally trade through telephone (using our Voice trading service) or other channels subject to the agreement with us.

More advanced clients may have their own DMA access via our trading terminals we provide to them, the service which currently gives access only to the major US markets (Nyse Bluechips, Nasdaq Blue chips, Nyse_Arca, etc.). Once placed all their orders would then be executed at best time and price available on that markets.

The availability of certain products to Retail clients are subject to the appropriateness test and where this category is within positive target market established by us in accordance with the MiFID II product governance requirements and the respective ESMA guidelines.

Professional clients could be connected to more sophisticated markets in case the Company's arrangements provide for such access.

The Company's trading system

The Company is using an internal trading system – QUIK, the software which provides for the processing of client orders using pre-defined and/or configurable rules and settings that allow the Company to define under which conditions a client order can be confirmed.

The Company's trading system does not use any settings or algorithms, which perform the following actions:

- applying a longer latency than it is necessary before an order is executed;
- applying different treatment to different groups of clients based on the clients' trading profitability, as well as based on the Company's hedging arrangements;
- applying asymmetric slippage (where the Company is passing on negative price movements to the client but seeking to capture positive slippage itself by only giving the client the original quoted price where a positive movement has occurred in the intervening time between a quote being provided and the execution of the order);
- asymmetric limitations to the maximum positive and negative 'gapping' (in favor of the client and to client's disadvantage), above which client orders were rejected or re-quoted);
- restrictions on certain type of orders.

Voice trading

You may also place your orders directly with our traders by calling to our voice trading line, the contacts to which is provided in the agreement. In case you do not give the specific instruction in regard the market where the order should be placed and subject the availability of the access, the selection of trading venue (from the list of those available for us) will then mostly depend on the following factors:

liquidity

which exchanges have the best liquidity (so the order can be executed at best time and in full volume)

trading hours

which exchanges are open at the moment of order placing and

currency of clients funds

the currency of the clients funds may limit the possible execution options and selection of venues.

Price

Once placed through the terminal on the regulated market the order is automatically executed at the best possible price in accordance with the rules of the authorized exchange.

On the regulated market the transactions are always executed on the best possible price in accordance with the rules of the authorized exchange.

Request for a quote (RFQ)

According to our standard arrangements, we may agree to provide or make available to you quotations not constituting, however, an offer to enter into a particular transaction but being invitations to treat. Once you are interested in a transaction based on a relevant quotation, you will submit to us a corresponding offer, which however we will not be obliged to accept. We will execute any quote provided that the quote is not manifestly out of date, taking into account the changing market conditions and the time elapsed between the offer and acceptance of the quote.

We will not generally be presumed to be receiving such instruction as part of a service where best execution will apply. Where the consideration of the above factors concludes that you are not legitimately relying on us, then best execution will not apply. For example, no best execution obligations will apply in a scenario where we provide you quotes with no obligation to execute a transaction until the agreement has been reached and you have the flexibility to seek other quotes. By contrast, best execution will apply when in executing your order against our proprietary position we will make decisions on how the order is executed (this might occur, for example, when we manage stop-loss orders) or execute the order by dealing as a riskless principal on your behalf.

The price which we quote may be different from those prevailing in the markets, and it is up to you to decide whether or not to accept it. The same applies where we provide such quotes through an externally accessible electronic platform, whether provided by us or by a third party. In all such circumstances you will regard us as being your market counterparty, and we will have no duty to provide best execution.

Usually our quotes remain open for acceptance for a limited time period – where this period is not expressly stated when the quote is given or otherwise, we will endeavor to inform you when it is about to expire, but does not guarantee to do so. Where you seek to accept a quote after such a time limit has expired, we have the right to accept the transaction on the basis that you are happy with the price, but may also reject it.

In some products we use electronic platforms to provide indications of the prices at which we may be able to execute transactions: except where such indications are expressly made in the form of an offer capable of immediate acceptance by you, these are merely an indication of the price at which we are prepared (but not obligated) to transact when an actionable order is entered into the relevant system. However, we reserve the

right under such circumstances to take a “last look” in order to establish that there have not been any material price moves in the meantime – and where we decide to accept the transaction, we may in our discretion retain or pass on to you the costs or benefits inherent in such moves.

We also may reject transactions where the “last look” price is outside any trade acceptance tolerances which we have set, and will apply such tolerances symmetrically, i.e. irrespective of whether the potential benefit is in our or your favor.

Execution on OTC

Subject to the requirements of MiFID II and the consent provided by you in this regard, we may execute all or part of your order outside of a trading venue.

In particular, we may form prices and execute internal transactions by filling all or part of your order against:

- another client’s trading interest;
- our own inventory or at our risk; and / or
- a trading interest that we have acquired by facilitating another client’s trade.

In certain situations, some regulated markets permit the execution of an order outside the central order book based on market specific parameters such as minimum block thresholds and timings of submission. Where we negotiate transactions on your behalf and do not obtain your agreement to the terms of those transactions in advance we continue to owe you best execution. Any such transactions will be created manually, at the discretion of an individual responsible for execution of your order.

We may also choose to transmit your order for execution to another broker or dealer (which may be located outside of the European Economic Area (“EEA”) and could include both affiliate entities and / or third party brokers), in which case we will either determine the ultimate execution venue (OTC liquidity provider) ourselves on the basis described above, and instruct the other broker or dealer accordingly, or we will satisfy ourselves that the other broker or dealer has arrangements in place to enable us to comply with our best execution obligations to you;

We will take steps not to structure or charge our commissions in such a way as to discriminate unfairly between execution venues;

Algorithmic Execution

An algorithmic order is an order executed by an automated strategy according to specific parameters and/or conditions. When executing a large order or an order with the specific instructions to achieve a certain result we may use an approved proprietary algorithms that intelligently perform the task set by you but within the authorized strategies and behaviors and taking into account the requirements of the market abuse regulation³.

³ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)

The algorithmic strategies may apply limits in order to protect the client from extensive market movements.

Where it is deemed appropriate, we will apply algorithmic trading strategies for Client Orders, either through services owned by the Company or other providers. **Specific Instructions**

Where you give us specific instructions, including specifying the characteristics of a bespoke product, either relating to an order or a particular aspect of an order, we will execute so far as is reasonably possible in accordance with those instructions. You should be aware, however, that specifics of the instruction may prevent us from taking the steps that we have put in place to obtain the best possible result for the execution of your orders with respect to the elements impacted by such specific instructions. Notwithstanding this, where you give us a specific instruction, which covers one part or aspect of the order, this will not release us from our best execution obligations in respect of any other part or aspect of your order that is not covered by such instructions.

We may not expressly indicate or implicitly suggest to you the content of the instruction, if we believe that an instruction to that effect is likely to prevent us from achieving best execution. This will not prevent us inviting you to choose between two or more specified trading venues, consistent with this policy.

We may also use systems that record your venue preferences for all your orders or other processes that leave a clear audit trail of your wishes.

Where you give us specific instructions to execute a fixed-price transaction, we may execute outside of a trading venue, including trade against ourselves or one of our affiliates unless you expressly instruct us otherwise. In that case any "mark-up" or "mark-down" to prevailing market prices will be retained by that affiliate or us.

If the conditions pertain for us to be under an obligation to execute your orders on designated execution venues, as per the description provided in the section that follows, we shall place precedence on obliging to such trading obligation over any preferences of yours concerning the selection of execution venue. If, however, your order can be fulfilled as per your preferences and still be in compliance with the trading obligation it will be executed as directed.

MONITORING AND REVIEW OF OUR BEST EXECUTION POLICY AND ARRANGEMENTS

The Company assesses the effectiveness of its Best Execution Policy and overall execution arrangements on a regular basis, and at least annually. The review should be carried out whenever a material change occurs that may affect the Company's ability to continue to obtain the best possible result for its clients on a consistent basis. The review will also take into consideration possible changes to the relative importance of the execution factors in meeting the overarching best execution requirement.

Any material changes to this Policy will be published on our website at <https://bcscyprus.com/policies>.

The Company's traders, as the first line of defense shall monitor the quality and effectiveness of their order execution arrangements to identify and, where appropriate, correct deficiencies. The traders must be aware of the alternative execution methods available to them and the impact the various methods may have upon the orders being processed. In particular, traders should assess, on a regular basis, whether the execution venues offer the best possible result for the client or whether changes to execution arrangements should be made.

In order to ensure that the highest level of services is offered to clients and that the obligation to achieve the best possible result for execution of the clients' orders is met, the Company has employed an intelligent software, which enable us to get detailed analytics on every execution made and to understand whether the quality of execution was achieved or whether improvements need to be made. This monitoring is performed post trade on a daily basis.

The monitoring process also include an assessment of whether the execution venues and brokers provide for the best possible result taking into account the quarterly execution quality reports published by the venues.

REPORTING TO CLIENTS

Subject to the requirements of MiFID II, we will publish on our website by the end of April each year the the following information for each class of financial instruments:

- the top five execution venues and top five counterparties (where orders were placed or transmitted) by volume; and
- summary of the analysis and conclusions drawn from detailed monitoring of execution quality obtained on the execution venues and counterparties used during the previous year.

The said reports can be accessed on our website in electronic format and available to download by all clients at <https://bcscyprus.com/about> in the section "Best Execution - Top 5 Venues".

TYPES OF TRADING ORDERS

Given the risks that arise when trading in financial markets, you may wish to consider using different types of trading orders to limit such risk. Please, note that the descriptions below may apply to some and not all types of financial instruments.

- **Market order:** With a market order, you may instruct to execute a trade of a certain size as promptly as possible at the prevailing market price. Market orders are executed without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill your order, the order will most likely be executed at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If you place a market order in these markets, we will automatically translate the order to an aggressive limit order within a certain percentage limit “in the money”. You have responsibility to check if the order is traded in the market after order entry. If you experience or suspect any errors with the order contact us immediately.
- **Limit order:** With a limit order, you set the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. By placing a limit order you give up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange automatically. Where a limit order is placed in a share admitted to trading on a regulated market or traded on a trading venue, we shall not be obliged to publish that limit order if it cannot be immediately executed under prevailing market conditions.
- **Stop order:** A stop order is an order to buy or sell a financial instrument once the price of the instrument reaches a specified price, known as the stop price. When the stop price is reached, a stop order becomes a market order. A buy stop order is entered at a stop price above the current market price. A sell stop order is entered at a stop price below the current market price. A stop order is therefore a “sleeping” order until the stop price is reached or breached. Sell stop orders are generally used to limit a loss or to protect a profit on a financial instrument. In order to ensure stop orders are not filled at unreliable prices during short periods with abnormally wide bid/ask spreads caused by, for instance, release of key economic figures we implement spread filters preventing order execution when spreads exceeds certain levels.
- **Trailing stop order:** The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters you set in the order. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price. We may allow you to further customise the manner in which your stop (or stop-limit orders) are triggered. You may change the trigger method to include or exclude certain trigger criteria based on your specific trading objectives.
- **Stop-limit order:** A stop limit order is a variation of a stop order with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range. Once the stop price is reached a stop-limit order becomes a limit order that will be executed at a specified price (or better).

We may offer you several ways to submit stop and stop-limit orders. On most venues, we implement and manage stop (or stop-limit) orders in our systems, submitting market (or limit) orders to the venue when the trigger price specified by you has been reached and passed. On some venues, we may submit

stop and/or stop-limit orders using the venue's native order type. For each venue on which you may trade we will specify to you whether stop and/or stop-limit orders are managed by us or submitted using the venue's native order type. For stop and stop-limit orders that we manage, unless you specify otherwise when submitting the order, the order will be triggered and a market (or limit) order will be submitted for execution when the venue on which the financial instrument is traded is open and has a valid bid/ask quote for the instrument and the last sale price for the instrument is at or above (for buy stop orders) or at or below (for sell stop orders) the trigger price specified by you.

- **GVWAP orders:** We may accept guaranteed volume weighted average price ("VWAP") orders for certain securities. The VWAP for a security is calculated by adding the price of every transaction in that security (the price per security multiplied by the number of securities traded) and dividing by the total securities traded. A VWAP is computed from a beginning cut-off time to an ending cut-off time, and is calculated by volume weighting all transactions during this time period. VWAP prices are computed by Bloomberg, displayed after market close, and are guaranteed to be executed. By default, beginning cut-off times are every minute from market open to market close. You can also modify the ending cut-off time of the calculation in your trading terminal or otherwise when submitting the order. If you elect to specify a start and end time, certain limitations will apply. We will also set order size limits depending on the average daily trading volumes.
- **Algorithmic order:** An algorithmic order is an order executed by an automated strategy according to specific parameters or conditions. Algorithmic orders are intended to minimize the market impact created from placing larger orders or achieving a recognized trading benchmark. The orders can also be used to follow a volume participation or in general to achieve a better overall execution.

AFFILIATES AND THIRD PARTIES

The arrangements described in this policy apply when one of the entities of our group handles the execution of your order itself.

Using affiliated entities and third party brokers allows us to provide access to markets where it otherwise may not be able to execute or, where we believe it to be in your best interests, to address certain characteristics of your order. However, you should be aware of the potential difference in approach to execution standards where this is the case; whilst we retain our obligations regarding best execution, the execution of the transaction may be carried out by an entity, which is not subject to MiFID II.

Where we engage either an affiliate or a third party broker for order execution, we will:

- carry out due diligence on that entity and will take steps to ensure that the entity is able to provide an appropriate standard of execution in the relevant market; and
- monitor our executions with the broker to satisfy ourselves that they are providing appropriate standards of execution.

In relation to affiliates specifically, whilst we believe that using affiliates provides benefits to clients (including consistency of order handling; governance and oversight processes and the transparency thereof; certainty of market access; and integrated technology, allowing more efficient communication and front to back trade processing), we acknowledge that the opportunity for potential conflicts of interest exists. We are committed to mitigating these to the extent possible and perform due diligence on our affiliates to at least the same standard as for a third party broker; we also commit to monitor our executions with affiliate entities to satisfy ourselves that they are providing appropriate standards of execution.

APPENDIX I

LIST OF FINANCIAL INSTRUMENTS TO WHICH THE ORDER EXECUTION POLICY APPLIES

The Policy applies to the following MIFID II Financial Instruments:

1. Transferable securities;
2. Money-market instruments;
3. Units in collective investment undertakings;
4. 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;
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a Regulated Market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Schedule 1 and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a Regulated Market, OTF, or an MTF; and

APPENDIX II

SPECIFIC APPLICATION BY PRODUCT

This Appendix provides further details and an overview of the order- and quote-handling process, as well as when and how we will provide best execution, in relation to transactions executed for the particular product.

This Appendix should be read in conjunction with the overarching Best Order Execution Policy of the BrokerCreditService Limited (the "Policy").

A. EQUITY INSTRUMENTS

- Shares
- Exchange Traded Funds (ETFs)
- Depositary Receipts
- Certificates
- Other equity-like financial instruments

We may execute trades in different capacities, i.e. as agent or as principal. In cases where we act as principal, it is important for you to note that we may rely on the Four-fold cumulative test, as described in the Policy. When indicated by the test, we will assume that you regard us as your market counterparty, as a result of which we will not observe the formal best execution requirements.

The order execution process

You may elect to transact with us either by giving an order to trade or by a Request For Quote (RFQ). In the latter case, we will provide a price which you may accept or not as it is described in Request for a quote section our Policy above.

Retail Clients will normally trade through telephone (using our Voice trading service) or other channels agreed between us.

We may execute your order by placing it through our DMA arrangement with a particular trading venue, on which a financial instrument is traded or we may use other investment firms or to transmit it to a third party for execution with us as agent.

When we provide the investment service "execution of order on your behalf", we act to conclude agreements to buy or sell financial instruments on your behalf. This is for instance the case where we trade through the executing broker on stock exchanges or when we receive your order and pass it on to an another firm for execution.

Where we are trading on a trading venue through our DMA arrangements with a third party investment firm (e.g. broker), which is a member of that trading venue, a transaction is deemed to be executed on a trading venue or manually reported to the trading venue if the transaction is negotiated outside the order book.

Application of best execution

In case where best execution requirements apply to us as described in the Policy, the following considerations will apply.

The parameters involved differ in the case of aggressive and passive orders, since the objectives are different. Where transaction prices are published on a relevant market, we will use them as benchmark to evaluate the best execution.

The following factors and the relative importance given to them are indicated below in the order of relative priority which will be typically given to them. The other priority can be assigned as described in the policy depending on the criteria taken into account and the circumstances of each specific transaction.

- Price will normally be the most important factor, although it will depend on the type of order. For aggressive orders price – high importance, for passive orders - minor importance;
- Traded volume will have no importance in relation to aggressive orders, but will be of major importance for passive orders;
- Speed of execution - will be of major importance to aggressive orders, but of minor importance to passive orders;
- Transaction costs (external fees) will be of medium importance for aggressive orders, and no importance for passive orders;
- Venue type will be of medium importance for aggressive orders, but of no importance for passive orders.

A passive order is an order that adds liquidity to the order book (a buy-order with price lower than the best ask or an sell-order with price higher than the best bid). An aggressive order is an order that removes liquidity from the order book (a buy-order with price equal, or higher, than the best ask or an sell-order with price equal, or lower than the best bid).

B. FIXED INCOME

- Corporate and Government Bonds
- Euro Bonds
- Other Fixed Income instruments (cash and derivatives)
- Fixed Income Futures

We may execute trades in different capacities, i.e. as agent or as principal. In cases where we act as principal, it is important for you to note that we may rely on the Four-fold cumulative test, as described in the Policy. When indicated by the test, we will assume that you regard us as your market counterparty, as a result of which we will not observe the formal best execution requirements.

The order execution process

You may elect to transact with us either by giving an order to trade or by a Request For Quote (RFQ). In the latter case, we will provide a price which you may accept or not as it is described in Request for a quote section our Policy above.

You may elect to transact with us electronically via Bloomberg or by e-mail, or using RFQ service and/or streaming price technology.

In all cases, where we receive an order or a quote from you, the following considerations will apply:

- Quotes may be customized according to our understanding of your needs as our client;
- All orders will be handled in a fair and consistent manner according to execution factors noted below and as described in the Policy depending to the particular circumstances.

Data quotes are derived from a mix of selected internal and external market data and are distributed to clients via a number of electronic channels.

Trades are executed OTC, dealer-to-dealer or dealer-to-investor. This means that there is no central record of all of the transaction prices in the relevant market. Furthermore, some securities may have very low liquidity. Under these circumstances, it is less easy to establish precisely what the fair price for a given security is.

It needs to be noted that where we act as principal on a risk price transaction and thus assumes risk in relation to a transaction it has entered into with you, we would usually do not consider (unless explicitly agreed otherwise) that we owe Best Execution to you and subject to the Four-fold cumulative test results.

The price offered to you in such cases may include a spread or a mark-up which reflects the Company's counterparty risk, market risk, liquidity risk and regulatory capital requirements, amongst other things. These factors are inherent in our business model, and are outside the scope of execution, unless it is expressly stated. The spread or price in such cases will also reflect the creditworthiness of the issuer.

Where transaction prices are published on a relevant market, we will use them as benchmark to evaluate the best execution.

When executing orders or taking decisions to deal in OTC products, including bespoke products, we will check the fairness of the price, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

Application of best execution

In those cases, where the Company owes to provide best execution or subject to the results of Four-fold cumulative test, the following considerations will apply.

As there are few external execution venues, such as regulated markets, on which we may execute transactions in the relevant securities at a set price, most trades will be executed against our own book based on a price or spread offered to the client. This price may not be comparable with other prices available at the time because it will be dependent on the following factors and the relative importance given to them in each case.

Whilst these are indicated below in the order of relative priority which will be typically given to them, a variety of criteria will be taken into account in assessing their prioritization as the circumstances dictate in relation to each specific transaction.

- Price - will normally be the most important factor, although it will depend on each of the market risk (a higher rating will result in a smaller spread, and thus a better price), our exposure to similar instruments and the regulatory capital requirements that it must comply with;
- Speed of execution;
- Size and nature of the order (which may affect the price, depending on the circumstances);
- Likelihood of execution (potentially more important than price in an illiquid market) and settlement;
- Likely market impact (may affect the way we execute, as a block or by partial execution);
- Transaction costs and risks relevant to the execution;
- Nature of the market for the financial instrument (market practice for the relevant instrument); and
- Any other consideration deemed relevant to the execution of an order, such as whether the instrument has a floating or fixed interest rate.

In order to determine the relative importance of these execution factors, we will also take into account the characteristics of:

- The client, including its categorisation and counterparty risk according to our internal risk-scoring of clients (the better the risk score, the lower the add-on or spread)
- The circumstances behind the client's order (eg. whether it has issued an RFQ);
- The financial instruments that are the subject of the client order (the liquidity for the relevant instrument); and
- The execution venues to which the client order can be directed.

C. EXCHANGE TRADED DERIVATIVES (“ETD”)

We may execute trades in different capacities, i.e. as agent or as principal. In cases where we act as principal, it is important for you to note that we may rely on the Four-fold cumulative test, as described in the Policy. When indicated by the test, we will assume that you regard us as your market counterparty, as a result of which we will not observe the formal best execution requirements.

The order execution process

You may elect to transact with us either by giving an order to trade or by a Request For Quote (RFQ). In the latter case, we will provide a price which you may accept or not as it is described in Request for a quote section our Policy above.

You may elect to transact with us electronically via Bloomberg or by e-mail, or using RFQ service and/or streaming price technology. Unless your order conflicts with any trading obligations of ours, we will execute your order on the central order book of the regulated market that you state your order should be placed on. With regards to best execution obligation, we deem to have satisfied these requirements, provided we have correctly placed the order on the market that you as the client specify. Where a regulated market permits the execution of an order outside the central order book based on market specific parameters such as block trades or cross trades we will look to secure the best possible result for you leveraging existing relationships with liquidity providers/market makers.

Application of best execution

Price: this refers to the resulting price of the transaction excluding our execution charges. Generally this and costs (see below) are deemed as the most important considerations.

Costs: these relate to commissions and standardised clearing and market fees (charged by the relevant exchange/market/clearer). You are charged according to the rates as specified and billing information can be provided by your client manager.

Market impact: this entails the possibility of the market moving against you or creating a misleading impression in the market about the supply, demand or value of any ETD or underlying. This may be specifically relevant when the size of your order is much above average or you place high volume of orders in a single underlying instrument.

Speed: we define speed as the rate at which your order is progressed. Where you as the client express instructions to use a defined rate, we will follow your instruction. Where your instructions do not specify speed, we will progress your order at a rate which we believe represents a balance between impacting the market and executing your order in a timely fashion so as to reduce execution risk.

Likelihood of execution and size: we interpret this as the likelihood that we are able to entirely fill your order, or at least a substantial part of it. These factors are most relevant when access to liquidity in relevant instruments is constrained in some way.

D. COMPLEX STRUCTURED PRODUCTS

Structured products are securities that are derivatively priced and trade intra-day on a national securities exchange at a price based on the prices of other investment instruments, such as a commodity, a currency, a share price or an interest rate. SP include, inter alia, ETNs and ETFs (Exchange Traded Funds), although ETF's are not covered in this section, please refer to section A.

ETNs are often defined as a type of unsecured, unsubordinated debt security (bond) based on the performance of a market index minus applicable fees, with no period coupon payments distributed and no principal protections – although they may also have periodic coupons and be priced relative to one or more individual shares. They may also be principal protected. ETNs are often listed on regulated markets, but are traded OTC with reporting obligations to the relevant market. Non-listed ETNs are not subject to such reporting obligations.

We may execute trades in different capacities, i.e. as agent or as principal. In cases where we act as principal, it is important for you to note that we may rely on the Four-fold cumulative test, as described in the Policy. When indicated by the test, we will assume that you regard us as your market counterparty, as a result of which we will not observe the formal best execution requirements.

The order execution process

You may elect to transact with us electronically via Bloomberg, telephone or similar approved messaging solutions, or by e-mail. These products are usually is not suitable for Retail Clients and only provided to clients categorized as Professional or eligible Counterparties.

The quotes maybe customised according to our understanding of the client's need. All orders will be handled in a fair and consistent manner according to execution factors noted below.

- You may trade either in the primary market (where the issuer either distributes the product via a public offer or a private placement) or in the secondary market following the issue date of the product.
- In a public offer, we will market the product during the defined offer period, during which we will gather orders from our clients at a fixed price.
- In a private placement, clients normally transact by giving an order for the product at the fixed price without a set final terms.
- In the secondary market, we may buy back or offer for sale securities, including those, issued by us or our group entities. Such trades are normally based on client orders, but are executed by us as principal on OTC market.

Application of best execution

It needs to be noted that where we act as principal on a risk price transaction and thus assumes risk in relation to a transaction it has entered into with you, we would usually do not consider (unless explicitly agreed otherwise) that we owe Best Execution to you and subject to the Four-fold cumulative test results.

Trades are executed OTC, dealer-to-dealer or dealer-to-investor. This means that there is no central record of

all of the transaction prices in the relevant market. Furthermore, some securities may have very low liquidity. Under these circumstances, it is less easy to establish precisely what the fair price for a given security is.

The price offered to you in such cases may include a spread or a mark-up which reflects the Company's counterparty risk, market risk, liquidity risk and regulatory capital requirements, amongst other things. These factors are inherent in our business model, and are outside the scope of execution save where expressly stated. The spread or price in such cases will also reflect the creditworthiness of the issuer.

Where transaction prices are published on a relevant market, we will normally judge best execution in relation to them.

In those cases where the four-fold cumulative test or other circumstances dictate that we owe a duty of best execution pursuant to the Policy, the following execution factors will be taken into consideration for all trading, although their relative weight may vary according to the product traded and the underlying liquidity of the instruments involved.

- the price offered to you or the price at which we executed a transaction for you, may not be comparable with other prices available at the time because it will be dependent on the various factors and the relative importance given to them in each case;

- in the secondary market, trades will be executed as buy-backs or offers by us with either the client or third party distributor.

As mentioned above, there is no central record of all of the transaction prices in these products and most of are illiquid. Under these circumstances, it is less easy to establish precisely what a fair price for a transaction in a given security is.

For such securities our intention will be to show indicative bid/offer prices on an exchange or a public website where products are widely distributed, but will only make them available on request (for example on Bloomberg) in the case of less widely distributed products, for example where access has been restricted to a third party distributor of the security in question.

- *The likelihood of execution* and settlement will normally be the most important factor than price;
- *Price* will be second important where there are variety of the liquidity providers;

Price for transactions in the primary market are fixed by the issuer. Where we are the issuer, the price will include our transaction costs and funding costs, as well as the cost for the derivative side of the product. The derivative will normally be bought from other market participants based on a best price basis. For transactions in the secondary market for which there are published prices, we will normally judge best execution in relation to this;

- *After sales service*, the potential unwinding price, valuation and collateral costs;
- *The nature of the market* for the financial instrument (market practice for the relevant instrument);
- *Speed* of execution.

E. SECURITIES FINANCING TRANSACTIONS

We may execute trades in different capacities, i.e. as agent or as principal. In cases where we act as principal, it is important for you to note that we may rely on the Four-fold cumulative test, as described in the Policy. When indicated by the test, we will assume that you regard us as your market counterparty, as a result of which we will not observe the formal best execution requirements.

Securities Financing Transactions (SFTs) includes:

- a repurchase transaction (including reverse repurchase transaction) (Repo);
- securities borrowing and securities lending (SBL);
- a buy-sell back transaction or sell-buy back transaction;
- a margin lending transaction (including margin borrowing transaction).

The order execution process

You may elect to transact with us either by giving an order to trade or by a Request For Quote (RFQ). In the latter case, we will provide a price which you may accept or not as it is described in Request for a quote section our Policy above.

You may elect to transact with us electronically via Bloomberg or by e-mail, or using RFQ service and/or streaming price technology.

You may also choose to initiate transactions verbally through our relevant sales/trading desks.

Application of best execution

Since all trades are agreed on an OTC basis, there is no central record of all transaction prices in the market.

Generally, there are many securities that are very liquid and widely available, known as general collateral securities and some that are heavily in demand and consequently hard to borrow, known as "specials". In either case, when acting on client orders we seek to obtain the best possible result on a consistent basis, rather than in respect of each individual transaction on a standalone basis, taking into account the execution factors listed below.

- We execute Repo trades both on a dealer-to-dealer and dealer-to-investor basis;
- The SFT transactions which structured transfer of title of the collateral are not provided for the Retail clients;
- In the case of securities lending, Repo transactions and similar trades, the best execution obligations are only observed for investors for whom we act as a discretionary manager for making portfolio loans under the circumstances where the client initiates the transaction and is not reasonably expected to be able to access various alternative sources available to them for prices in the securities SBL market.

- In the case of a borrower of securities, it is reasonably assumed that the transaction is initiated by the counterparty by means of an RFQ, and that they are active in the market and thus able to decide for themselves whether to execute or not;
- When creating a short exposure for you, our ability to transact could be dependent on its ability to borrow the underlying asset in the market;

These execution factors may include, and are not limited to:

- Liquidity of the collateral security;
- Term of the transaction (open/fixed term);
- Relative price stability of the portfolio/asset;
- Cost of sourcing securities to be posted as collateral for the transaction;
- Client credit quality and netting status;
- Jurisdiction of the dealer/investor and/or client;
- Lending parameters, which may include limits on markets, securities, counterparties and duration;
- Speed/Timing of execution (size, nature of the order may affect the rate, as may contemporaneous market news, such as a corporate announcement);
- The client type;
- The type of order (proactive or reactive);
- Liquidity for the relevant asset/assets;
- Impact on our capital and costs related to this;
- Our exposure diversification and/or concentration risk policy; and
- Our positions in the relevant asset/assets.

For most asset classes, price is sufficient to evaluate the quality of the execution, although, as mentioned above, an SFT is not only dependent on price or rate, but also those factors highlighted. SFTs with an open term are open to renegotiation across the lifecycle of the trade, and are thus typically re-evaluated continually.

F. FX TRANSACTIONS

We may execute trades in different capacities, i.e. as agent or as principal. In cases where we act as principal, it is important for you to note that we may rely on the Four-fold cumulative test, as described in the Policy. When indicated by the test, we will assume that you regard us as your market counterparty, as a result of which we will not observe the formal best execution requirements.

FX transactions include:

- FX Forwards
- FX Swaps
- FX Options
- Non Deliverable FX Forwards (NDFs)

Spot FX transactions are not regarded as financial instruments and therefore best execution does not apply to such transactions.

The order execution process

You may elect to transact with us either by giving an order to trade or by a Request For Quote (RFQ). In the latter case, we will provide a price which you may accept or not as it is described in Request for a quote section our Policy above.

You may elect to transact with us electronically via Bloomberg or by e-mail, or using RFQ service and/or streaming price technology.

It needs to be noted that where we act as principal on a risk price transaction and thus assumes risk in relation to a transaction it has entered into with you, we would usually do not consider (unless explicitly agreed otherwise) that we owe Best Execution to you and subject to the Four-fold cumulative test results.

Application of best execution

In those cases where the Four-fold cumulative test or other circumstances dictate that we owe a duty of best execution pursuant to the Policy, the following considerations will apply.

In case of swaps or forwards, which are executed OTC, we consider price & costs and likelihood of execution to be important factors. The priority of any one of these factors will depend on your specific instructions (including any contractual arrangements between us) and prevailing market conditions.

Price: this refers to the resulting price of the transaction excluding our own execution charges or other transaction costs (see below), if applicable. Price may include costs and charges applied by third parties (e.g. local sub-custodians).

FX transactions may be executed on the basis of one of the following, unless otherwise agreed:

- an external reference or benchmark price;
- a price provided by us; or
- a price provided by an external liquidity provider.

Costs: any transaction costs including any fees, commissions or spreads charged by us or applied by third parties are notified to you. Such notification is communicated before transactions are executed – typically at the outset of our relationship.

Likelihood of execution: this refers to the likelihood that we are able to execute an FX transaction in accordance with your instructions.

Where we have entered into an agreement with you, this may outline our commitment to execute FX transactions in predefined circumstances. This factor increases in importance in situations where access to liquidity in the relevant instrument is constrained in some way - for example, if there is a market disruption event.

APPENDIX III

LIST OF TRADING VENUES, EXECUTION BROKERS AND OTHER LIQUIDITY PROVIDERS

Financial Instrument	Execution Broker	Trading Venue(s)
Equity securities		
Equity Securities, Depositary Receipts, ETFs	<ol style="list-style-type: none"> 1. BrokerCreditService Limited (Russia) 2. Instinet Europe Limited 3. Virtu ITG Europe Limited 4. Interactive Brokers Limited 5. Sova Capital Limited 6. BCS Americas, Inc. 7. ITI Capital 8. VTB Group 9. ALFA Group 10. Univer Investment Group 11. Renaissance Capital 12. Atonline Limited 	<ol style="list-style-type: none"> 1. *MOEX Moscow Exchange 2. *LSE London Stock Exchange 3. *NYSE New York Stock Exchange 4. *NASDAQ Nasdaq Stock Market 5. *ArcaEdge (ARCAEDGE) 6. *Bats BYX (BYX) 7. *Bats Global Markets (BATS) 8. *Chicago Stock Exchange (CHX) 9. *Direct Edge (DRCTEDGE) 10. *Direct Edge (EDGEA) 11. *IEX 12. *Knight Securities 13. *NASDAQ (NASDAQ) 14. *NASDAQ OMX BX (BEX) 15. *NASDAQ OMX PSX (PSX) 16. *NASDAQ/Island 17. *New York Stock Exchange (NYSE) 18. *NYSE Arca (ARCA) 19. *NYSE MKT (NYSE AMEX) 20. *OTC Markets Pink (PINK) 21. *Alpha ATS (ALPHA) 22. *Canadian Securities Exchange 23. *Chi-X Canada 24. *Omega ATS (OMEGA) 25. *Toronto Stock Exchange (TSE) 26. *TSX Venture (VENTURE) 27. *Mexican Stock Exchange (MEXI) 28. *Vienna Stock Exchange (VSE) 29. *Bats Europe (BATEEN) 30. *CHI-X Europe Ltd Clearnet (CHIXEN) 31. *ENEXT.BE 32. *Turquoise (TRQXEN) 33. *Bats Europe (BATEEN) 34. *CHI-X Europe Ltd Clearnet (CHIXEN)

Financial Instrument	Execution Broker	Trading Venue(s)
		35. *Euronext France (SBF) 36. *Turquoise (TRQXEN) 37. *Bats Europe (BATEDE) 38. *CHI-X Europe Ltd Clearstream (CHIXDE) 39. *Frankfurt Stock Exchange (FWB) 40. *Stuttgart Stock Exchange (SWB) 41. *Tradegate Exchange (TRADEGATE) 42. *Turquoise DE (TRQXDE) 43. *XETRA (IBIS) 44. *Borsa Italiana (BVME) 45. *Bats Europe (BATEEN) 46. *CHI-X Europe Ltd Clearnet (CHIXEN) 47. *Euronext NL Stocks (AEB) 48. *Turquoise (TRQXEN) 49. *OMXNO 50. *Warsaw Stock Exchange 51. *BVL 52. *Bats Europe (BATEES) 53. *Bolsa de Madrid (BM) 54. *CHI-X Europe Ltd Clearnet (CHIXES) 55. *Swedish Stock Exchange (SFB) 56. *BATS Europe (BATECH) 57. *CHI-X Europe Ltd Swiss (CHIXCH) 58. *SIX Swiss Exchange (EBS) 59. *Turquoise CH (TRQXCH) 60. *VIRT-X (VIRTX) 61. *Bats Europe (BATEUK) 62. *CHI-X Europe Ltd Crest (CHIXUK) 63. *London Stock Exchange (LSE) 64. *LSE International Order Book (LSEIOB1) 65. *Australian Stock Exchange (ASX) 66. *Chi-X Australia 67. *Hong Kong Stock Exchange (SEHK) 68. *Shanghai-Hong Kong Stock Connect (SEHKNTL) 69. *Shenzhen Stock Exchange 70. *National Stock Exchange of India (NSE) 71. *CHI-X Japan (CHIXJ) 72. *JAPANNEXT 73. *Tokyo Stock Exchange (TSEJ) 74. *Singapore Exchange (SGX)

Financial Instrument	Execution Broker	Trading Venue(s)
Debt Instruments		
Bonds	<ol style="list-style-type: none"> 1. BrokerCreditService Limited (Russia) 2. Bloomberg MTF 3. Tradition 4. ICAP 5. Tullet Prebon 6. ContiCap 7. GFI Group 8. RPMartin 9. BGC 10. VTB Group 11. ALFA Group 	<ol style="list-style-type: none"> 1. Moscow Exchange (MOEX) 2. Bloomberg MTF (BMTF)
Derivatives		
Derivatives (Futures and Options traded on a trading venue)	<ol style="list-style-type: none"> 1. RJ O'Brien 2. Interactive Brokers Limited 3. BrokerCreditService Limited (Russia) 4. BCS Americas, Inc. 5. Tradition 6. ICAP 7. Tullet Prebon 8. ContiCap 9. GFI Group 10. RPMartin 11. BGC 	<ol style="list-style-type: none"> 1. *CME Group Chicago Mercantile Exchange Group (CME, CBOT, NYMEX and COMEX) 2. *FORTS Moscow Exchange derivatives market 3. *MICEX Moscow Exchange 4. *CFE Chicago Futures Exchange 5. *MIN Minneapolis Exchange 6. *ICE-US Intercontinental Exchange US 7. *NYSE-LIFFE US New York Stock Exchange LIFFE US 8. *ICE-EUR Intercontinental Exchange Europe 9. *EUREX European Exchange AG 10. *LIFFE London International Financial Futures and Options Exchange 11. *EURONEXT Paris, Amsterdam Exchange 12. *IDEM Italian Derivatives Exchange 13. *MEFF Spanish Futures & Options Exchange 14. *ICE-CAN Intercontinental Exchange Canada 15. *BDM Montreal Exchange 16. *SGX Singapore Exchange 17. *HKFE Hong Kong Futures Exchange

Financial Instrument	Execution Broker	Trading Venue(s)
		<ul style="list-style-type: none"> 18. *TSE Tokyo Stock Exchange 19. *OSE Osaka Stock Exchange 20. *TOCOM Tokyo Commodity Exchange 21. *TIFFE Tokyo International Financial Futures Exchange 22. *NZFOE New Zealand Futures and Options Exchange 23. *BMDEX Malaysian Exchange 24. *DGCX Dubai Gold and Commodities Exchange 25. *SAFEX South African Futures Exchange 26. *Bats EDGX Options Exchange 27. *Bats Global Markets (BATS) 28. *Boston Options Exchange (BOX) 29. *GEMINI 30. *ISE Options Exchange (ISE) 31. *MIAX Options Exchange 32. *MIAX PEARL 33. *NASDAQ OMX (NASDAQOM) 34. *NASDAQ OMX BX Options Exchange 35. *NYSE Arca (PSE) 36. *NYSE MKT (NYSE AMEX) 37. *Philadelphia Stock Exchange (PHLX) 38. *Montreal Exchange (CDE)

Financial Instrument	Financial counterparties	Trading Venue(s)
Security Financing Transactions		
REPO, buy sell back	BCS Bank ATONLINE LIMITED CREDIT SUISSE SECURITIES CREDIT SUISSE SECURITIES SOCIEDAD IPC INVESTMENTS CORP J.P. MORGAN AG NOMURA INTERNATIONAL PLC Q CAPITAL LTD ACC RAIFFEISEN BANK INTERNATIONAL RENAISSANCE SECURITIES CYPRUS RONIN EUROPE LIMITED, CYPRUS SBERBANK CIB (UK) LIMITED VTB CAPITAL PLC COWEN AND COMPANY LLC CREDIT SUISSE SECURITIES EUR CREDIT SUISSE SECURITIES SOCIEDAD ING BANK N.V. INTL FCSTONE FINANCIAL INC.	

* Through a third party broker

Additional information on the Execution Brokers and/ Financial counterparties

1. BrokerCreditService Limited (Russia)

This is the Russian company that is regulated by Central Bank of the Russian Federation. It is an affiliated company and part of BCS Group, established in 1995
 Website: <http://84.207.251.98/en/about/bcsgm/russia>

2. Instinet Europe Limited

Website: <https://www.instinet.com/>
 Best execution Policy: <https://www.instinet.com/legal-regulatory>
 Quality of execution reports: <https://www.instinet.com/legal-regulatory>

3. Virtu ITG Europe Limited

Best execution Policy: <https://www.virtu.com/uploads/documents/veil-order-execution-policy.pdf>
 Best Execution and Order Handling Disclosure: <https://www.virtu.com/uploads/documents/vic-best-execution-and-order-handling-disclosure-2021.pdf>
 Quality of execution reports: <https://www.virtu.com/regulatory-disclosures/>

4. Interactive Brokers Limited

Best execution Policy: <https://www.interactivebrokers.com/en/index.php?f=995>

Quality of execution reports: www.interactivebrokers.co.uk/en/index.php?f=43876

5. Sova Capital Limited

Best execution Policy: <https://sovacapital.com/terms/order-execution-policy/>

Quality of execution reports: https://sovacapital.com/wp-content/uploads/2018/10/Top_5_execution_venues_2019_report.pdf

6. BCS Americas, Inc.

Backed by the financial strength and reach of the BCS Financial Group, BCS Americas is growing, focused on offering unparalleled service from a staff averaging over 20 years' experience in US and International financial markets.

Website: <http://84.207.251.98/en/about/bcsgm/usa>

7. ITI Capital

Best execution Policy: <https://iticapital.com/assets/pdf/Best-Execution-Policy.pdf>

Quality of execution reports: <https://iticapital.com/rts-28-disclosures>

8. VTB Group

VTB Group is a global provider of financial services, comprised of over 20 credit institutions and financial companies operating across all key areas of the financial markets.

9. ALFA Group

Best execution Policy: https://alfacapital.com.cy/media/filer_public/c6/f7/c6f7e484-3cf2-4866-87c5-cdb23048741f/summary_order_handling_and_best_execution_policy.pdf

Quality of execution reports: <https://alfacapital.com.cy/en/mifid/best-execution-reports/>

10. Univer Investment Group

UNIVER KAPITAL, OOO is located in Moscow, Russian Federation and is part of the Financial Transaction Processing Industry. UNIVER KAPITAL, OOO has 5 total employees across all of its locations and generates \$611.05 million in sales (USD). There are 2 companies in the UNIVER KAPITAL, OOO corporate family.

11. Renaissance Capital

Order Execution Policy: <https://www.rencap.com/SharedFiles/Resources/f40da53b-35f7-44a0-aa00-8a669315407d.pdf?v=20171214040159>

Quality of execution reports: <https://www.rencap.com/we-are/legal-information>

12. Atonline Limited

Order execution policy: https://www.atonint.com/upload/iblock/7c8/order_execution_policy_2020.pdf

Quality of execution report: <https://www.atonint.com/regulatory/disclosures/>

13. RJ O'Brien

Order execution policy: <https://www.rjobrien.co.uk/wp-content/uploads/2018/11/RJO-Best-Execution-Policy.pdf>

14. Tradition

Order execution policy: https://www.tradition.com/media/307440/Tradition_Execution_Policy-2019-02.pdf

Quality of execution report: http://tradition-paris.com/PDF/RTS_28_Report_2018.pdf

15. ICAP

Order execution policy: <https://regulatory.tpicap.com/home/DownloadFile?id=99>

Quality of execution report: <https://www.tpicapmifidiidata.com/best-execution-reporting>

16. Tullet Prebon

Order execution policy: <https://www.tullettprebon.com/documents/legal/Execution%20Policy.pdf>

Quality of execution report: <https://www.tpicapmifidiidata.com/best-execution-reporting>

17. ContiCap

Continental Capital Markets is one of the leading Fixed Income and Derivatives Brokers in Emerging Markets and Europe.

18. GFI Group

Order execution policy: <http://www.gfigroup.com/wp-content/uploads/2018/01/External-Best-Execution-and-Order-Handling-Policy-2018-Final-Draft-v1.1.pdf>

19. BGC

Order execution policy: <http://www.bgcpartners.com/wp-content/uploads/2018/01/External-Best-Execution-and-Order-Handling-Policy-2018-Final-Draft-v1.1.1.pdf>

20. CREDIT SUISSE SECURITIES

Order execution policy: <https://www.credit-suisse.com/media/assets/investment-banking/docs/financial-regulatory/client-order-execution-policy.pdf>

Quality of execution report: <https://www.credit-suisse.com/media/assets/sites/finfrag/2019-information-on-execution-quality-obtained.pdf>

21. CREDIT SUISSE SECURITIES SOCIEDAD

Order execution policy: <https://www.credit-suisse.com/media/assets/investment-banking/docs/financial-regulatory/client-order-execution-policy.pdf>

Quality of execution report: <https://www.credit-suisse.com/media/assets/sites/finfrag/2019-information-on-execution-quality-obtained.pdf>

22. J.P. MORGAN AG

Order execution policy: https://www.jpmorgan.com/directdoc/mifidii_exec_policy.pdf

Quality of execution report: <https://am.jpmorgan.com/gb/en/asset-management/adv/funds/best-execution-reports/>

23. NOMURA INTERNATIONAL PLC

Order execution policy: <https://www.nomura.com/nam-europe/resources/upload/order-execution-and-best-execution-policy-fixed-income.pdf>

Quality of execution report: <https://www.nomuraholdings.com/company/group/europe/mifid/>

24. RAIFFEISEN BANK INTERNATIONAL

Order execution policy: https://www.rbinternational.com/en/homepage/business-terms/_jcr_content/root/responsivegrid/contentcontainer_108_1514197297/contentbox/downloadbutton_on_1861086349.download.html/-1/Mifid_OrderExecutionPolicy_v_1_7_20190218-EN.pdf

25. RENAISSANCE SECURITIES CYPRUS

Order execution policy: <https://www.rencap.com/storage/uploads/2020/05/27/5ecea63122bfOrder-Execution-Policy.pdf>

Quality of execution report:

<https://www.rencap.com/storage/uploads/2020/05/07/5eb3f3fe429e4Information-on-the-top-five-execution-venues-and-quality-of-execution-obtained-in-2019.xlsx>

26. RONIN EUROPE LIMITED, CYPRUS

Order execution policy: <https://ron.in/wp-content/uploads/2019/01/BEST-EXECUTION-POLICY-2018.pdf>

27. SBERBANK CIB (UK) LIMITED

Order execution policy: http://sberbank-cib.co.uk/docs/execution_policy_uk.pdf

28. COWEN AND COMPANY LLC

Order execution policy: <https://www.cowen.com/regulatory-disclosures/>

Quality of execution report: <https://www.cowen.com/regulatory-disclosures/>

29. ING BANK N.V.

Order execution policy: <https://www.ingwb.bg/media/755775/overview-ing-cb-order-execution-policy.pdf>

Quality of execution report: <https://new.ingwb.com/binaries/content/assets/support-content/compliance/rules-regulations/mifid/reports/rts-28-2019/ing-bank-nv-reporting-places-of-execution-and-quality-of-execution-2019.pdf>

30. INTL FCSTONE FINANCIAL INC.

Order execution policy: <https://www.stonex.com/globalassets/account-forms/ifl-order-execution-policy.pdf>