



Best Execution Policy Summary – Professional Customers

12-07-2021

This Best Execution Policy Summary for Professional Customers ("**Policy Summary**") sets forth the standards that R.J. O'Brien Limited (the "**Firm**") will observe when providing customers who have been categorised as Professional Customers with best execution.

Questions about this Policy Summary should be directed to the Firm's Compliance Department. This Policy Summary is valid and implemented from the issue date.

**R.J. O'BRIEN LIMITED is Authorised and Regulated by the
Financial Conduct Authority: FRN 114120**

Registered in England & Wales: Registration Number 01810354
Registered Office: 100 Cheapside, 1st Floor, London, EC2V 6DT,
United Kingdom

PURPOSE

The UK best execution regime under the rules of the Financial Conduct Authority (the "**FCA**") requires the Firm, when executing client orders or passing orders to others for execution, to take all sufficient steps to obtain the best possible results for Professional Customers, taking into account the execution factors. The execution factors are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order (e.g. whether it is a market or limit order).

- The FCA rules (in particular COBS 11.2A) require the Firm to put in place an order execution policy (the "**Policy**") which sets out how we will make arrangements with a view to delivering best execution. This Policy Summary is intended to provide you with appropriate information about the Policy and how your orders will be executed.
- This Policy Summary will apply if you have been categorised as a professional customer of the Firm and you give the Firm an order to execute on your behalf in respect of financial instruments covered by Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ("**Financial Instruments**").

In order to comply with the overarching best execution requirement above, the Firm will ensure that appropriate execution policies and/or arrangements are effectively implemented for the carrying out of all orders.

The Policy applies only to customers who have been classified as "**Professional Customers**" and is intended, in as clear a way as possible, to demonstrate how the Firm meets its best execution obligations.

If you have been categorised as a Retail Customer or you have requested to be categorised as a Retail Customer, R.J. O'Brien Limited will not be able to provide services to you. Where you have been categorised as an Eligible Counterparty, the Firm will not owe best execution obligations to you except where it is agreed otherwise between us.

DEFINING BEST EXECUTION

The Firm has implemented the Policy and procedures which are designed to be sufficient to obtain the best possible execution results for you. Best execution does not require us to obtain the best possible result for each order, rather we will apply our execution arrangements to each order with a view to obtaining the best possible result in accordance with the Policy.

Delivering best execution will be subject to and take into account any specific instructions, the nature of your orders, the priorities you have identified to us in relation to fulfilling those orders, and the nature and practice of the market in question. The aim is to obtain what, in our view, is the best result for you taking into account the range of execution factors.

Our commitment to deliver best execution does not mean that we owe you any fiduciary obligations over and above the specific regulatory obligations placed upon us or as may be otherwise agreed between us.

APPLICATION

Who: Our obligation to provide best execution under the Policy applies to Professional Customers only. The duty does not apply if you have been classified by us as an Eligible Counterparty. If you are a Retail Customer we will not be able to provide services to you.

What: Best execution applies to the execution of orders in relation to Financial Instruments.

When: Best execution applies when we:

- execute your orders on your behalf; and/or
- receive and transmit your orders.

If the Firm is executing an order on an agency or riskless/matched principal basis, then it is executing on your behalf and best execution will be owed to you (subject to any specific instructions you have provided in relation to the order).

However, even where the Firm is not dealing as agent and enters into a proprietary trade with you, best execution could still apply if you legitimately rely on us to protect your interests in relation to the pricing or other aspects of the transaction that may be affected by how we execute and/or transmit the order. To determine whether you have legitimately relied on us, we will consider the following factors:

- which party initiates the order;
- questions of market practice and the existence of a convention to 'shop around';
- the relative levels of price transparency within the market; and
- the information provided by the Firm and any agreement reached.

In any event, the Firm will treat all its customers fairly, honestly and professionally at all times.

Customer's specific instructions: Whenever there is a specific instruction from you, the FCA rules require us to execute the order following the specific instruction. We will be treated as having satisfied the best execution obligation but only to the extent of the part of the order to which the client instructions relate.

Please note that any specific instructions provided by you may prevent the Firm from taking the steps that it has designed and implemented in the Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Direct Electronic Access: When you submit an order electronically through one of the Firm's DEA systems, you will select the parameters of the trade (such as the price, the timing, the size and nature of interaction) with your selected execution venue. In such a case, the Firm, while acting on your behalf in providing the DEA service, will be treated as having satisfied its best execution obligation and you will be treated as having given specific instructions for the entirety of your order by means of the DEA service. Note: where we execute orders by entering into a simultaneous trade for risk purposes, this does not amount to DEA.

FACTORS WE WILL TAKE INTO ACCOUNT IN DELIVERING "BEST EXECUTION"

When providing best execution, the Firm must take into account the execution factors. These are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order (the "**Execution Factors**"). For example, other considerations include:

- the fixed and variable costs of the transaction;
- the need for timely execution;
- the liquidity of the relevant market;
- the size of the order and the nature of the transaction, including whether it is executed on a regulated market, or Over-the-Counter ("**OTC**");
- market impact;
- likelihood of execution and settlement;
- how we price the risk of that transaction to us; and
- any other consideration that is relevant to the efficient execution of the order, for example, the quality and reliability of execution, clearing and settlement facilities and the creditworthiness of the counterparty.

The Firm will pay due attention to the "total consideration" of the transaction. This is represented by the price of the financial instrument and the costs related to execution, which must include all expenses incurred by the customer which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Price and costs will ordinarily merit the highest relative importance in obtaining best execution, and the remaining Execution Factors will be given equal weighting. However, in some circumstances (e.g. for some customers, orders, Financial Instruments or markets), we may reasonably determine that other Execution Factors are more important than price. For example, in some markets, price volatility may mean that the timeliness of execution is a priority whereas, in other markets that have low liquidity, the act of execution may itself constitute best execution. In other cases, our choice of execution venue may be limited (even to the fact that there may be only one market/platform upon which we can execute your orders).

We will determine the relative importance of the Execution Factors by using our commercial judgement and experience in the light of market information readily available and taking into account the characteristics of the execution (the "**Execution Criteria**"):

- the characteristics of the customer and the fact that the customer has been categorised as a Professional Customer;
- the characteristics of the customer order (to include, but not be limited to, the size and nature of the order, market impact of the order and any other relevant orders and the liquidity of the market in consideration of the customer's desire for timely execution);
- the characteristics of the Financial Instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

In certain cases, the nature of the customer order is such that the transaction is tailored to meet the customer's specific needs and there are little or no comparable products available in the market from which a price and cost comparison could be made. These cases include structured products and bespoke OTC transactions. Where this occurs, we will assess the unique features of the transaction and the customer's instructions to determine the relevant Execution Factors to take into account in executing your order.

In the Short Term Interest Rate, Energy and Commodities markets the following additional factors apply:

- We are only able to provide our customers visibility to orders that have been communicated to us;
- We will provide best tradable bids and offers;
- Many of these markets suffer from erratic conditions where they demonstrate lulls and spikes, this creates uncertainty on the length of time a tradable price will be in existence, and furthermore the last traded price is not always a reliable indicator of actual price;
- We will not permit a customer to participate unless we are reasonably satisfied that the customer can settle the trade; and
- We cannot control the cost of credit or credit acceptance between customers.

STATEMENT OF THE BASIS OF DECIDING EXECUTION VENUES

The Policy includes, for each Financial Instrument in which we execute orders on your behalf, those execution venues that we consider enable us to deliver best execution on a consistent basis. Such execution venues may include, as appropriate, for each product: a regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country.

A non-exhaustive list of execution venues is provided at Appendix 2 to this Policy Summary. The Firm believes that the execution venues listed are appropriate to providing best execution to you as these venues enable the Firm to obtain on a consistent basis the best possible result for the execution of customer orders.

The factors which affect RJOL's choice of execution venue are: costs of execution; the ability for timely execution; liquidity of instruments on the market; and the size and nature of the order. RJOL's own commissions and the costs for executing an order in each of the eligible execution venues must be taken into account when assessing and comparing the results that would be achieved for a client by executing the order on each of the

execution venues listed Appendix 2 that is capable of executing that order. The charges passed down to the customer are consistent with the cost to the firm of dealing with each execution venue. The Firm does not structure or charge commissions in such a way as to discriminate between execution venues.

The Policy may provide only a single execution venue for certain Financial Instruments. This may be the case where there is only one execution venue available for the instrument, or where the Firm considers it is appropriate to enable it to obtain on a consistent basis the best possible result for the client.

We will regularly review and assess the execution venues available in respect of any product that we trade to ensure they continue to be the most appropriate for our customers.

METHOD OF EXECUTION

Subject to your specific instructions, we will select an execution venue that is most appropriate having regard to the Execution Criteria and the relative importance of the Execution Factors specific to that order.

Subject to any specific instructions, we will execute an order by one of the following methods or combination of methods:

- Directly to a regulated market or other trading venue, or where we are not a direct member of the relevant trading venue with a third party/affiliated broker;
- Outside a regulated market or other trading venue by executing the order with a matching order of a systematic internaliser, or another customer or counterparty of ours; or
- We may aggregate an order depending on market conditions if we consider the aggregation is unlikely to be a disadvantage to a customer whose order has been aggregated with another customer's order provided the venue permits such aggregation.

Where a product is traded on a regulated market, an EU regulated market, an MTF or an OTF (each a "Trading Venue" as defined under the FCA rules), the Firm will only execute your order outside the Trading Venue if it has obtained your express prior consent. Although executing orders outside a Trading Venue may allow access to additional liquidity sources, it may carry counterparty risk related to settlement / delivery of asset.

CUSTOMER SPECIFIC INSTRUCTIONS & LIMIT ORDERS

In accordance with COBS 11.2A.12R, whenever there is a specific instruction from the customer, the Firm must execute the order following the specific instruction. Executing an order following specific instructions from the customer will mean that the Firm has satisfied its best execution obligation, but only in respect of the part or aspect of the order to which the instructions relate. The Firm will not induce a customer to instruct it, explicitly or implicitly, to execute an order in a particular way where the Firm ought reasonably to know that an instruction to that effect is likely to prevent it from obtaining the best possible result for the customer.

Where a customer places an order directly on to a regulated market or other venue via DEA with no RJOL involvement, this will be treated as the customer's specific instructions for the entirety of the order by means of the DEA service.

A client limit order is deemed to be a specific client instruction for the purpose of meeting the Firm's best execution obligation. FCA rules require certain unexecuted customer limit orders to be made public immediately

unless the customer expressly instructs otherwise. By consenting to the Policy, you are expressly instructing us NOT to make such orders public.

NON-EXCLUSIVITY OF QUOTES

More than one of the trading desks at the Firm may offer the same or similar products. Customer orders submitted to one desk will not be communicated to another and will be treated confidentially. Customer orders will be handled in accordance with the Policy and the Firm's order handling procedures.

Unless stated or agreed otherwise, prices and quotes that the Firm provides to its clients are provided on a non-exclusive basis. This means that they may be offered or disseminated concurrently to the Firm's other clients, and the originating client does not have a right of first refusal over any price or quote the Firm provides to them.

ABNORMAL MARKET CONDITIONS

At a time of severe market turbulence, and/or internal or external system failure, the ability to execute orders on a timely basis, or at all, will become the primary consideration. In the event of system failure or suspension of an execution, the Firm may not be able to access all of its chosen execution venues.

MONITORING AND REGULAR REVIEW OF THE POLICY

We will monitor the effectiveness of our order execution arrangements and the Policy at least once annually to identify and implement any appropriate enhancements. Any best execution failures will be escalated to senior management in line with the Firm's escalation procedures. We will regularly assess the execution venues, and the brokers and dealers to whom we transmit orders to identify those that enable us to deliver best execution. We will also review our order execution arrangements and the Policy regularly whenever a material change occurs either in respect of one of our chosen execution venues or any event that affects our ability to continue to deliver best execution. A material change refers to any significant event that could affect the parameters of best execution.

Accordingly the list of execution venues listed in Appendix 2 and the Policy may be updated, where necessary, following such an assessment. You may at any time request for an updated list of execution venues and the Policy.

CONSENT

You acknowledge that you have been made aware of and accept the nature, policy and processes which we have in place for providing best execution and that, in the absence of any express instructions from you, we shall have full discretion to choose a relevant venue from the current list of execution venues (as amended and restated from time to time) for executing any order or orders (which may include dealing on a principal-to-principal basis with us), but in doing so shall assess and balance the range of all relevant factors, including those set out in this Policy Summary which, in our reasonable discretion, we consider relevant to achieving the best results for you.

You also agree that we may execute your orders outside a Trading Venue as set out above, and that you understand the relevant risk such as counterparty risk arising from execution outside a Trading Venue. In addition, you consent that we shall not make details of any of your unexecuted limit orders public unless you have specifically instruct us otherwise when you place an order with us.

GIVING CONSENT

In order to do business with you, we require your prior consent to: (a) this Policy Summary and the Policy as described; and (b) the specific matters relating to executing orders outside a Trading Venue and to not making unexecuted limit orders public immediately. Once you have read this Policy Summary, please signify your consent by either emailing consent or sending/faxing consent as per the instructions below. Your prior consent to this Policy Summary may be deemed to have been given when you ask us to act on your behalf.

- **Email Consent:** You may confirm consent by email to RJOUK-AccountOpening@rjobrien.com providing in the body of the email (i) your name; and (ii) your position and the name of the organisation (or organisations within your Group) (if applicable). For example: Mr Paul Smith, Head of Trading, XYZ Trading Company Limited. Please attach a completed consent form as set out in Appendix 1.
- **Postal/Fax Consent:** Alternatively, consent may be provided by posting/faxing a completed consent form set out in Appendix 1 to the Legal & Compliance Department at the address / fax number provided.

Appendix 1

Form of Consent – Order & Best Execution Policy – Professional Customers

I, on behalf of:

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[name of Company, or Groups of Companies, if applicable] confirm that I consent to the Policy Summary and the Order Execution Policy described (as amended and restated from time to time), including inter alia, to:

- (a) you executing orders outside a regulated market, an EU regulated market, an MTF or an OTF (as each is defined under the FCA rules); and
- (b) for unexecuted limit orders to be not immediately publicly displayed.

Signed:

Name:

Position:

Date:

Send to: Account Opening Department
R.J. O'Brien Limited, 100 Cheapside,
1st Floor, London, EC2V 6DT, United
Kingdom

Email: RJOUK-AccountOpening@rjobrien.com

Appendix 2

List of Execution Venues

| Type of financial instruments | Execution venues / Nature of trading |
|--|---|
| Equity derivatives | OTC/RFQ Eurex ICE Futures Europe Euronext Amsterdam Euronext Paris |
| Fixed Income Derivatives | OTC/RFQ ICE Futures Europe ICE Futures U.S. Eurex Chicago Mercantile Exchange Chicago Board of Trade |
| Commodities Derivatives | OTC/RFQ ICE Futures Europe ICE Futures U.S. Euronext MATIF Chicago Board of Trade |
| Energies Derivatives | OTC/RFQ ICE Futures Europe |
| Base Metals and Precious Metals Derivatives | OTC/RFQ London Metal Exchange |
| CFDs | OTC with straight-through pricing provided through third party liquidity providers. |