MONEX

Monex Europe Markets Limited

Order Execution Policy

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1 Introduction

Monex Europe Markets Limited ("MEM") is an MIFPRU investment firm Authorised by the Financial Conduct Authority (FCA) to transact FX financial instruments with professional clients and eligible counterparties.

A consequence of its regulatory permissions is that MEM is subject to the requirements of the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"), a key feature of which is the responsibility on authorised firms to "act honestly, fairly and professionally in accordance with the best interests of [their] clients"

The policy explains how MEM complies with the requirements including the arrangements we have in place when executing orders or providing quotes on behalf of clients.

2 Scope

This policy applies to clients classified by MEM as Professional Clients and to certain types of transactions in 'financial instruments'. Financial instruments are a defined term under MiFID II and the rules of the FCA and includes, but is not limited to FX Forwards, FX Non Deliverable Forwards (NDF's) and FX Options. It does not apply, for example, to FX Spot trades.

This Policy does not apply to business conducted with clients who we have categorised as Eligible Counterparties, accordingly we will not owe Best Execution for transactions entered into with Eligible Counterparties.

3 Best Execution Obligation

Best Execution is the overarching obligation for MEM to take all sufficient steps, when executing client orders in financial instruments on behalf of clients, to obtain the best possible result for its clients. We are required under MiFID II to take all sufficient steps to obtain the best possible result for you on a consistent basis, taking into consideration factors (the 'execution factors') and criteria (the 'execution criteria') relevant to the execution of that transaction as set out in Section 6 below. This policy has been defined to ensure that we meet this requirement.

4 Best Execution - Application

MEM owes a duty of Best Execution when it 'executes transactions on your behalf'. MEM will be executing transactions on your behalf where you legitimately rely on us to protect your interests in relation to pricing and other elements of the transaction (such as size) that may be affected by the choices we make. We are authorised to deal directly with you as principal in transactions relating to regulated financial instruments on a matched principal basis, a limitation that requires us to hedge our risk. When we provide quotes to you or negotiate a price with you upon your request (i.e. dealing on a request for quote (RFQ) basis) we will consider the nature of the request with respect to the Four Fold Test published by the European Commission to determine whether you are placing legitimate reliance on us. The Four Fold Test entails the consideration of the following factors: (i) which party initiates the transaction - where we approach you and suggest that you should enter into a transaction, it is more likely that you will be placing reliance on us. The reverse is true where you initiate transactions; (ii) market practice - where

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the practice in the relevant market suggests you take responsibility for the pricing and other elements of the transaction (e.g. it is common market practice to "shop around" for a quote), it is less likely that you will be placing reliance on us;

(iii) the relative levels of price transparency within a market – if we have ready access to prices in the market in which we operate, whereas you do not, it is more likely that you will be placing reliance on us, whereas if our access to pricing transparency is equal, similar or to your benefit, it is less likely that you will be placing reliance on us; and (iv) where information (including this policy) about our services and our agreements with you do not indicate or suggest a relationship of reliance, it is less likely that you will be placing reliance on us. Where the consideration of the above factors indicates that you are not legitimately relying on us, then Best Execution will not apply. However, even where Best Execution rules do not apply we must and will act honestly, fairly and professionally in accordance with your best interests.

5 Execution Factors and Criteria

In determining best execution, we consider the following execution factors:

• price;

• costs (including fees charged for execution, and clearing and settlement costs);

• speed of execution;

• the likelihood of execution and settlement;

• the size and nature of the order; and

• any other consideration that we deem to be relevant to the execution of the order. When determining the relative importance of these execution factors we consider the following execution criteria:

• the characteristics of the client;

• the characteristics of the order (including the type of order, size and likely market impact);

• the characteristics of the Financial Instrument which is the subject of the order;

• the characteristics of the execution venues to which the order can be directed; and

• any other circumstances that we deem to be relevant to the execution of that order. Typically, we would expect that price and speed of execution are the priority factors for most clients' circumstances.

We will always use reasonable endeavours to act in accordance with this policy, but we do not guarantee that the best possible price will always be obtained in all circumstances. There may be occasions when we change the priorities given to the execution factors outlined above or where we deem that execution may not lead to the best possible result, for example in times of severe market disruption or in the event of a system outage

6 Client Order Handling

When fulfilling orders for FX financial instruments, we generally execute comparable orders in chronological order of receipt. We make every effort to handle all orders in a

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timely fashion in line with our clients' instructions and expectations, but may not always be able to do so where the characteristics of the order, prevailing market conditions or the instructions or interests of the client require otherwise. Where we owe a duty of Best Execution and execute an order following specific instructions from a client, we will be treated as having satisfied our best execution obligations only in respect of the part or aspect of the order to which the client specific instructions relate. The fact that a client has given specific instructions which cover one part or aspect of the order will not release MEM from its best execution obligations in respect of any other parts or aspects of the client order which may not be covered by such instructions. Unless there are specific instructions, limit orders are normally considered client orders in scope of Best Execution. Unless otherwise notified to MEM, you instruct us not to immediately make public (where we would otherwise be required to do so by applicable regulations) the client order details.

7 Sales Margin

When you trade with us, we will provide you with a single all in price/exchange rate that reflects a number of considerations

• Hedging Costs - costs incurred in maintaining open positions with our liquidity providers including maintaining adequate margin call;

• Profit – the amount of profit that Monex Group can take from the manufacturing the trade;

• Credit Risk - credit risk reflecting the potential loss that would be incurred if you were to dishonour your contractual obligations;

• Funding cost - cost of maintaining adequate resources to meet our regulatory capital requirements;

• Financial Crime Risk – the higher the risk presented by the client then the greater the cost to service. The price, costs and sales margin will may vary depending on the client and transaction. For clients using our online platform "MonexPay" - further information on our spreads can be found on the Resource Centre. All clients will be within the discretionary spread limits unless informed otherwise.

8 Review and Monitoring

MEM has an obligation to monitor the effectiveness of its order execution arrangements and Order Execution Policy and, where appropriate, correct any deficiencies. Also, in order to consistently provide the best possible client outcome, we review, at least annually, the adequacy of the execution venues and liquidity providers that we employ, in terms of the competitiveness of their pricing and the speed and accuracy of their delivery. We review this policy and our associated order execution arrangements on an annual basis. We will advise you when we make material changes to this policy and maintain a current version on our website.

9 Client Notification Consent

This policy forms part of the MEM Terms of Business. If you ask us to execute a transaction for you after receiving our Order Execution Policy, you will be deemed to

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have agreed its contents. Specifically, you expressly consent to execute transactions directly in bilateral trades with us, and not via an alternative venue, exchange or trading facility.

10 Enquiries

If you have any questions or comments in relation to this policy, please contact **regulatorycompliance@monexeurope.com**

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