

ORDER EXECUTION POLICY

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1. Introduction

Under the rules of the Financial Conduct Authority (FCA), First London Brokers (“we”, “our”, “ourselves”, “us”) are required to take all reasonable steps to obtain the best possible outcomes for the execution of client orders, taking into account a range of factors. This is referred to as providing the client with “best execution”.

Please note that we are not obligated to provide best execution to clients who are categorised as Eligible Counterparties in respect of eligible counterparty business and such is a matter for contractual agreement between the parties.

2. The Transmission of Your Orders

Your orders will be placed exclusively, and without exception, via the electronic trading platform (s). Your orders will be transmitted to Alaric Securities OOD, a party related to us, who are a regulated investment intermediary and who will arrange the execution of your orders.

When we select an investment intermediary, we carry out appropriate due diligence, initially and on an ongoing basis, to ensure that we are able to meet our obligations in providing our clients with the best possible outcomes in the execution of their orders. We consider a range of factors to determine the intermediary’s suitability including the intermediary’s:

- regulatory status and licences held,
- financial soundness
- reputation
- the sufficiency, equivalence (to UK Rules) and robustness of their order execution policies and procedures.
- coverage of the various markets;
- fees and commissions;

3. Our Approach to Meeting Best Execution Obligations

If you provide specific instructions on how to execute your orders, we will have complied with our obligation to take all reasonable steps to obtain the best possible result when arranging the execution of your order by following your instructions. To the extent that your instructions are incomplete, this Policy will be followed for those parts or aspects of the order not covered by your instructions.

You should be aware that any specific instruction that you provide may prevent us and/or our investment intermediary from taking the steps designed and implemented in our execution policies to obtain the best possible results for the execution of those orders in respect of the elements covered by those instructions;

For orders that are not wholly covered by your specific instructions, a range of execution factors will be considered in order to deliver the best possible outcome on your behalf. We are also required to tell you the relative importance that we attached to each factor. This is assessed in terms of the following criteria:

- The nature of the Firm's clients including the categorisation of the client as retail, professional or an eligible counterparty;
- the characteristics of the client order;
- 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.

The factors that we consider and the relative importance of each in the delivery of best execution outcomes are:

- **Price:** This means the price of the financial instrument. The relative importance that we attach to price is very high.
- **Cost:** This means all costs associated with the execution of the client order such as execution venue fees, clearing and settlement charges, as well as other fees and charges payable to ourselves and third parties involved in the execution of the order. The relative importance that we attach to cost is very high.

First London Brokers receives and transmits orders for clients categorised as professional clients. In most cases, the best possible result is determined in terms of total consideration (price and cost). However, each case is considered on an individual basis. For example, in the case of a hedge fund, other factors (speed of execution and settlement in particular) can have a higher relative importance than total consideration.

- **Other factors:** Other factors may be given precedence over the immediate price and cost (total consideration) only insofar as they are instrumental in delivering the best possible result for the client. Such factors are:
 - **Size:** The size (volume/number of instruments) of the order is directly related to price and execution cost. Size will be considered when selecting the most appropriate execution venue. The relative importance that we attach to size is high.
 - **Speed of execution:** We will make reasonable efforts to arrange the execution of each client order as soon as possible on the most representative market for the specific financial instrument. Taking speed of execution into consideration is important as such allows the client to take maximum advantage of market movement which is in their best interest. The relative importance that we attach to speed of execution is high.
 - **Secured settlement:** The urgency of settlement finalisation can be an important factor, especially in respect of high volume orders and orders placed by professional clients. This factor may obtain a substantial relative weight in the consideration of the factors considered in providing best execution.
 - **Likelihood of execution:** The relative importance that we attach to likelihood of execution is high. The market selected as the execution venue must have sufficient liquidity for the prompt execution of the client order i.e. There is sufficient demand or supply (according to the type of

the order) of the financial instrument, relevant to the client's order so that the respective order can be executed immediately, and such execution would not lead to distortion of such demand or supply.

It should also be noted that:

- ❖ All orders must conform to our terms and conditions in respect of margin requirements and order limits in order for execution to take place. Orders that do not meet this requirement will be rejected.
 - ❖ The submission and acceptance of an order is not a guarantee of its execution.
 - ❖ We are not under any obligation to accept an order from you. However, we will normally do so if you have sufficient funds in your account with us and are not otherwise in breach of your agreement with us.
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- **The type and nature of the order:** The characteristics of the client's order can have a significant influence on the choice of execution venue and therefore to achieving optimal price and speed.
 - **Other considerations:** This includes, but is not limited to, possible future costs for the storage of financial instruments, tax liabilities and the like. The relevance of these factors will be considered only insofar as they are known to us or our investment intermediary at the time of execution of the order.

4. Execution Venues

Details of the execution venues at which Alaric Securities may arrange for your orders to be executed and further investment intermediaries with whom your orders may be placed are detailed in Schedule 1 of this document.

5. Conflicts of Interest

You may be charged a different commission/fees for execution on different execution venues only to the extent that such differences reflect actual differences in the cost to our intermediary or to ourselves of executing on those venues.

Neither we nor our intermediary are permitted to receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe our regulatory obligations in respect of conflicts of interests.

6. Monitoring and Review

We will monitor the quality of our order execution outcomes and the effectiveness of this Policy and maintain records. Such records will be kept for a minimum period of 5 years. We will review this Policy at least annually or more frequently whenever a material change occurs that affects our ability to continue to obtain the best possible results for the execution of our clients orders on a consistent basis using the venues included in this execution policy. If at any time we identify any deficiencies, we will take appropriate remedial action and where necessary will amend this Policy.

7. Publication of Execution Data

As an investment firm, when we select other firms to provide order execution services for our clients, we are required to summarise and make public, on an annual basis, for each class of financial instruments, the top five investment firms in terms of trading volumes where we transmitted or placed client orders for execution in the preceding year and information on the quality of execution obtained. We meet this obligation by publishing such data on our website on an annual basis.

8. Language of Communications

All First London Brokers Ltd. legal documents are available in English. Translations into other languages, where provided, are for referential purposes only. For avoidance of doubt, The English version shall prevail in the event of any inconsistencies or ambiguities.

SCHEDULE 1: Alaric Securities OOD

1. Execution Venues

When First London Brokers transmits your order to Alaric Securities OOD, the venues used for the execution of your order may be: a regulated market, multilateral trading facility, systematic internaliser, market maker or other liquidity provider or a person who performs similarly to these functions in a third country, or another system outside the European Union which functions as a regulated market or multilateral trading facility.

Alaric Securities currently executes client orders at the following execution venues that enable it to achieve the best performance of clients' orders:

a) for financial instruments admitted to trading on a regulated market in Bulgaria,

- The Bulgarian Stock Exchange c/o Alaric Securities: Where there is sufficient liquidity for the execution of the order in accordance with Alaric Securities Execution Policy; or
- Where there is not sufficient liquidity: Outside a regulated market in Bulgaria – c/o Alaric Securities provided that the client is informed in advance and has given an explicit consent, and provided that by doing so the best performance for the client will be achieved.

Within the meaning of this section, "sufficient liquidity" means that there is sufficient demand or supply (according to the type of the order) of the financial instrument relevant to the client's order, so that the respective order can be executed immediately, and in the opinion of Alaric Securities, such execution would not lead to distortion of such demand or supply.

The costs of execution at each of the execution venues are listed in the Tariff of Fees and Commissions published on Alaric Securities' website: www.alaricsecurities.com.

b) for financial instruments admitted to trading on a regulated market abroad,

- On the regulated market indirectly: Where Alaric Securities places the order for execution by its foreign counterparts who are members of the relevant market either directly or through a broker.
- Through a multilateral trading system indirectly: Where Alaric Securities places the order for execution by its foreign counterparts who are members of such system either directly or through a broker.
- When the financial instrument relevant to the particular client's order is traded both on a regulated market and multilateral trading system, and in the absence of explicit instructions from the client regarding the execution venue, Alaric Securities shall determine the execution venue in accordance with its Order Execution Policy.

Within the meaning of this section, "regulated market" means a stock exchange or other regulated market which is typical to a particular financial instrument dependant on the issuer, currency and other factors. For example, a typical regulated market for shares in Microsoft traded in US dollars are the New York Stock Exchange and NASDAQ. The same shares in euro are typically traded on the Stock Exchange in Frankfurt am Main and XETRA. In this context, ALARIC SECURITIES OOD can place client orders to be executed on the following stock exchanges and multilateral trading systems: NEW YORK, NASDAQ, LONDON, PARIS, FRANKFURT/MAIN, XETRA, other stock exchanges in a Member State, OSLO, ZURICH, TOKYO, and SYDNEY. (This list of execution venues is for illustration purposes only and is not intended to be exhaustive).

The execution venues currently used by Alaric Securities are:

- NYSE – New York Stock Exchange, AMEX – American Stock Exchange, NASDAQ – NASDAQ Stock Market, CHX - Chicago Stock Exchange, NYMEX - New York Mercantile Exchange, MIAI OPTIONS EXCHANGE, CDE - Exchange - Montreal Exchange, BOX - BOX Options Exchange, NSX – NATIONAL STOCK EXCHANGE, CBSX - CBOE STOCK EXCHANGE, ITG – ITG FOREIGN EXCHANGE, BEX – BOSTON EQUITIES EXCHANGE, BATEUK - Exchange BATS Europe, SFB - Swedish Stock Exchange, BM - Bolsa de Madrid, SBF - Euronext France, AEB - Euronext NL Stocks, PSE - Philippine Stock Exchange, LSE - London Stock Exchange, BVME - Borsa Italiana, LAVA - LavaFlow ECN, SE - International Securities Exchange LLC, FWB - Frankfurt Stock Exchange, SBVM - Euronext Brussels Stocks, TSE - Tokyo Stock Exchange, PURE, CBOE - Chicago Board Options Exchange, SWB - Stuttgart Stock Exchange, CHIXDE - CHI-X Europe Ltd, CHIX_CA - Chi-X Canada, CHIXEN - Exchange - CHI-X Europe Ltd Clearnet, BATEEN - Exchange - BATS Europe, BATS - U. S. STOCK EXCHANGE, TRQXDE - Exchange - Turquoise DE: For the execution of client orders for transactions admitted to trading on those markets including stocks, bonds, shares, compensatory instruments and other financial instruments.
- Multilateral Trading Systems BATS, Island, and Arca: For the execution of client orders for transactions admitted to trading on those markets including stocks, bonds, shares, compensatory instruments and other financial instruments.

The above list of execution venues is not exhaustive. Alaric may execute client orders at other places that it considers appropriate in accordance with its Order Execution Policy and provided that there is an agreement in place with an investment intermediary that can execute the orders at that venue. The Client is required to regularly review the list of execution venues published on Alaric Securities' website: www.alaricsecurities.com.

The advantages and disadvantages of the execution venues listed above depend mainly on the characteristics of the financial instruments for which the relevant client has placed an order. Provided that a transaction for purchase/sale of a specific financial instrument can be performed at more than one venue, then Alaric Securities will take into consideration the following:

- a) Above all, the client's preferences for the place of execution and if such has been specified by the client, Alaric Securities will inform the client about the costs related to execution at this venue;
- b) If the client has not specified the place for execution, Alaric Securities will execute the client's order at the venue that will generate the least cost to the client, provided that it does not harm the client in any way.

For certain financial instruments, the actual execution of the transaction is possible at only one place of execution. If a client's order is executed under such circumstances, it shall be deemed that best performance has been achieved for the client.

In order to achieve the best performance for the client, a client order may be executed outside a regulated market or a multilateral trading system, provided that the client has been notified and has explicitly given consent thereto.

2. Execution of Client Orders: Regulated Markets Abroad

The entities with whom Alaric Securities currently places client orders admitted to trading on a regulated market abroad are as follows:

- Interactive Brokers (U.K.), licensed to operate as an investment intermediary by the UK Financial Services Authority.
- Interactive Brokers LLC (USA), licensed to operate as an investment intermediary by US Securities and Exchange Commission and the Commodity Futures Trading Commission;
- CHARLES SCHWAB & CO., INC. (USA), licensed to operate as an investment intermediary by US Securities and Exchange Commission; and
- Pershing LLC (USA), licensed to operate as an investment intermediary by US Securities and Exchange Commission.

3. Alaric Securities Order Execution Policy

Alaric Securities Order Execution Policy can be found on Alaric Securities website:
www.alaricsecurities.com