



Freight Investor Services

Order Execution Policy

1 Purpose

This Order Execution Policy sets out the arrangements used by Freight Investor Services Limited ("**FIS UK**") and its Affiliated entities (together, "**FIS**" or the "**Firm**") when arranging transactions, receiving and transmitting orders, executing orders as agent or dealing as principal in the Financial Instruments listed in Annex 1. The Firm applies the standards and requirements of the Financial Conduct Authority ("**FCA**"), the National Futures Association ("**NFA**") and the Monetary Authority of Singapore ("**MAS**"), including the best-execution and client-best-interests requirements described in this Policy. This Policy should be read with FIS's Terms of Business, available on its website.

2 Background

FIS primarily operates as an interdealer broker in wholesale commodity derivatives markets. FIS seeks to achieve the best possible result for its clients ("**Clients**") by arranging transactions at the most favourable prices and in the most effective manner reasonably available. FIS has implemented arrangements designed to meet the best-execution, client-best-interests and order-handling requirements applicable to Client orders in the context of the Services, as defined in FIS's Terms of Business.

In establishing these arrangements, FIS has considered the FCA Conduct of Business Sourcebook ("**COBS**"), including COBS 11.2A, NFA Compliance Rules 2-4 and 2-9, and MAS Notice SFA 04-N16 on the Execution of Customers' Orders.

FIS provides services only to wholesale Clients. This Policy applies to Clients classified as Professional Clients under the FCA rules, Clients classified as Expert Investors, Accredited Investors or Institutional Investors under the applicable Singapore requirements.

3 Order execution policy – obtaining the best possible result

Where FIS arranges transactions on your behalf in Financial Instruments, it will take all sufficient steps to obtain the best possible result for you, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the order, based on a reasonable assessment of the sometimes overlapping or conflicting execution factors. This is known as "**Best Execution**".

FIS determines the relative importance of the execution factors by reference to the circumstances at the time the relevant service is provided and the Execution Criteria set out below ("**Execution Criteria**").

The protections provided by the Best Execution requirements described in this Policy are afforded to the types of Client identified in section 2. FIS does not provide services to Retail Clients.



4 Exemptions from the requirement to provide Best Execution

Best Execution does not apply, or applies only to the extent specified, in the following circumstances:

- (a) a Client has been categorised as an Eligible Counterparty in respect of the relevant service or transaction, to the extent permitted by the applicable rules;
- (b) a Client approaches several brokers or dealers to compare available terms before deciding whether to transact. Unless the Client informs FIS otherwise, FIS will assume that the Client makes its own assessment of those terms and does not rely on FIS to provide Best Execution; or
- (c) FIS deals on its own account independently and not in the execution of, or otherwise in connection with, a Client order.

5 Specific Instructions

Where a Client gives a specific instruction concerning an order or a particular aspect of an order, FIS will follow that instruction to the extent it is able to do so. FIS will be treated as having satisfied its Best Execution obligation only in relation to the aspects covered by the instruction.

A specific instruction may prevent FIS from applying the arrangements described in this Policy to obtain the best possible result. Any aspects of the order not covered by the instruction will remain subject to Best Execution.

A specific instruction may include, for example, an instruction to use a particular trading venue, even where a more favourable price may be available elsewhere.

6 Execution Criteria and Execution Factors

Execution Criteria

When arranging or executing an order, FIS takes account of the following criteria in determining the relative importance of the Execution Factors:

- (a) the characteristics and regulatory classification of the Client;
- (b) the characteristics of the Client order, including its size, type and any specific instructions;
- (c) the characteristics of the Financial Instrument that is the subject of the order; and
- (d) the characteristics of the execution venues to which the order may be directed or the entities with which it may be placed.

Execution Factors

The Execution Factors which FIS takes into account, to the extent relevant to the service and the circumstances, are:



- (a) price;
- (b) cost of execution;
- (c) speed of execution;
- (d) likelihood of execution;
- (e) likelihood and speed of settlement;
- (f) the size of the order relative to available market capacity and liquidity;
- (g) the nature and characteristics of the order;
- (h) the quality and cost-effectiveness of any related clearing and settlement facilities; and
- (i) any other consideration relevant to obtaining the best possible result.

Price will ordinarily merit a high relative importance. However, depending on the Client, order, Financial Instrument and market conditions, FIS may determine that another Execution Factor is more important in obtaining the best possible result. Annex 2 describes the relative importance generally assigned to the Execution Factors.

7 Execution Venues

When arranging or executing an order, FIS may arrange, place, transmit or execute a Client order through or with:

- (a) other Clients of FIS or market participants acting as counterparties;
- (b) regulated markets and other exchanges to which FIS has access;
- (c) multilateral trading facilities or organised trading facilities available for the relevant Financial Instrument;
- (d) other trading systems available for the relevant Financial Instrument;
- (e) third-party brokers or dealers; and
- (f) FIS itself, where it is permitted to execute as agent or deal as principal, including from its own book in relation to LME base metals.

FIS selects trading venues and executing entities that it reasonably expects will enable it to obtain the best possible result on a consistent basis. Where FIS selects another person to receive an order for execution, it will assess whether that person's execution arrangements enable FIS to comply with its obligations. In making its selection, FIS considers the Execution Factors, executable prices and liquidity, product and market coverage, costs, market access, clearing and settlement arrangements, credit requirements, execution quality, operational capability and any relevant Client instruction. FIS is not required to include every available venue or entity, and an executing entity may be located outside the United Kingdom or the European Economic Area.

Where more than one eligible trading venue or executing entity is realistically available, FIS will take account of its own commissions and the execution-related costs borne by the Client when assessing the results that may be achieved through each available option. FIS will not structure or charge its commissions in a manner that discriminates unfairly between trading venues or executing entities. Where FIS applies different fees depending on the venue or entity used, it will explain those differences in sufficient detail to enable the Client to understand the relevant advantages and disadvantages.



In the bilateral OTC markets in which FIS operates, the prices and trading interests available to FIS are limited to those communicated by market participants. When executing orders or making decisions to deal in bilateral OTC products, including bespoke products, FIS will assess the fairness of the proposed price using available market data and, where possible, comparable products or transactions.

Where FIS invites a Client to choose between available trading venues or executing entities, it will provide information that is fair, clear and not misleading so that the decision is not made solely by reference to the pricing or commission arrangements applied by FIS.

FIS does not accept payment for order flow and will not receive any remuneration, discount or non-monetary benefit for routing Client orders to a particular execution venue where doing so would infringe the applicable conflicts-of-interest or inducements requirements. Where FIS receives an inducement or charges more than one participant in a transaction, it will make any disclosure concerning fees or monetary or non-monetary benefits required by Applicable Law, as defined in FIS's Terms of Business.

Annex 1 identifies the trading venues through which transactions in each class of Financial Instrument are typically arranged or executed.

8 Monitoring and Review

FIS monitors the effectiveness of its order-execution arrangements and this Policy on a regular basis. This includes assessing, as applicable, the quality of the outcomes obtained through the trading venues and executing entities on which FIS places significant reliance, having regard to relevant market information, transaction data, client instructions and other internal analysis. Any identified deficiency will be addressed where appropriate.

Monitoring is supported by first- and second-line controls proportionate to FIS's activities:

- First line of defence — broking desks receive training on order handling and execution responsibilities, with day-to-day oversight provided by desk heads. Material issues concerning order handling, counterparty or venue selection, submission or clearing are escalated to Senior Management, Operations or Compliance as appropriate.
- Second line of defence — Compliance performs risk-based oversight, which may include reviewing sample transactions and supporting records, considering the application of this Policy and assessing relevant execution arrangements or outcomes. Findings are escalated and remediated where appropriate.

This Policy and the related arrangements will be reviewed at least annually and whenever a material change affects FIS's ability to continue obtaining the best possible result on a consistent basis. The review will consider whether the relative importance of



the Execution Factors, the venues listed in Annex 1 or the persons used for execution should change. Clients will be notified of material changes through the FIS website or another appropriate medium.

9 Fiduciary Relationship

In addition to the Best Execution requirements described in this Policy, FIS will act honestly, fairly and professionally in accordance with the best interests of its Clients.

Nothing in this Policy creates any fiduciary duty beyond the regulatory obligations applicable to FIS or the contractual terms agreed between FIS and the Client.

Annex 1

List of Financial Instruments and Execution Venues

The Financial Instruments in respect of which FIS provides services are commodity derivatives. The table below identifies the principal trading venues used for each Instrument.

Financial Instrument	List of Execution Venues
Aluminium Premiums	CME, LME
Base Metals	CME, LME
Battery Metal	CME, SGX
Coking Coal	ICE, SGX
Crude Oil	CME, ICE, SGX
Dry FFA	EEX, SGX
Emissions	CME, ICE
Fertilizer	CME
Fuel Oil	CME, ICE, SGX
Iron Ore	CME, SGX
LPG	CME, ICE
Middle Distillates	CME, ICE, SGX
Power	EEX
Pulp and Paper	NOREXECO
Scrap	CME, LME
Steel	CME, LME, SGX
Wet FFA	CME, ICE

Factors used to select Execution Venues



For commodity derivatives, FIS takes account of the following factors when selecting or assessing a trading venue or, where relevant, an executing entity:

- Contract availability – certain contracts may be traded, registered or cleared only through a particular venue. Where no realistic alternative is available, FIS will monitor whether alternative venues or arrangements emerge;
- Liquidity and execution quality – the depth of the market, availability of trading interests, likelihood of execution and other available indicators of execution quality;
- Costs – commissions, venue, execution, clearing, settlement and other associated costs, where relevant;
- Execution method – whether the transaction is concluded on a trading venue, arranged bilaterally and submitted for registration or clearing, or executed outside a trading venue; and
- Access and clearing – the venues, counterparties and executing or clearing entities available for the relevant Client and transaction.

Execution outside a trading venue

Certain transactions, including bilateral OTC transactions, may be executed outside a trading venue. Spot contracts and some physically settled instruments may fall outside the definition of a Financial Instrument but may nevertheless be arranged by FIS.

Execution outside a trading venue may expose the Client to additional counterparty, liquidity, legal or settlement risk. Where required by Applicable Law, FIS will obtain the Client's express prior consent before executing an order outside a trading venue.



Annex 2

Weighting of Execution Factors

Relative importance of Execution Factors

For commodity derivatives, FIS will ordinarily assign the Execution Factors the following order of importance, subject to the client, order, service, instrument and market circumstances:

- Price;
- Size and nature of the order;
- Likelihood of execution;
- Costs;
- Speed of execution and likelihood of settlement or clearing; and
- Any other relevant factor.

The circumstances may change the relative importance of these factors. For example:

- during unusual volatility or market disruption, speed, likelihood of execution, settlement or clearing, and risk reduction may take precedence over the immediately available price;
- the time at which an order is received and its size relative to market liquidity may increase the importance of speed and likelihood of execution;
- limited liquidity on a particular venue or across venues may increase the importance of identifying an executable trading interest; and
- for linked transactions, including calendar spreads, the likelihood of completing all components may take precedence in order to reduce unintended market exposure.