Best Execution Policy

I. SCOPE AND PURPOSE

1.0 What is the purpose of this Policy?

This Policy provides general information in respect to Synergy Markets's approach to Best Execution. This Best Execution Policy summarises the general basis in which Synergy Markets (we refer to ourselves in this Policy as "the firm", "we" or "us") will provide best execution when required by the European Union's Markets in Financial Instruments Directive 2 (known as "MiFID 2") and by the rules, guidance, principles and codes in the handbook of Rules and Guidance issues by the UK Financial Conduct Authority or any successor regulatory body or bodies (the "FCA"). This Policy is also linked to the firm's order execution policy, the requirement for which is documented in COBS 11.2A.20.

2.0 When does the policy apply?

2.1 Clients
In adherence with regulatory requirements, we classify clients as Retail Clients, Professional Clients or Eligible Counterparties. Different levels of investor protection and product offering apply to each client category and clients can in certain circumstances choose to change classification. The obligation to provide Best Execution is applicable to clients categorised as Retail or Professional Clients – both "per se" and "elective" Professionals - of the firm. Clients categorised as Eligible Counterparties are commonly excused from the Best Execution obligation.

2.2 Products
This Policy applies to all financial instruments. Please refer to Annex 1 of this policy or to Annex 1 of the Regulatory Technical Standards (RTS) 28;

Furthermore, we are aware that there will be key differences in market structures and it may be difficult to identify and apply a uniform standard that will be effective for all financial instruments. Therefore, we will consider all circumstances surrounding the execution of orders for particular types of financial instrument.

II. ACHIEVING BEST EXECUTION POLICY

3.0 What does Best Execution mean?

"Best Execution" means that Synergy Markets must take all sufficient steps to obtain, when executing orders, the best possible results for clients, taking into account the execution factors. This includes directly executing transactions on behalf of the client on one or more execution venues or transmitting client orders to third parties for execution.

Synergy Markets will be committed to complying with this policy and will take steps to monitor, review and update the policy to ensure that it continues to achieve such results.

Nevertheless, as per COBS 11.2A.6, in instances where Synergy Markets provides a quote to a client and that quote meets the above obligations, then the firm will meet those same obligations if it executes its quote after the client accepts it.

4.0 What factors do we take into consideration?

In order to achieve the best results, Synergy Markets will use the following factors;

1) **Price** – The price the transaction in the financial instrument is executed at.
2) **Costs** – Costs that surround the possible market impact or external costs. For example, exchange or clearing fees. Other costs may include internal costs such as remuneration through commission or spread.
3) **Speed** – The time it takes to execute a client transaction including settlement.
4) **Likelihood of execution and settlement** - The likelihood that we will be able to complete a client transaction.
5) **Size** - The size of the transaction executed for the client, and how this will affect the price of execution.
6) **Nature** - This is how the characteristics of a client transaction can affect how Best Execution is received.

While total consideration (price and costs) are generally key factors, the overall value to you of a particular transaction may be affected by the other factors listed above. We may conclude that factors other than price and costs are more important in achieving the best possible result for you. The relative importance of each of the factors will differ depending on:

- your categorisation as a Retail or Professional Client; any special objectives you may have in relation to the execution of the order;
- the characteristics of your order;
- the characteristics of the financial instruments to which your order relates; and
- the characteristics of the venues (if there is more than one) to which your order may be directed.

We are required to provide an account of the relative importance of the execution factors, with reference to the relevant criteria (see above) and the process by which the firm determines the relative importance of those factors. This is outlined below in the Reporting and Ongoing monitoring section of this policy.

III. COMPLIANCE WITH CLIENT INSTRUCTIONS

6.0 What happens if you give us specific instructions on how to execute your order?

Where we have accepted your instructions with respect to the execution of your order, whether or not we have given you advice on any aspect of it, we will follow those instruction to the extent it is possible for us to do so.

The Policy will not apply where we accept and follow your specific instructions when executing an order or a specific part of an order, although the Policy may apply to other aspects of the order to the extent that they are not covered by your instructions. For example:

Where you instruct us to execute an order for you at a particular price (for example, a subscription to subscribe for units in a fund, in a structured product or in other securities at a specific price) we will execute the order as a specific price we have quoted to you; Where you instruct us to execute your

order on a particular venue, we will not be responsible for selecting the venue. Where you instruct us to execute your order at a particular time or over a particular period, regardless of the price available, we will endeavour to execute your order at that time or over that period in the best possible manner but will not be responsible for the timing or any of the consequences for price or other factors that results from the timing of execution.

IV. EXECUTING VENUES

7.0 How do we deliver best execution where there are competing execution venues?

For the purposes of MiFID 2, a "venue" includes an exchange, a multilateral trading facility and a broker. Unless we agree with you otherwise, we will use a selection of venues that will be reviewed periodically.

A list of the venues we currently use can be found on www.synergy-markets.com. We are required to provide a list of the execution venues for each class of financial instrument broken down for professional/retail clients, on which the firm places significant reliance, and this is below;

- Gain Capital UK formerly known as City Index
- Jarvis Investment Management
- ETX Capital
- Axi
- SpreadEx

Where your order is executed through third-party brokers, we will review periodically the brokers that we use, taking into account the factors we describe below for determining the entities with which the orders are placed or to which we transmit orders for execution in order to ensure that the broker or brokers that we use are providing best execution taking into account all orders executed during the review period.

Where it appears in a particular case that better execution is available from a broker that we do not ordinarily use, we may use such other broker on a case-by-case basis.

8.0 How will we execute orders outside of a regulated market?

Synergy Markets may execute all or part of a client order outside of a Trading Venue. We will therefore contact the client and await confirmation from the client to execute such orders in this manner. Unless the client clearly instructs otherwise, the client has been and will be treated as having provided explicit consent to trade OTC. This is linked to the firm's order execution policy.

V. REPORTS AND ONGOING MONITORING

10.0 How will we be publishing information on execution quality?

In accordance with COBS 11.2A.39 and Article 3(2) of RTS 28, Synergy Markets is now obliged to report and publish the top five trading venues used on an annual basis. The reports will be made available on the company website and they will include the following;

<u>An Annual Top 5 Execution Venue Report</u>

- class of financial instruments;
- venue name and identifier;
- volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- number of client orders executed on that execution venue expressed as a percentage of total executed orders;

- percentage of the executed orders referred to above that were passive and aggressive orders;
- percentage of orders referred to above that were directed orders;
- confirmation of whether the venue has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

An Annual Report About the Monitoring of the Execution Quality of all Used Execution Venues

- an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
- a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
- an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;
- an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
- an explanation of how the investment firm has used any data or tools relating to the quality of execution

VI. UPDATING THE POLICY

How often will we update the Policy?

We will update the Policy periodically as and when appropriate.

How can you obtain the most recent version of the Policy?

We expect to post the most recent version of the Policy to our website; www.synergy-markets.com. If you would like to receive a copy of the most recent Policy, however, please contact us in the manner described in section VII below.

VII. CONTACT DETAILS

How do you contact Synergy Markets in connection with this Policy?

If you have queries about the Policy, please contact Mr Stephen Meli at Synergy Markets Limited, Chiltern House, 45 Station Road, Henley-on-Thames, Oxfordshire, RG9 1AT

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Annex 1

A list of financial instruments

(a) Equities — Shares & Depositary Receipts
(i) Tick size liquidity bands 5 and 6 (from 2 000 trades per day)
(ii) Tick size liquidity bands 3 and 4 (from 80 to 1 999 trades per day)
(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)

(b) Debt Instruments
(i) Bonds
(ii) Money markets instruments

(c) Interest rates derivatives
(i) Futures and options admitted to trading on a trading venue
(ii) Swaps, forwards, and other interest rates derivatives

(d) Credit derivatives
(i) Futures and options admitted to trading on a trading venue
(ii) Other credit derivatives

(e) Currency derivatives
(i) Futures and options admitted to trading on a trading venue
(ii) Swaps, forwards, and other currency derivatives

(f) Structured finance instruments

(g) Equity Derivatives
(i) Options and Futures admitted to trading on a trading venue
(ii) Swaps and other equity derivatives

(h) Securitised derivatives
(i) Warrants and Certificate Derivatives
(ii) Other securitised derivatives

(i) Commodities derivatives and emission allowances Derivatives
(i) Options and Futures admitted to trading on a trading venue
(ii) Other commodities derivatives and emission allowances derivatives

(j) Contracts for difference

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

(l) Emission allowances

(m) Other instruments