SFL Order Execution ("OE") Policy

Version 3
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Applies to:
StoneX Financial Ltd

Contents

SFL Order Execution (OE) Policy

1. Introduction

StoneX Financial Ltd. ("SFL" or "the Firm") is required to establish and implement effective arrangements for complying with the overarching obligation to take all sufficient steps to obtain, when executing orders or placing orders with other entities to execute, the best possible results for its clients, taking into account the execution factors, on an on-going basis (hereinafter referred to as the "best execution obligation").

This Policy ("the Policy") has been designed to satisfy the requirements set down in the Financial Conduct Authority's ("FCA") Handbook of Rules and Guidance, which require that, amongst other things SFL establishes and implements an order execution policy to allow it to meet the best execution obligation, including information on:

- different execution venues, including those outside a Trading Venue ("TV");
- how orders will be executed;
- requirement to obtain prior consent from clients, particularly for orders executed outside a TV;
- different organisational requirements taken into account by SFL, e.g. acceptance of monetary and non-monetary benefits in compliance with the FCA's rules on inducements;
- relative importance of the execution factors and how this is determined;
- application of the Policy;
- list of all available execution venues;
- monitoring and update of the Policy; and
- how SFL compares and analyses all relevant data in its assessment of its order execution arrangements.

The best execution obligation is a core component in the regulation of financial services and aims to deliver three main objectives:

- ensure protection for investors;
- sustain integrity in the price formation process, especially in the over-the-counter ("OTC") markets; and
- promote competition among TVs.

SFL structures its order execution arrangements to allow customer-facing employees to exercise their professional judgement in the best interests of clients, especially as the rules governing order execution are neither prescriptive nor open-ended, and the differing needs and requirements of clients. All employees involved, directly or indirectly, in the execution of orders on behalf of clients are expected to comply with the provisions of the Policy. The Policy applies only in respect of the execution of orders on behalf of clients by SFL in exchange-traded and OTC financial instruments across all asset classes.

The best execution obligation applies to the execution of orders (without prejudice to type) on behalf of 'Retail' and 'Professional' (Per Se and Elective) clients across the following asset classes:

- CO: Commodity and emission allowances;
- CR: Credit;
- CY: Cryptocurrencies
- FX: Foreign Exchange;
- EQ: Equities;
- IR: Interest Rates;
- OTC: Over-the-counter; and

- SB/CFD: Spreadbets and Contracts for Difference.

For a 'Professional' client, SFL conducts the four-fold cumulative test to determine whether a client places legitimate reliance on it to protect their interests in relation to pricing and other important elements of the transaction. Following consideration of all relevant factors, if SFL concludes that the client is not legitimately relying on SFL, then Best Execution will not apply. For retail clients, it is assumed that a client places legitimate reliance on SFL to act in its best interests when executing its orders. This best possible result for retail clients is measured in terms of 'total consideration'. Total consideration analyses all the execution factors (including price formation, costs paid by customers, speed of execution, likelihood of execution and settlement, transaction size, and nature of the order). For the retail business costs are composed of any applicable transaction costs (spreads), financing costs, third party costs and any guaranteed stop loss order premiums.

The following are non-exhaustive circumstances where the provisions of the Policy do not apply:

(i) execution of orders on behalf of a client classified as an 'Eligible Counterparty' (Per Se or Elective); and

(ii) execution of orders by a trading desk that engages in proprietary trading and/or pre-hedging against SFL's own capital, in accordance with a pre-agreed approach. Upon receipt of a client order, SFL may act as agent or principal

1.1 The execution factors

The execution factors that must be considered by SFL are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

1.1.1 Execution factor: Cost

SFL views the control of costs as integral to meet the best execution obligation, and takes into consideration the following:

- implicit cost control, meaning minimising the market impact of order execution;
- explicit external costs (e.g. exchange or clearing fees); and
- explicit internal costs, which represent SFL's own remuneration through its commission or spread.

SFL structures its commission arrangements in such a manner to avoid discriminating unfairly between execution venues. This prevents SFL from charging a different commission or spread to clients for execution on different execution venues where it does not relate to identifiable differences in the explicit costs incurred on behalf of clients.

1.1.2 Relative importance of the execution factors

One way in which SFL adheres to the best execution obligation is to indicate the relative importance of each execution factor using a scale rating from 1 (very high) to 5 (very low). Assigning a weighted scale, however, does not preclude the importance value changing in conjunction with issues which can impact the quality of execution, such as a lack of liquidity, lack of credit rating of a counterparty, and factors outside of SFL's control (e.g. technical disruption).

1.2 Relevant criteria

Relevant criteria taken into consideration includes, but is not limited to:

- liquidity available on a particular execution venue;
- reference to a benchmark calculated over a period of time;
- crossing of client orders;
- contractual arrangements;
- mandatory trading obligation;
- large orders;
- market conditions;
- assessment of counterparty risk; and
- execution of a block trade.

With regard to liquidity, one of the highest priorities for SFL is the likelihood of execution balanced against achieving a specific price given the challenge of price discovery in illiquid markets or instruments.

1.3   Aggregation of client orders

SFL may aggregate a client order with orders from other clients and/or transactions with its own account which will generally improve the pricing of execution. However, in certain circumstances this may result in a less favourable price than if the orders had been executed separately. The executed orders will be allocated fairly and proportionately.

1.4   Fairness of pricing for OTC products

SFL has controls in place to scrutinise the pricing methodologies of its valuation processes and pricing models. These are utilised to ensure SFL consistently checks the fairness of prices quoted to clients.

1.4.1   Commodities

SFL takes all sufficient steps to obtain the best execution requirements for the client to ensure they are provided with a competitive quotation. Clients are provided with a quotation and a mid-market mark (MMM) before execution takes place.

1.4.2   Base Metals

SFL's existing OTC activity is encompassed within four product areas noted below:

Averaging – the majority of the OTC averaging products SFL quotes and trades with customers can also be replicated in an Exchange Cleared product known as `Monthly Average Futures`. These are offered to customers but in many instances the customers request the OTC equivalent. A pricing reference can simply be made against the Exchange Cleared version when quoting the OTC product. In some cases, the customers request a further level of complexity not found in the Exchange Product, SFL breaks down the component parts of the quotation so that these components can be compared to an available price or benchmark.

The main components consist of: any flat price constituent; any spread constituent (between median points on averaging periods or averaging period and settlement date); valuation differential between median point of averaging period and nearest available published benchmark; currency flat price conversion rate; calculation of forward points on relevant currency when applied to the median point of the averaging period versus either the opposing median point of the second averaging period or the settlement date.

Warrant Swaps – SFL periodically offers specific warehouse warrants where SFL might be holding these warrants on our own account or SFL is able to source these warrants from a

network of bilateral OTC partners. Accurate published data on premiums or discounts to the Exchange benchmark prices for warrants is limited and generally low quality. In cases where SFL owns the inventory we will make an offer at a level where we are willing to sell the warrant. In cases where SFL sources the warrant from a third party we will offer the warrant at a marked-up premium allowing for bilateral credit and performance risk combined with a commercial return. This will be in line with best execution requirements for less liquid products.

Options – it is possible for SFL to receive a request from a customer for an OTC variation of an Exchange Traded Option, the customer may require one or more of the following variants: non-cleared strike price; non-cleared prompt date; non-cleared underlying currency; non-cleared expiration. In any or all of these instances SFL will benchmark the OTC component/s of the requested quotation against the nearest available published quotation in order to comply with best execution requirements.

ISDA – SFL may engage with certain counterparties under an ISDA agreement where all activity is deemed to be OTC. In these instances, the OTC activity will be fully benchmarked against the Exchange equivalent.

1.4.3 Precious Metals
SFL precious metals desk does not price OTC spot, the pricing is derived from numerous liquidity providers. When pricing OTC swaps, information is accessed via alternative brokers during the day, the forward curve is monitored so SFL will always know where it is and the price around it. SFL are able to check the forward prices when the valuation is taken every night to show SFL are not off market.

1.4.4 FX
SFL Foreign Exchange Prime Brokerage (FXPB) pricing is determined from an aggregated price feed derived from numerous Liquidity Providers.

1.4.5 Retail CFD/Spread Betting/Forex
SFL marks the execution price of each order against the underlying price available (from below). SFL continually monitors any outliers where there is a significant difference between the SFL price and the external reference.

References:
- a futures exchange in the case of indices or commodities. SFL tracks the underlying index cash price for indices with a bias towards the major futures exchange price/s to the recognised cash price to ensure SFL's reference is accurate and valid;
- underlying equity trading venues for equity offerings;
- GTX for FX offerings, which is an aggregated mix of many anonymous FX liquidity providers; and
- cryptocurrencies are compared using the price of the benchmark product prevailing on exchange.

1.4.6 Securities
Best execution will apply for securities business subject to the same applicable tests as other products including but not limited to price, liquidity, and size of order. The obligation may not apply where there is a request-for-quote or where clients are seeking a number of quotations from various market participants.

1.5 Treatment of client specific instruction
SFL will execute orders in accordance with the specific instruction(s) provided by a client, irrespective of the execution factors or other relevant consideration. By following a client's

specific instruction(s), SFL will have met the best execution obligation. Should a client's specific instruction only apply to part of an order, the remaining parts of the order will be subject to the provisions of the Policy.

Each trading desk remains accountable for the execution of a client order following specific instructions and should not induce a client to execute an order in a certain way, by expressly indicating or implicitly suggesting the content of the instruction to the client.

1.6   Execution of client orders via Direct Electronic Access ("DEA")
Where SFL executes a client order via the provision of DEA by an intermediary firm, such a futures-commission merchant (FCM), SFL will consider such an intermediary to be the execution venue for the purposes of meeting the best execution obligation. SFL acknowledges that, via the use of DEA services to specifically direct an order to a particular execution venue, it is the person giving a specific instruction regarding the choice of the execution venue.

1.7   Provision of electronic trading functionality to clients
Across all asset classes SFL provides its clients with access to electronic trading platforms where they can self-execute orders which are then routed to multiple liquidity sources or execution venues. SFL offers its clients a selection of electronic trading platforms depending on a client's choice or specific needs and may, if it deems appropriate, recommend a certain electronic trading platform depending on the liquidity on offer by an execution venue.

1.8   In house execution of client orders
SFL will undertake the practice of executing orders in house or through affiliated parties, including via other SFL trading desks or StoneX group entities, where it can evidence that such execution meets the best execution obligations, and all pertinent conflicts of interest are appropriately managed.

1.8.1   Base Metals
SFL's LME business operates as one global team and as such encourages internalisation to improve the quality of customer execution results. SFL will execute wherever is in the best interests of the client.

1.8.2   Retail CFD/Spread Betting/Forex
SFL deals with its customers on a principal basis and not as agent. CFDs are bilateral contracts and SFL is therefore the customer's counterparty and the only 'execution venue'. In dealing with SFL, the customer transacts directly with SFL and not on any exchange or other external market or venue. Any trades with SFL are non-transferrable. If the customer creates an open position with SFL, they must close it with SFL. The best execution requirements still apply.

1.9   Application of 'mark-up'
SFL applies a 'mark-up' to client orders in respect of OTC contracts and in instances where it acts in a market making capacity. 'Mark-up' is the spread or charge that may be included in the final price of a transaction in order to compensate SFL for a number of considerations, including, but not limited to, risks taken (e.g. credit risk, liquidity risk, counterparty risk, market risk), costs incurred and services rendered to SFL's clients. Such a mark-up does not negate that SFL has acted in line with best execution requirements towards the client.

1.10 Use of a single execution venue

SFL, in a given class of financial instruments, may choose to execute client orders on a single execution venue only where it can demonstrate that such a choice enables it to meet the best execution obligation. To justify its use of a single execution venue, SFL regularly assess the market landscape, using a combination of the skills, expertise, and experience of its staff together with relevant metrics (focusing on volume, frequency of trading, resilience and/or execution price related information), to determine if there are alternative execution venues. SFL's reliance on a single execution venue does not absolve it from the best execution obligation because one or more of the following conditions may result in materially different outcomes:

- different order types (e.g. limit orders, 'good till cancelled' ("GTC"), 'stop-loss' orders (especially in consideration of the defined terms, such as the reference price, order amount, time period and trigger);
- the calibration settings of an algorithm (order execution and/or investment decision) or Smart Order Router; and/or
- the multiple ways the execution of a single order can be affected (e.g. 'blocking' versus splitting into multiple 'child' orders).

1.11 Types of trading system

SFL utilises a variety of trading systems which determine how an execution venue utilised by SFL executes client orders. The type(s) of trading system(s) used will depend on, to a large extent, the type of asset class, financial instrument and characteristics of the market to which an order relates. SFL will aim to use the trading system it deems most appropriate to achieve the best execution obligation.

1.11.1 Use of Request-for-quote ("RFQ") trading system

SFL may use the RFQ system of a TV that allows it to obtain quotes from various counterparties, before concluding the trade with the selected counterparty on that TV's RFQ system. SFL may utilise quotes from counterparties using this method to comply with the best execution obligation.

2. Benchmarks

SFL ensures that, where client orders may be used in determining a benchmark reference price (or prices), such execution and/or placement is handled in accordance with applicable rules and regulations designed to ensure the integrity of a market. SFL executes all client orders in a manner consistent with good practice, and, especially those which have a potential to have a sizeable market impact, with particular care and attention.

SFL may use relevant benchmarks, closing prices and/or closing auctions in order to identify relevant prices to determine compliance with best execution requirements.

3. Price Slippage

SFL adheres to best practice with regards to price slippage for the retail forex business and in other asset classes. Client market orders placed on SFL's execution platforms are set to a

default setting for slippage tolerance (they can be adjusted by the client if required). Any price movement that moves against the client within their defined tolerance, will result in slippage. Where a price movement occurs outside of a client's tolerance, it will result in a rejection, whereas a price movement in favour of the client may be unlimited. Given this unlimited nature, SFL expects that net results across multiple orders should demonstrate asymmetric improvements. For stops and limits, the expectation is that stops could be filled at a better price, but no limit will be filled at a worse price. On occasions, particularly around market opens and other such events, SFL would expect to see significant differences between the pending order level and the executed level. For the purposes of assurance, the outliers are reviewed daily.

When SFL execute orders in the underlying market for a client, SFL will pass on the average price of the full volume of the hedge along with acceptable execution spread and will pass on any price improvement achieved.

4. Monitoring of execution quality

SFL maintains a robust control framework with suitable arrangements to manage, maintain and oversee its execution arrangements.

4.1   FX
SFL FXPB reviews execution quality on an ongoing basis, subject to available analytics and data. FXPB are selective when choosing price and execution sources and act as a match maker between LPs and clients. A high ratio of SFL's execution is electronic and automated, and SFL encourage clients to self-execute orders where possible. Order rejections are checked on a best-efforts basis for abnormalities and are escalated to the platform provider or LP if necessary. Other items that FXPB review include average execution speed and average fill ratios. SFL regularly review LPs performance and remove LPs that do not add sufficient value.

4.2   Oils
SFL relies on internal analysis to determine values of certain products updated via a live feed from ICE. SFL have access to live markets on ICE and block trade history on the ICE Ticker.

4.3   Precious Metals
SFL uses Liquidity Provider provision. If SFL deem the bids/offers from the LP are not adequate, SFL will contact the LP and ask them to review the spreads.

4.4   LME
The vast majority of SFL LME activity can be benchmarked to a live published price or a widely published benchmark price. Where SFL becomes aware of a customer using our services on a sole broker basis, SFL will advise them to open an additional account with a competitor.

4.5   Commodities
SFL engages with its clients in a way whereby there is always cross coverage. Message channels are at a group level rather than individually. This allows maximum coverage to

clients, but also ensures consistency in execution standards across the department as a whole and are effectively self-monitoring due to the collaborative nature of the desk's execution.

4.6   Retail CFD/Spread Betting/Forex

SFL perform daily analysis of multiple metrics relating to execution quality. A trader is assigned this task each week to ensure it is given due care and attention. The metrics fall into the following categories:
- distribution of market order fills
- rejection rates per asset class and client
- order logic validation
- slippage monitoring of electronic execution
- slippage monitoring of dealer executed orders

4.7   Last look

SFL does not apply the practice of 'last look' to client orders received. SFL uses other risk control mechanisms to verify and/or price a trade.

4.8   Transaction cost analysis ("TCA")

SFL may utilise the services provided by third-party vendors to assess its compliance with the requirement to obtain the best possible result when executing a client's order (commonly referred to as the 'best execution obligation').

4.8.1   Retail

SFL acts as principal for client's trades and orders and as such SFL is the execution venue not the underlying market where the product is referenced to. SFL has monitoring in place to ensure client trades are relevant to the underlying market. These checks and monitoring are important to ensure SFL are offering best execution and not abusing the single execution process, these include other associated costs which are to be monitored to ensure they have been applied correctly.

4.8.2   Securities

SFL utilises vendor tools to ensure compliance with the requirements.

5. Best Execution Sub-Committee

Results of SFL's best execution monitoring are periodically presented to and reviewed by the Best Execution Sub-Committee ("BES"). Each business reviews orders and trades and assesses how each one performed in the context of a client's specific instruction, market conditions and the characteristics of the instrument being traded.

The BES has overall responsibility to ensure that SFL clients have received Best Execution. The role of the BES is to:
- ensure that SFL seeks to always achieve best execution for clients;
- where possible, or appropriate, to further enhance and refine our pricing logic and methodology to improve execution for clients;
- assess whether SFL is meeting its obligations to clients as set out in our T&Cs relating to best execution and order execution;

- assess the wider provision of execution services, in addition to pricing generation models, in the context of the wider customers experience;
- ensure that appropriate policies and procedures are in place to enable effective supervision in relation to the provision of best execution; and
- determine that appropriate management information is received by the BES on a periodic and timely basis to ensure appropriate oversight.

The BES will periodically report its conclusions and any recommendations to the Board of Directors of SFL.

6. Payment for order flow ("PFOF")

SFL must not engage, or falsely purport not to engage (includes an attempt to describe a commercial relationship in terms that are not consistent with the economic realities of SFL's activities (termed a 'recast arrangement')), in any arrangement that may amount to PFOF and represent a sub-optimal outcome for clients.

7. Client notification

SFL complies with its obligation to provide clients with notifications they reasonably expect to receive for order execution arrangements. SFL must notify its clients of any material change to its order execution arrangements or the Policy. SFL undertakes to make such notification(s) to its clients as soon as reasonably.

SFL Order Execution (OE) Policy

Annex 1 - Forex

1. Products Traded
   - Rolling Spot FX
   - FX Forwards
   - FX Swaps
   - Non deliverable forwards ("NDFs")
   - FX Options (including barrier options)
   - Some trading in bullion (Gold, Silver)

2. Important Execution Factors
   - Price quality (both competitiveness and depth of volume)
   - Costs
   - Fill Ratios
   - Execution speed
   - Size and nature of order

3. Execution Venue(s)

Venues	ECN	Prime Brokers	Liquidity Providers
StoneX Financial Ltd	Integral	Citibank NA JP Morgan Securities Plc UBS AG	BNP Paribas Bank of America, NA Citibank NA Credit Suisse AG Commerzbank AG Deutsche Bank AG Goldman Sachs International J.P. Morgan Securities PLC Morgan Stanley & Co International PLC Nomura International PLC State Street Bank and Trust Company UBS AG XTX Markets Limited Retail FX Desk Natwest Standard Chartered Bank

SFL review external execution venues on a regular basis and consider costs and accessibility for all parties, SFL will maintain relationships with venues which are the best fit for us and our client. SFL FXPB can also provide FIX API access to clients upon request so they can use a system of their own choice to see pricing and trade. All trades sent to LPs and pricing to clients, is sent anonymously.

LPs are subject to ongoing reviews and SFL will continue to execute with LPs that are perceived to be adding sufficient value to the business. SFL are selective when adding new LPs and consider a variety of parameters including:

- Uniqueness of the LP, i.e. are they providing something new for example a new currency pair
- Pricing (Competitiveness, market maker or recycled price, price skews and stability)
- Depth of liquidity
- Credit worthiness and regulation
- Relationship type (Bilateral or via PBs)

SFL Order Execution (OE) Policy

Annex 2 – Base & Precious Metals

1. Products Traded
   - Non-Ferrous Metals
   - Ferrous Metals
   - Precious Metals
   - Minor Metals

2. Important Execution Factors
   - Fairness of price
   - Speed reliability
   - Accuracy of quotation
   - Size of quotation
   - Settlement performance

3. Execution Venue(s)

Open-outcry trading on the London Metal Exchange ("LME") ring where SFL are a cat 1 member. Electronic LME trading is conducted via LMESelect. On some occasions, SFL may sell from its own book or otherwise act in the inter-office market.

Venues for Base Metals	OTC Bilateral Counterparties
London Metal Exchange	Koch Metals Trading Ltd Toyota Tsusho Metals Limited Natixis SA JP Morgan Securities PLC

SFL LME desk act as liquidity provider and benchmark our performance versus readily published prices.

Venues for Precious Metals	Liquidity Providers
Spot Pricing **Integral** **CME Futures** *Forwards* **StoneX Financial Ltd**	Credit Agricole Corporate and Investment Bank Credit Suisse AG Deutsche Bank AG Goldman Sachs International SFL FXPB Desk Societe Generale SA Standard Chartered Bank JP Morgan Chase Bank NA Morgan Stanley Capital Group Inc ICBC Standard Bank PLC

SFL Precious metals desk has well established relationships with the LPs listed, if SFL believes that the LP has underperformed for the client, SFL will use an alternative LP for future business.

Annex 3 - Retail CFD/Spread Betting/Forex

The products offered below are generally synthetic derivatives where the underlying trades on an exchange or in an OTC market. Customers can take positions in these instruments through contracts for differences, spread bets or currency.

1. Products Traded
    - CFDs on indices, equities, bonds, interest rates, commodities, spot FX, spot metals, cryptocurrencies (Cryptocurrencies traded only by Professional and Eligible counterparties).
    - Spread bets on indices, equities, bonds, interest rates, commodities, spot FX, spot metals, cryptocurrencies. Spot FX relating to major and minor currencies.

2. Important Execution Factors
    - Price Formation
    - Costs paid by customers
    - Speed of Execution
    - Likelihood of execution and settlement
    - Transaction size
    - Nature of the trade order

3. Execution Venue(s)
   SFL acts as the sole execution venue for all customer orders. This means that we will act as market and you will be dealing with us and not within the underlying market. Based on risk mandates under SFL's hedging policies and procedures, SFL determines the timing and whether, and to what extent, and when to hedge any particular trade or exposure.

4. Grey Markets
   When SFL quotes market prices outside of normal market hours (or when they are closed) SFL will often widen prices or source the underlying price from a different exchange or provider. This will often mean that the price is wider than it is during normal market hours. When SFL offer grey markets, SFL will adjust the price in accordance with where SFL think the price is relative to either our client activity, underlying volatility or market events. During these times the obligation to provide best execution can only be diminished as there is no exact underlying price.

Venues
StoneX Financial Ltd

Annex 4 – Commodities

1. Products traded:
   - Softs: Exchange traded future and options
   - Grains: Exchange traded future and options
   - Dairy: Exchange traded future and options
   - OTC for any of the above
   - Energy: Exchange traded futures and options
   - FX futures and options

2. Important Execution Factors
   - Price
   - Cost of execution
   - Likelihood of execution
   - Speed of execution
   - Liquidity of the market
   - Volume

When receiving and transmitting or executing orders in relation to financial instruments on behalf of professional clients, SFL will endeavor to achieve the best balance across a range of sometimes conflicting factors. This does not mean achieving the best price for every client order, but rather the best possible result that we can reasonably be expected to achieve with the resources available to us.

3. Execution Venue(s)

Venues	Exchanges
StoneX Financial Ltd **StoneX Financial Inc** **StoneX Markets LLC**	BM&FBOVESPA Chicago Mercantile Exchange CME- Chicago Board of Trade CME- Kansas City Board of Trade CME-New York Mercantile Exchange CME–Dubai Mercantile Exchange CME- Commodity Exchange, Inc Eurex Exchange European Energy Exchange ICE Futures Canada ICE Futures Europe ICE Futures US ICE Abu Dhabi LCH Enclear London Metal Exchange Minneapolis Grain Exchange Euronext

	HKFE Norexco NZX Limited Japan Exchange Group Johannesburg Stock Exchange Singapore Exchange Australian Securities Exchange SAFEX

Exchange, contracts and execution venue are all factors that are client driven, and SFL act upon those instructions.

SFL has very well-established relationships with the best, most competitive and respected liquidity providers where they are relevant to specific products to enable SFL to achieve the most competitive quote when required tailored to the tenure and volume.

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Annex 5 - Securities

1. Products Traded
   - Sovereigns
   - IG Corp
   - HY Corp
   - Distressed
   - CFDs

2. Important Execution Factors
   - Price
   - Liquidity
   - Dependent on the situation other factors may be more important in determining the best possible result – in these instances these factors will drive the decision-making process and discretion is applied.

3. Execution Venue(s) for Fixed Income/Debt Instruments

Venues
StoneX Financial Ltd   **Bloomberg MTF (BMTF & BFTE)**

4. Execution Venue(s) for Equities

SFL accesses a large number of markets around the globe through its relationships with local execution entities, i.e. third-party execution brokers. Please note that this list of Execution Venues is not exhaustive, instead it comprises those venues on which SFL places significant reliance.

Execution Venues	Exchanges
Regulated Markets	**EMEA** Athens Stock Exchange (XATH, ASEX) Abu Dhabi Securities Market Belgrade Stock Exchange (Serbia) Bolsa de Madrid (XMCE) Borse Frankfurt (FRAA, FRAB, FRAS) Borsa Istanbul (XIST, XEQY) Borsa Italiana (MTAA, XMIL, ETFP, MTAH, EXGM) Boursa Kuwait Bourse des Valeurs d'Abidjan (Ivory Coast/BRVM) Botswana Stock Exchange Budapest Stock Exchange (XBUD) Bucharest Stock Exchange Bulgarian Stock Exchange Casablanca Stock Exchange (Morocco)

Cyprus Stock Exchange
Deutsche Bourse (XETA, XETB, XETS)
Dubai Financial Market
Dar es Salaam Stock Exchange (Tanzania)
Egyptian Exchange
Euronext Amsterdam (XAMS)
Euronext Brussels (XBRU)
Euronext Lisbon (XLIS)
Euronext Oslo (XOSL, XOAS, MERK)
Euronext Paris (XPAR)
Euronext Dublin (XMSM, XDUB)
Euronext Easynext (ENXL)
Ghana Stock Exchange
Irish Stock Exchange (XDUB)
Johannesburg Stock Exchange (XJSE)
Lusaka Stock Exchange (Zambia)
Ljubljana Stock Exchange (Slovenia)
London Stock Exchange (XLSE)
London Stock Exchange-AIM (AIMX)
Moscow Exchange (RTSX/ MISX)
Nasdaq OMX (including Dark) - Helsinki, Stockholm and Copenhagen
Nasdaq Dubai
Nasdaq Iceland
Nairobi Securities Exchange
Nasdaq Tallinn (Estonia)
Nasdaq Vilnius (Lithuania)
Nigeria Stock Exchange
Oslo Bors ASA (XOSL)
Prague Stock Exchange (XPRA)
Qatar Stock Exchange
Rwanda Stock Exchange
SIX Swiss Exchange
Stock Exchange of Mauritius
Tadawul Stock Exchange (Saudi Arabia)
Tel-Aviv Stock Exchange (XTAE)
Uganda Securities Exchange
Vienna Stock Exchange (WBAH)
Warsaw Stock Exchange (XWAR, XWBO)
Lusaka Stock Exchange (Zambia)
Zimbabwe Stock Exchange

Americas
BATS BZX/BYX/EDGA/EDGX
B3 Bovespa Exchange (Brazil)
Chicago Stock Exchange
Colombia Stock Exchange
CBOE BZX, BYX, EDGA, EDGX
Investors Exchange (IEXG, IEXD)

	Lima Stock Exchange (Peru) Long-Term Stock Exchange (LTSE) Miami International Securities Exchange (MIAX) MIAX Pearl (ERPL, EPRD) Members Exchange (MEMX, MEMD) Mexico Stock Exchange BIVA Nasdaq/BX/PSX/CX2 New York Stock Exchange (NYSE) NYSE Arca (ARCX/ARCD) NYSE National NYSE Chicago OTC Pink Marketplace (PINX) OTCBB (XOTC) Omega Santiago Stock Exchange (Chile) TSX/TSV (Canada) **ASIA** ASX (Australia) Bursa Malaysia BSE (India) China Stock Connect Colombo Stock Exchange (Sri Lanka) Dhaka Stock Exchange (Bangladesh) Fukuoka Exchange (Japan) Ho Chi Minh City Stock Exchange (Vietnam) Indonesia Stock Exchange Jakarta Stock Exchange (Indonesia) Korea Stock Exchange NZX (New Zealand) Nagoya Exchange (Japan) National Stock Exchange India Pakistan Stock Exchange Philippine Stock Exchange The Stock Exchange of Hong Kong The Stock Exchange of Thailand Taipei Stock Exchange Tokyo Stock Exchange Sapporo Exchange (Japan) Singapore Exchange Limited
Multilateral Trading Facilities	A2X (A2XX) Aquis (AQXE) Aquis (AQEU) Aquis Matching Pool (XUBS) Borsa Italiana Equity MTF Market (MTAH) CBOE Europe (BATE, CHIX, CEUX) CBOE Europe Dark Order Book (BATD, CHID, CEUD) CBOE Off-book (BATF)

	CBOE Europe Off-book (CEUO) Euronext Growth (ALXB, XESM, ALXL, ALXP) First North Denmark (XCSE, DNDK) First North Finland (XHEL, DNFI) First North Sweden (FNSE, XSTO, DNSE) London Stock Exchange – AIM MTF (AIMX, XLOM) Mercado Alternativo Bursatil (MABX) Nasdaq Copenhagen/Helsinki/Stockholm (XCSE, DCSE, XHEL, DHEL, XSTO, DSTO) Turquoise (UK) – (TRQX) Turquoise (EU) – (TQEX) Turquoise Plato (TRQM/TQEM) ITG Posit (ITGL) Liquidnet (LIQU, LEUE) Sigma X, Europe (SGMX, SGMU) SwissAtMid (XSWM) Six Swiss Exchange (XSWM) UBS (XUBS) Virtu Posit UK (ITGL, XPOS, VIUK, XPOL)
Third Party Systematic Internalisers	Citadel Connect Europe (CCEU, EUCC) Credit Suisse (CAES, CSVW) Hudson River Trading (HRSI, HREU) Jane Street Financial (JSSI) Jump Trading (JLEU) JPM Barclays SI (BBIS, BCSI) Tower Research Capital Europe (TRSI, TOWR) Morgan Stanley SI (MSSI, MESI, MSIP, MSEU) XTX Markets EU (XTXE, XTXM)
Non-EU entities performing similar functions	Barclays (BARX) BIDS Trading L.P (BIDS) Citadel Securities (CDED) CS Crossfinder Fidelity CrossStream (XSTM) Hudson River Trading (HRTX, HRTF) Instinet (BLKX, ICBX, ICRO) Intelligentcross (INCR, ASPN, ASPI, ASMT) Jane Street Execution Services (JSES, JSIX) JPBX (JPBX) JPMX (JPMX) Level ATS (LEVL) Liquidnet Inc (LIUS, LIUH)

SFL Order Execution (OE) Policy

	MS Pool (MSPL, MSRP, MSTX) PureStream Sigma X2 (SGMT) Two Sigma Securities (SOHO) UBS (UBSA, UBSP) Virtu MatchIt Virtu PostIt

SFL uses third party algorithmic solutions to access markets. The use of smart order routing technology will generally lead our vendors to channel domestic equity execution orders to a single execution venue. This election is based primarily on the availability of best pricing for the instruments and the amount of accessible liquidity offered by said venue. Additional factors considered in the selection are the overall technical and operational offering of the venue – including connectivity, speed of execution, reliability, rule set and membership and clearing requirements, as well as the costs of accessing the venue. This is undertaken on the reasonable expectation that said venue allows it to obtain on a consistent basis the best possible result for the execution. Whenever there is more than one execution venue that would enable the investment firm to obtain the best possible result on a consistent basis, the vendor considers the respective merits of such venues. MiFID II does not prohibit firms from selecting only one execution venue if the firm can show that by doing so it is able to obtain the best possible result on a consistent basis. For example, there may be circumstances where a particular execution venue will deliver the best possible result on a consistent basis for a given subset of the execution policy, or where the costs of including more than one venue in the execution policy (to the extent that such costs would be passed on to clients) would outweigh any price improvement to be gained by doing so (considered over a reasonable time frame).

It is normal market practice for buyers and sellers to *shop around* by approaching several brokers for a quote. In these circumstances, for professional clients, we will not provide best execution unless there is a legitimate reliance on SFL to do so, taking the following into consideration:
- the client did not initiate the transaction;
- the client does not have the ability to "*shop around*". Where the client can "*shop around*" there is no expectation that we will owe best execution;
- there is limited price transparency whereby ready access is not available to clients; and
- where we have previously agreed through terms on the provision of best execution.

5. Other Factors

Large Transactions
Where the size of the order is large compared to the available liquidity in the market for the instrument in question, the execution criteria of 'size' will become of critical importance. This may mean that price and cost are de-prioritised and trades may be executed in a manner that prioritises achieving a higher executed quantity. SFL will still make every effort to achieve the best possible price for the trade, and at the lowest cost, but this strategy may result in a worse average unit price being achieved than if a lower transaction size was settled. This process will take place within certain limits, to be determined at the time of placing the trade order, and it is unlikely that any transaction will ever be executed without any reference whatsoever to the price and cost.

Thinly Traded Markets
For instruments where there are limited execution venues, SFL will focus on the likelihood and size of execution (and possibly speed dependent on the external environment) to deliver best execution. For example, in thinly traded markets, where price points are not available, the best

result for the client may be achieved by focusing on the immediacy and likelihood of execution and settlement if only a single counterparty is willing to take the other side of the trade.

Volatile Markets
Where markets are seen to be particularly volatile, either across the market or in relation to the instrument that is the subject of the trade order, then the speed of execution will be escalated in importance. This is because in this situation the price could move rapidly against SFL, or the liquidity could evaporate, meaning that any delay in execution could result in either a worse price being achieved, or the desired trade not being completed at all.

When the price of the relevant instrument is moving quickly, either because of news relating to that instrument or because of wider market movement, speed of execution will usually be the priority factor. The achievement of rapid execution is achieved either through a Direct Electronic Arrangement ('DEA'), if available, or a large Broker/Counterparty known to be capable of achieving fast execution in the circumstances and in the instrument in question. Second to speed, will be successful execution, followed by the question of cost. In these circumstances, the price factor is inevitably de-prioritised.

Market crises
Where there is an interruption in trading at a major exchange, or the possibility of turbulent markets due to the failure of counterparties then the likelihood of settlement may be the execution factors focused on. The management, diversification and minimisation of counterparty risk may also become a critical issue in this situation.

Niche or specialist markets
In the case of niche or specialist markets, the range of available execution venues or brokers that can complete the trade may be more limited. In addition, the geographical location, relevant experience and track record of the broker in relation to the specific instrument that is the subject of the trade order is likely to become a deciding factor. In this case, price and likelihood of execution are likely to be more important, with the importance of cost lessened as it will be necessary to use the method of execution that has the highest chance of completing the trade.

Overseas or hard to access markets
In relation to investments in certain overseas or otherwise hard-to-access markets, it may become necessary to select a third-party broker based on geographic location and sector-specific expertise. In this situation, it is likely that the choice of brokers will be limited, and while SFL will still focus on achieving the best possible result for the client, this situation may lead to higher costs or a wider spread being obtained than would normally be the case.

Distressed debt
Where there is a case of distressed debt, there may be less liquidity in the market. SFL will focus on achieving best possible result for the client, this may be achieved by focusing on the immediacy and likelihood of execution and settlement if only a single counterparty is willing to take the other side of the trade. This situation may lead to higher costs, or a wider spread being obtained than would normally be the case.

Annex 6 – Type of Trading Systems

Type of system	Description of system

Continuous auction order book trading system	System that by means of an order book and trading algorithm operated without human intervention matches sell orders with buy orders based on the best available price on a continuous basis.
Quote-driven trading system	System where transactions are concluded based on firm quotes that are continuously made available to participants, which requires the market makers to maintain quotes in a size that balances the needs of members and participants to deal in a commercial size and the risk to which the market maker exposes itself.
Periodic auction trading system	System that matches orders based on a periodic auction and a trading algorithm operated without human intervention.
Request-for-quote trading system	Trading system where a quote or quotes are provided in response to a request for a quote submitted by one or more other members or participants. The quote is executable exclusively by the requesting member or market participant. The requesting member or participant may conclude a transaction by accepting the quote or quotes provided to it on request.
Voice trading system	Trading system where transactions between members are arranged through voice negotiation.
Trading system not covered above	Hybrid system failing into two or more of the above or a system where the price determination process is of a different nature than that applicable to the types of system covered above.

SFL Order Execution (OE) Policy

Appendix and Links

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Author	Maggi Fitt
Approver	Compliance Committee
For questions contact	SFLCentralSurveillance@Stonex.com