Order Execution Policy

Title: Order Execution Policy
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1. **Purpose**

This Policy is intended to provide clients with information relating to the execution arrangements that Corpay\(^1\) (hereinafter “Corpay” or “we”) has in place to comply with its obligations under the Markets in Financial Instruments Directive (“MiFID II”) and certain other aspects relating to the way in which client orders are handled; in particular how we take all sufficient steps to obtain the best possible result on behalf of our clients (or “best execution”).

2. **Scope**

Our Order Execution Policy applies to clients that trade in MiFID II financial instruments where we are executing an order on their behalf. This will occur whenever the client will reasonably rely on Corpay to protect their interests in relation to pricing and other parameters of the transaction.

The Order Execution Policy will apply to trades for retail clients. For professional clients our default position with regards to ensuring best execution is that it does not apply. However, we will always apply the four-fold test to help determine whether a professional client is reliant upon Corpay to protect their interests. The following four points are used to ascertain, inter alia, a client’s level of sophistication, product knowledge, experience, and level of market access:

1. **Which party initiates the transaction** – where a client approaches Corpay and initiates the transaction, it is less likely reliance is being placed on Corpay.

2. **Market practice and existence of a convention for clients to “shop around”** – where clients are likely to have access to more than one provider who may provide alternative quotes for a particular asset class or product, it is less likely reliance is being placed on Corpay.

3. **The relative levels of price transparency in the market** – where there is no asymmetry of price knowledge of relating to a product between Corpay and clients, it is less likely reliance is being placed on Corpay.

4. **Any other information** – provided by, or terms of agreement entered into with Corpay, and as set out in this policy, may be relevant to whether or not clients are placing reliance upon Corpay.

Regardless of whether the specific provisions of MiFID II Best Execution obligations apply or not, Corpay is committed to acting in our clients’ best interests and to act fairly, honestly, and professionally at all times.

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\(^1\) “Corpay” is a tradename that in this document refers, as applicable, to one or more of:

1. Cambridge Mercantile Corp. (UK) Limited [an England & Wales company], and/or
2. Cambridge Mercantile Risk Management (UK) Ltd [an England & Wales company], and/or
3. Associated Foreign Exchange Limited [an England & Wales company], and/or
4. AFEX Markets Plc [an England & Wales company], and/or
5. AFEX Offshore Limited [a Jersey island company]
6. AFEX Markets Europe Limited [of Ireland]
7. Associated Foreign Exchange Ireland Limited [of Ireland].
What is Order Execution?

MiFID II Article 27 (1) defines best execution as the obligation on firms to “take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.”

The factors listed above that we must take into consideration are defined as Execution Factors and are explained in more detail below. We will determine the importance of the Execution Factors by taking into consideration the Execution Criteria which are also listed below.

Execution Factors

These are prescribed in MiFID II as follows:

- **Price** – the price a financial instrument is or may be executed at;
- **Cost** – this may include implicit costs such as market impact, explicit costs e.g. exchange or clearing fees and explicit internal costs which represents Corpay’s own remuneration through commission or spread;
- **Speed** – the potential time it might take to execute a trade;
- **Likelihood of execution and settlement** – the likelihood the trade will be completed;
- **Size** – as relates to the trade and any likely effect this could have on price of execution;
- **Any other relevant considerations** – such as characteristic of execution venues or market impact.

Execution Criteria

The Criteria that are assessed for best execution are:

1. The Client (and the Client categorisation);
2. The Order;
3. The Financial Instruments underpinning that Order; and
4. The Execution Venues to which the Order can be directed.

Execution Venues

Corpay offers only customised products to clients using FX derivatives. These are quote driven financial instruments, and the price discovery can only be achieved through individual Requests for Quotes (RFQ) and not publicly published prices.

All Corpay orders are executed outside a regulated market or multilateral trading facilities (“MTF”) and are dealt Over-the-Counter (“OTC”) on a matched principal basis.
All trades undertaken for approved clients are for hedging or risk mitigation purposes only. Speculative trading is not permitted.

In the absence of any specific instruction received by you, Corpay will select the Execution Venue based on our consideration of the Execution Factors and Criteria. We use a selection of Execution Venues in order to place an order, although it should be noted that not all Venues offer all products.

In most instances, the most important relevant execution criterion is price, and accordingly the order is executed with the bank offering the best price. However, where we believe the client’s best interest will not be met, other factors or criteria will be applied where deemed appropriate.

We do not structure or charge commissions in such a manner as to unfairly discriminate between Execution Venues.

**How does Corpay categorise clients?**

MiFID II regulations define the following three categories of clients:

- Retail Client
- Professional Client
- Eligible Counterparty

Corpay clients are generally categorised either Retail or Professional. Retail clients are afforded the highest level of protection under MiFID II, whereas Professional clients are assumed to possess the experience, knowledge, and expertise to make their own investment decisions and properly assess the risks assumed. In some circumstances, and subject to certain conditions, some clients may change their classification.

**Monitoring and Review**

Corpay will monitor the effectiveness of our order execution arrangements and compliance with this Policy. We will also be able to demonstrate to clients, upon request, that their orders have been executed in accordance with this Policy.

The monitoring of our arrangements will include an assessment of the Execution Venues to ensure on a consistent basis client are still able to obtain the best result.

This Policy will be reviewed at least annually or whenever a material change occurs to address any specific issues identified when monitoring order execution arrangements and, where appropriate, changes made. The most recent version of the Policy will always be available on our website, and all current clients advised of any material changes to our order execution arrangements or this Policy.

**Consent**

We are required to obtain your consent to our Order Execution Policy prior to executing any order. Consent will be deemed to have been given whenever you sign the order execution form.
Definitions

‘Client’ – any natural or legal person of Corpay

‘Execution Factors’ means those factors listed in this document

‘Execution Criteria’ means those factors listed in this document

‘Execution Venue’ means those factors listed in this document


‘Order Execution Policy’ – this policy relating to how we ensure best execution for our clients

‘Order’ means an instruction to buy or sell a financial instrument which is accepted by Corpay