



Kyte Broking Limited

Order Execution Policy



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1. Purpose and summary of Policy

This Order Execution and OTF Policy informs you of the circumstances in which Kyte Broking Limited (**KBL**) will provide you with best execution in accordance with the second Markets in Financial Instruments Directive (MiFID II 2014/65/EU) and the Financial Conduct Authority (**FCA**) Conduct of Business Sourcebook Section 11.2 (COBS 11.2) (best execution rules).

This Policy should be read in conjunction with KBL Terms of Business and the Organised Trading Facility (**OTF**) Rulebook where applicable.

2. Scope of application

This Policy sets forth the minimum standards that must be applied by KBL and related entities, including Appointed Representatives and/or entities that have been granted a franchise by KBL.

This Policy will apply if you have been categorised as a professional client¹ by KBL and you give KBL an order to execute on your behalf in respect of financial instruments² covered by MiFID³. This Policy does not apply to retail clients because KBL is not able to provide services to them. KBL will inform all clients of their classification during the account opening process and following any potential amendments.

Where references are made to the OTF Rulebook, this Policy also applies to clients that have been categorised as eligible counterparties. These provisions will only apply to instruments captured by KBL's OTF as referred to in paragraph 5.1 below.

This policy is valid and implemented from the issue date.

3. Guiding principles

The guiding principles of this Policy provide that:

1. KBL operates policies and procedures that enable it to adhere to the best execution rules, protecting its reputation and financial standing.
2. KBL adheres to the rules in relation to avoiding and/or managing potential conflicts of interest.
3. KBL endeavours to ensure that all clients, regardless of classification, are treated fairly during the execution of trades.

4. Policy

4.1. What is best execution?

Best execution is the requirement to take all sufficient steps to obtain the best possible result for clients. KBL will take into consideration a variety of factors to ensure the best possible execution result is obtained for you. However, when you have given KBL a specific instruction, we will execute the order according to the specific instruction. We will still be required to take sufficient steps to achieve the best possible result in respect of any aspects of the order that fall outside those instructions. This may prevent KBL from taking the steps that KBL have designed and implemented to obtain the best possible result for the execution of your orders.

¹ As defined by COBS 1, Annex 1 Application, which specifically provides that COBS 11.2 does not apply to Eligible Counterparty business

² See Appendix 2 for list of Financial Instruments

³ See section on "Execution on the OTF" for a list of Financial instruments in scope



KBL's commitment to deliver best execution does not mean that KBL owes you any fiduciary obligations over and above the specific regulatory obligations placed upon KBL or as may be otherwise agreed between you and KBL.

4.2. Best execution obligation

KBL has a duty to ensure best execution is achieved where you legitimately rely on KBL to protect your interests in relation to the pricing or other aspects of the transaction that may be affected by how KBL executes and/or transmits the order. For example, this may be the case when KBL:

- I. Executes an order by dealing as riskless principal⁴, but has a client relationship with you in relation to executing a transaction;
- II. Exercise discretion or "work" an order on your behalf; and
- III. Transmit an order to a third party for execution.

However, there are some cases where we may conclude, based on the test below, that you do not legitimately rely on KBL to protect your interests. These may include situations where we provide you, either on request or on a continuous quoting basis with a quote for the purchase or sale of a financial instrument and you decide to execute the transaction on the basis of that quote (**RFQ**).

KBL will apply a four-fold test to determine whether you legitimately rely on us for best execution. This takes into account:

- I. Which party initiates the transaction;
- II. Market practice and the existence of a convention to "shop around";
- III. The relative levels of price transparency within the market; and
- IV. The information provided by KBL and any agreement reached.

4.3. Best execution factors

When the obligation applies, KBL is required to take sufficient steps to ensure the best possible result is obtained for its clients by taking the following execution factors into account:

- I. Price;
- II. Costs;
- III. Speed;

- V. Size of order;
- VI. Nature of order; or
- VII. Any other consideration relevant to the execution of the order.

Price or market fill will ordinarily merit a high relative importance in obtaining best execution. However, in some circumstances, for some clients, orders, financial instruments or markets, KBL may reasonably determine that other execution factors are more important than price. For example, there is no formalised market or settlement infrastructure for OTC transactions. In some markets, price volatility may mean that timeliness of execution is a priority whereas, in other markets that have low liquidity, the act of execution may itself constitute best execution.

KBL will check the fairness of the price proposed to the client in a variety of ways, ensuring that the best possible outcome is achieved for the client.

⁴ A riskless principal transaction involves two orders, the execution of one being dependent upon the receipt or execution of the other; hence, there is no "risk" in the interdependent transactions when completed



In other cases, KBL's choice of execution venue may be limited (even to the fact that there may be only one market/platform upon which we can execute your orders).

In certain cases, the nature of the client order is such that the transaction is tailored to meet the client's specific needs and there are little or no comparable products available in the market from which a price and cost comparison could be made. These cases include structured products and bespoke OTC transactions. Where this occurs, KBL will assess the unique features of the transaction and the client's instructions to determine the relevant execution factors to take into account in executing your order.

KBL will determine the relative importance of the execution factors by using commercial judgement and experience in light of the market information readily available and taking into account the characteristics of execution (the **Execution Criteria**) which comprise:

- I. The characteristics of the client including the categorisation of the client as professional;
- II. The characteristics of the client order;
- III. The characteristics of financial instruments that are the subject of that order; and
- IV. The characteristics of the execution venues to which that order can be directed.

4.4. Direct Market Access

When you submit an order electronically through KBL's Direct Market Access (**DMA**) system, you will select the parameters of the trade (such as the price, the counterparty, the venue, the timing, the size and nature of interaction) with your selected execution venue. In such a case, KBL, while acting on your behalf in providing the DMA service, will be treated as having satisfied its duty of best execution and you will be treated as having given specific instructions for the entirety of your order by means of the DMA service.

4.5. Statement of the basis of deciding execution venues

The Policy includes, for each financial instrument in which we execute orders on your behalf, those venues that KBL considers to enable them to obtain, on a consistent basis, best execution. Such venues may include, as appropriate, for each product, Regulated Markets (**RM**), Multilateral Trading Facilities (**MTF**), the Organised Trading Facility (**OTF**), (and/or where KBL have express consent KBL may execute orders on your behalf outside RMs, MTFs or the OTF) systematic internalisers and third-party investment firms. Before using a new execution venue, KBL undertakes appropriate due diligence to ensure that it is confident that it will contribute to KBL's ability to deliver best execution in accordance with each of the best execution factors. That said, in some cases, KBL accesses the market through a broker, in which case KBL undertakes its due diligence on the broker, including a consideration of the venues to which it has access. KBL monitors this on an ongoing basis, including through review and analysis of the information published pursuant to Commission Delegated Regulation (EU) 2017/575 and can verify this on an ad hoc basis.

A non-exhaustive list of execution venues is provided at Appendix 1 to this Policy. In relation to some Financial Instruments, there may be only one possible execution venue.

4.6. Method of Execution

Unless you have given KBL a specific instruction, KBL will select an execution venue that is most appropriate having regard to the Execution Criteria and the relative importance of the execution factors specific to that order.



Subject to any specific instructions, KBL will execute an order by one of the following methods or combination of methods:

- I. Directly to a RM or MTF, or the OTF, or where KBL is not a direct member of the relevant RM or MTF with a third party/affiliated broker;
- II. Outside a RM, MTF or the OTF by executing the order with a matching order of a systematic internaliser, or another client or counterparty of KBL.

4.7. Client limit orders

FCA rules require unexecuted client limit orders in respect of shares admitted to trading on a regulated market or traded on a trading venue to be made public immediately unless the client expressly instructs otherwise. By consenting to this Policy, you are expressly instructing KBL NOT to make such orders public.

5. Execution on the OTF

This section relates to any executions undertaken on KBL's OTF and applies to all clients/potential clients regardless of classification (i.e. including eligible counterparties).

5.1. Scope of the OTF

The financial instruments that are in scope of the OTF are:

- Bonds;
- Structured products; and
- OTC derivatives

The only instruments that are accepted on the OTF are the OTF Investments, which are classified in the OTF Rulebook.

5.2. Operation of the OTF

Order Discretion

When you give us an order to buy or sell an OTF Investment, we will exercise our discretion as to whether to execute some or all of it through the OTF or by other means. We may submit some or all of your order to more than one execution venue including the OTF. However, depending on the type of financial instrument, we may not have access to another execution venue on the basis that we do not believe that they would be able to provide better execution, and therefore it is likely that we will execute through the OTF. If you have specified that you want to execute some or all of the order through the OTF, we will treat that as a specific instruction to do so. We will also exercise our discretion by deciding whether to retract some or all of your order from the OTF. We may do this if, for example, your order has been executed on another execution venue to which we submitted it, or we believe a more favourable outcome would be achieved by executing some or all of your order on another execution venue.

Execution Discretion

Where we execute your order through the OTF, we will exercise discretion by deciding whether, when and how much of your order to match with another order and on what terms at a given time. We exercise this discretion on a case by case basis taking into account a number of factors that are set out above, including the trading interests in the system and the different execution mechanisms that are available. The execution mechanisms could include voice trading and/or use of an electronic system to help us to match orders. If you give us a



specific instruction about how to execute the order, we will follow it to the extent of the instruction if we can, but we will exercise our discretion as to any parameters of the order that you have not specified.

To give an example of how we might achieve best execution, if you submit a bid, we will contact other clients of the OTF to determine whether they would be willing to offer at the price or within the range requested. In the event that there are multiple offers, our starting point is generally to match on a price/ time priority basis but we will take into account any request you may make, for example to execute against a single counterparty or whether you are willing for your bid to be filled through a series of transactions. If the offers do not quite match your request or we think there is a reasonable likelihood of a better offer within a reasonable timeframe, we may continue to seek new offers and negotiate existing ones for that reason. on for that. We will ask you to confirm that you are happy with the price before we execute the transaction unless you instruct us not to do so. This process may take less or more time depending on the financial instrument and the market conditions.

Please refer the OTF Rulebook in conjunction with this Policy.

Once we have matched your order, we will enter into a transaction with each of you and the other client or liquidity provider on a matched principal basis. We will not disclose your identity to the other client or liquidity provider, nor their identity to you, and there would be no need to do so as we would be acting as counterparty to both of you. You agree that we may enter into transactions in this way. Alternatively, once we have matched your order, we may effect a transaction between you and the other client or liquidity provider so that each of you is party to the transaction and has obligations to the other. In this case, we may act as agent for one or both of you in binding you to one another, but will not ourselves be party to the transaction. In this case, we will have to disclose your details to one another.

6. How we achieve best execution in respect of different financial instruments and services

We have set out above the ways in which we seek to achieve best execution generally. In Appendix 1, we set out further information about how we do so in respect of different types of financial instruments and services. To the extent there is any inconsistency between the description above and Appendix 1, the latter would take precedence.

7. Demonstration of best execution

KBL will demonstrate, upon request, your order has been executed in accordance with this Policy.

We will summarise and make public on a quarterly basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they executed client orders in the preceding quarter and information on the quality of execution obtained.

8. Policy monitoring and regular review

KBL takes all sufficient measures to implement the Policy. KBL will monitor the effectiveness of their order execution arrangements in accordance with their Policy at least once per annum and when otherwise necessary to identify and implement any appropriate enhancements. Any best execution failures will be escalated to senior management in line with KBL's escalation procedures. KBL regularly assesses the Execution Venues, and the brokers and dealers to whom they transmit orders to identify those that enable KBL to obtain best execution. KBL will also review their order execution arrangements and Policy on a regular basis, and whenever a material change occurs either in respect of one of their chosen execution venues or otherwise that affects their ability to continue to deliver best execution. We will notify you of any material changes to our order execution arrangements or Policy if we have an ongoing relationship with you. We may do this by



publishing our Policy on our website, which can be accessed here: www.kytebroking.com

9. Consent

In order to do business with you, KBL require your express consent to this Policy and the specific matters relating to executing orders outside RMs and MTFs. Entering into transactions outside a trading venue involves certain risks including the fact that it may be more difficult to find a willing counterparty to your bid or offer, it may not be anonymous, there may not be as much transparency as to supply, demand or price, and the process may not involve so many automated systems, meaning that there may be greater operational risk. In addition, there may no arrangements for clearing or settlement, creating a higher degree of risk against your counterparty.

Your consent acknowledges that you have been made aware of and accept the nature, policy and processes which we have in place for providing best execution as defined above and that, in the absence of any specific instructions from you, KBL shall have full discretion to choose a relevant venue from the current list of execution venues (as amended and restated from time to time) for executing any order or orders (which may include dealing on a matched principal basis with KBL and may include trading through KBL's OTF) or alternatively to trade outside an execution venue, but in doing so shall assess and balance the range of all relevant factors, including those set out in this disclosure statement which, in KBL's reasonable discretion, is considered relevant to achieving the best results for you.

You also agree that:

- KBL may execute your orders outside a RM, MTF or the OTF as set out above;
- Unexecuted limit orders will not be made public immediately; and
- We may provide the Policy and any changes to it on our website and you have regular access to the internet.

You may confirm consent by email, or alternatively by signing and returning the form in Appendix 3. For the non-specific matters, your tacit consent will be deemed to have been given if you ask KBL to act on your behalf.

10. Procedures

KBL will maintain adequate systems and controls to effectively monitor the implementation of the Policy. Where necessary, KBL will take into account the execution factors, while considering the peculiarities and features of the products and markets they operate on.



Appendix 1 – Different asset classes and non-exhaustive list of execution venues

Exchange traded derivatives

We do not take derivatives onto our own book. Instead, we cross listed derivatives onto the exchange and/or give them up to another broker. Clients usually specify many of the aspects of these orders including importantly, the trading venue. A list of trading venues we use on this basis are set out in this Appendix.

OTC derivatives

We introduce OTC derivatives, arranged multilaterally, to our OTF trading venue. OTC derivatives products executed through the OTF trading venue is conducted on a matched principal AND name give-up basis. We have arrangements in place with a number of counterparties that we know are likely to be interested in particular trades. If there is more than one competing offer, we normally take the best bid or best offer. We give up OTC derivatives to swapswire. FX transactions are executed through a prime broker.

Cash bonds

We execute bonds on a riskless principal basis and in most cases, we are likely to do so through our OTF, although we do list some alternative venues we may use in this Appendix. When we receive a bid or an offer, we will contact our other clients to find a fill. We will be looking for the best match in terms of price and time but we may not have many options and we could split an order between more than one counterparty if necessary. Where we find a suitable match, we will either seek your confirmation to proceed before executing or, if you have permitted us to do so, continue without further reference to you.

Cash equities

KBL usually executes transactions in cash equities as agent for the client. As an investment firm, we are obliged to undertake trades in shares admitted to trading on a regulated market or traded on a trading venue on a regulated market, MTF or systematic internaliser save in certain exceptional cases. We have a Direct Market Access arrangement which gives us access to a large number of markets mentioned in Appendix 1 and we use an algorithm to assist us in determining which will provide best execution. Price is usually the driving factor here.

Structured products

These products are usually quite bespoke because they are based on clients' needs and we approach banks that we think will be willing to create and enter into them. This process sometimes takes a few days. Therefore, the likelihood of execution is one of the most important factors here. We use our OTF to execute client orders but, unlike the other products traded through the OTF, we will normally act as you agent in binding you to the transaction we have negotiated on your behalf. However, in some cases, we may enter into the transaction on a matched principal basis.

Repurchase agreements (repos)

We arrange repos on a named give-up basis, meaning that we negotiate the terms of the transaction on your behalf but, once agreed, we step away and you settle directly with your counterparty.



Execution may occur on alternative execution venues from time to time, consistent with this Policy.

Futures and options

Exchange

- Eurex
- CME
- CBOT
- Nymex
- Comex
- LME
- CME_CE
- SFE
- MGEX
- ICE Futures Europe
- ICE Futures US
- ICE Canada
- IDEM
- MEFF
- Euronext – Paris, Amsterdam, Brussels, Lisbon
- TMX
- OMX
- GMEX
- SGX
- HKFE
- KCBT
- OSE
- TSE
- CFE
- CBOE

Cash bonds

Venue

E-Speed

MTF

MTF

NLX

OTF

OTF

KBL

OTC derivatives and structured products

OTF

| |
|------------|
| OTF |
| KBL |

Cash equity

| MIC | Venue Name | Type |
|------|--|------|
| ALXP | Euronext Paris | Lit |
| AQXE | Aquis | Lit |
| ARCX | NYSE Arca | Lit |
| ASXC | Asx - Center Point | Lit |
| BAML | BoA/ML ATS | Dark |
| BARX | Barclays ATS | Dark |
| BATD | BATS Dark | Dark |
| BATE | BATS Europe | Lit |
| BATS | BATS Exchange | Lit |
| BATY | BATS Y-Exchange, Inc. | Dark |
| BIDS | BIDS Trading | Dark |
| BURG | Burgundy Nordic MTF | Lit |
| CAES | CS Crossfinder | Dark |
| CDED | Citadel Dark | Dark |
| CDEL | Citadel Securities ATS | Dark |
| CHIA | Chi-X Australia | Lit |
| CHIC | Chi-X Canada ATS | Dark |
| CHID | Chi-Delta | Dark |
| CHIJ | Chi-X Asia | Lit |
| CHIX | Chi-X Europe | Lit |
| CICX | Citi Cross (Lava) | Dark |
| DBSX | Deutsche Bank ATS | Dark |
| EDGA | EDGA Exchange | Lit |
| EDGX | EDGX Exchange | Lit |
| ETFP | Electronic Open-End Funds And Etc. Market | Lit |
| FNSE | First North Stockholm | Lit |
| GESE | Getco | Dark |
| GTCO | Getco | Dark |
| ICBX | Instinet CBX | Dark |
| IEXG | IEX | Lit |
| ITGI | ITG - Posit | Dark |
| JPMX | JPMX | Dark |
| KMEU | KnightMatch Europe | Dark |
| KNCM | Knight Capital Markets | Dark |
| KNEM | Knight Equity Markets LP | Dark |
| LEVL | Level ATS | Dark |
| LIQU | Liquidnet Systems | Dark |

| | | |
|------|---|------|
| MAQX | Macquarie Internal Markets | Dark |
| MATN | Match Now | Dark |
| MTAA | Milan Stock Exchange | Lit |
| NEOE | Aequitas Neo Exchange | Dark |
| NYFX | NYFIX Millennium ATS | Dark |
| OMGA | Omega ATS | Lit |
| PDQX | PDQ ATS | Dark |
| PURE | Pure Trading | Lit |
| SBIJ | Sbi Japannext-J-Market | Lit |
| SGMA | Sigma X | Dark |
| SGMX | Sigma X | Dark |
| TMXS | TMX Select | Lit |
| TRQM | Turquoise Dark | Dark |
| TRQX | Turquoise | Lit |
| UBSA | UBS ATS | Dark |
| VTEX | VortEx | Dark |
| WBAH | Wiener Boerse Ag Amtlicher Handel (Official Market) | Lit |
| XAIM | Aim Italia - Mercato Alternativo Del Capitale | Lit |
| XAMS | Euronext Amsterdam | Lit |
| XASE | NYSE Mkt Llc | Lit |
| XASX | Australian Stock Exchange. | Lit |
| XATH | Athens Exchange S.A. Cash Market | Lit |
| XATS | Alpha Exchange | Lit |
| XBOS | NASDAQ OMX BX | Lit |
| XBRU | Euronext Brussels | Lit |
| XBUD | Budapest Stock Exchange | Lit |
| XCIS | National Stock Exchange | Lit |
| XCSE | Omx Nordic Exchange Copenhagen A/S | Lit |
| XCX2 | ChiX CX2 | Dark |
| XDUB | Irish Stock Exchange | Lit |
| XETD | Xetra International Market - Open Market | Lit |
| XETR | Xetra | Lit |
| XHEL | Nasdaq OMX Helsinki | Lit |
| XHKG | Hong Kong Exchange | Lit |
| XICX | Instinet Canada Cross | Dark |
| XJSE | Johannesburg Stock | Lit |

| | Exchange | |
|------|--|------|
| XLIS | Euronext Lisbon | Lit |
| XLON | London Stock Exchange | Lit |
| XLUX | Luxembourg Stock Exchange | Lit |
| XMAD | Bolsa De Madrid | Lit |
| XMCE | Madrid Stock Exchange | Lit |
| XMLI | Euronext Paris | Lit |
| XNAS | Nasdaq | Lit |
| XNMS | NASDAQ NMS | Lit |
| XNYS | New York Stock Exchange | Lit |
| XNZE | New Zealand Exchange Ltd | Lit |
| XOSL | Oslo Bors Asa | Lit |
| XOTC | OTC Bulletin Board | OTC |
| XPAR | Euronext Paris | Lit |
| XPHL | Nasdaq Omx Phlx | Lit |
| XPRA | Prague Stock Exchange | Lit |
| XQMH | Scoach Switzerland | Lit |
| XSES | Singapore Exchange | Lit |
| XSGA | SG Alpha-Y | Dark |
| XSMP | Smartpool | Dark |
| XSTO | Nasdaq OMX Stockholm | Lit |
| XSWX | Swiss Exchange | Lit |
| XTAE | Tel Aviv Stock Exchange | Lit |
| XTKS | Tokyo Stock Exchange | Lit |
| XTSE | Toronto Stock Exchange | Lit |
| XTSX | Tsx Venture Exchange | Lit |
| XUBS | UBS MTF | Dark |
| XVTX | Six Swiss Exchange Ag | Lit |
| XWAR | Warsaw Stock Exchange/Equities/Main Market | Lit |

Appendix 2 - Financial Instruments under MiFID II

Annex 1, Section C of MiFID II (as at 03 January 2018)

1. Transferable securities
2. Money-market instruments
3. Units in collective investment undertakings
4. Options, futures, swaps, forward rate agreements, and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
6. Options, futures, swaps and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or multilateral trading facility;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.
11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).