



HOUSE of BÖRSE
— *World in One Platform* —

Order Execution Policy

www.houseofborse.com

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1 Purpose

1.1 Introduction

This policy details how House of Borse Ltd (the Firm) will comply with its overarching regulatory requirement of taking all the *sufficient steps* to obtain, when executing orders, the best possible results for its clients.

The Firm is authorised by the Financial Conduct Authority (FCA) and, as such, will act in accordance to the rules as defined in the FCA Handbook, which will take precedence over the requirements of this policy.

2 Review of policy

This policy, and the Firm's order execution arrangements, will be reviewed regularly, at least once a year, and amended as considered necessary by the Firm's Management Body in the event of changing circumstances or regulations.

3 Best Execution

Best execution is the overarching requirement for firms to take 'sufficient steps' to provide the client with the best possible overall results on a consistent basis, and not just by providing the best price for an individual trade. To do this, the Firm shall take into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration considered to be relevant to the execution of client's orders.

Nevertheless, where there is a specific instruction from the client the Firm shall execute the order following the specific instruction. If the client's specific instruction covers one aspect of the order, the Firm will follow its execution policy for the other aspects to ensure best execution.

3.1 Delivery of Best Execution

The Firm is responsible for executing client orders and as such is responsible for providing best execution for those orders.

4 Scope

4.1 Financial instruments

Best execution requirements apply to all financial instruments as listed in the Annex I of MiFID II, section C. The Firm transacts in the following classes of financial instruments:

- Currency derivatives
- Commodities derivatives
- Contracts for difference

4.2 Clients

This policy applies to Professional Clients (per se and elective professional). In accordance with the Firm's obligations to the client, it has notified the client of the client classification that applies to them.

4.2.1 Professional Clients

When dealing with Professional Clients, the Firm does not differentiate between "elective" Professional Clients and "per se" Professional Clients. It will apply Best Execution to all transactions undertaken for its Professional Clients where it has an agency or contractual obligations to those clients and where it can be demonstrated that the client is legitimately relying on the Firm in relation to the execution of their order.

In relation to quote driven markets the Firm will determine if it owes Best Execution to Professional Clients by determining to what extent the Firm acts on behalf of the client and whether the client legitimately relies on the Firm by carrying out the four-fold cumulative test by assessing the following points:

- Which party has initiated the transaction?
- Market practice & the existence of a convention to "shop around"
- The relative levels of price transparency within the market
- The information provided by the firm and any agreement reached

4.2.2 Eligible counterparties

This policy does not apply to Eligible Counterparties where carrying out Eligible counterparty business and as such, the Firm does not owe best execution to transactions undertaken by clients classified as such.

4.3 Activities

House of Borse Ltd (HoB) is authorised execution only broker for a range of investment types, including Spot FX & Metal and CFDs. All of firm's current client base is made up of EPC or the institutional clients. House of Borse provides to its client a Direct Market Access with all trades are executed directly in the market at actual, true live conditions without any manipulations, without any exceptions or any delays.

4.3.1 Contract for Differences

The Firm recognises that when closing out an open position, the client must close out the contract with the firm that sold it to them, even if there is a better price elsewhere.

To ensure that in those circumstances the Firm will comply with its Best Execution obligations, it will take all sufficient steps to obtain the best possible results in relation to the instrument underlying the CFD and by disclosing how they calculate their internal fees and charges.

CLS: Describe here how the firm will achieve that result (House of Borse will ensure that clients has access to all the information available in this situation in the most transparent and timely manner. The firm will also ensure through continuous monitoring of the price feed to ensure that its clients have access to the best available prices for execution of their trades and any exceptional situation is fully investigated and addressed immediately).

4.4 Order Types

Regardless of the type of order that the client transacts with the Firm, best execution will apply. This will normally include order types commonly used on an execution venue, as defined by MiFID.

5 Best Execution Obligations

5.1 Order execution arrangements & client information

The Firm has designed and implemented specific arrangement to take all sufficient steps to obtain, when executing client orders, the best possible results taking into account the execution factors including:

- A specific venue selection process
- The ranking of the execution factors in accordance with the characteristics of the client, the order, the financial instrument and the execution venue to which that order may be directed
- The design of efficient execution strategies
- The verification of the fairness of the price when dealing in OTC products

5.1.1 Information on order execution policy

In accordance with its regulatory requirements the Firm has prepared a comprehensive document summarising those arrangement and explaining clearly how the orders will be executed by the Firm: Information on the order execution policy. This document is available on the Firm web-site.

5.1.2 Demonstrating compliance with the order execution policy

Where a client makes reasonable and proportionate requests for information about its policies or arrangements and how they are reviewed, the Firm will answer clearly and within a reasonable time. The Compliance function is in charge of this process. It may include demonstrating that the client order where executed in accordance with this policy.

5.1.3 Inducements

The Firm makes payment to referring partners as part of its business activity. Any benefits paid comply with the rules on inducements are disclosed to clients in the General Terms of Business in accordance with the FCA rules.

5.2 Client consent

In accordance with its regulatory requirements, the Firm will obtain the client consent on its order execution policy.

5.3 Execution Factors

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the relative importance it assigns to the execution factors (or the process by which it determines their relative importance) that it needs to take into account for the purposes of providing the client with the best possible result.

These execution factors have been listed in order of priority and will include, but are not restricted to, the:

CSL: List in order of priority the execution factors, breaking down by classes of financial instruments or liquidity features or any other features the Firm considers relevant. (We regard all of the below equally important and give them the due care when it comes to order execution dependent on the nature of instrument traded)

CSL note: Simply copying out the execution factors will not pass the test of the FCA threshold conditions. Some explanation on the why shall be included. Here-below some examples to be developed accordingly with the Firm business model and execution strategies.

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Example:

- Price: the Firm will generally consider that price merits a high importance, however, the nature of securities will determine if the Firm shall give precedence of other factors such as speed or likelihood depending on the security characteristics.
- Speed: the Firm considers that for liquid securities, speed is paramount taking into account the fact that markets tend to move quickly, i.e. the price of the security may vary significantly
- Likelihood of execution and settlement: the Firm considers that for illiquid securities, likelihood of execution may take precedence over price and speed.
- Costs: the Firm will always pay due regards to the costs related to any execution to ensure that the costs will not jeopardise the end result.
- Size of order: the Firm considers the size of the transaction and how it may impact the price of execution
- Nature of order: the Firm will consider how the characteristics of the transaction can impact how best execution is achieved
- Other relevant factors:

5.4 Execution strategies

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the execution strategy it needs to apply to obtain the best possible results where executing a client order.

CSL: List or describe the different execution strategies the Firm implements where executing client orders, breaking down by classes of financial instruments or liquidity features or any other features the Firm considers relevant.

(At the core of firm strategy in such situation is to maintain the best execution and treating the clients with due fairness and care. All orders will be executed on FIFO basis with order filling the top of book prices in the order they are received and so forth)

5.5 Execution Venues

CSL Notes: Firms who have selected a single venue must be able to support the decision to do so through extensive amount of data from independent sources. Please describe here the steps the firm took to select their venue. Please include how the Firm used any data or tools relating to the quality of execution, including any data published by execution venues under RTS 27.

CSL: If relying on a multiple venues describe here the factors that the firm considered in selecting all their venues on a venue by venue basis. Please include how the Firm used any data or tools relating to the quality of execution, including any data published by execution venues under RTS 27.

(Firm is currently dealing with one main aggregator (namely Saxo Capital Markets Limited) which aggregates price feed from over 21 LPS including number of Tier 1 banks in the sector and most prestigious none-bank LPs. House of Borse Limited took in to account number of factors including aggregation model, Market reputation, financial soundness and compatibility of businesses culture to ours when selecting an aggregator/counterparty.

Although we continuously monitor and review other options to add more aggregators on our portfolio the current set up seems to work well for our clients especially when it comes to best order execution and its underlying requirements.)

5.6 Executing order outside a trading venue

The Firm may execute client orders outside a trading venue. In such circumstance the Firm will seek to obtain the clients express prior consent before proceeding with the execution. The Firm will maintain the records of the consents obtained (which will be done via a written and signed acknowledgement) and will verify at least annually if the client maintains its consent.

CLS note: it can be done via a written and signed acknowledgement or by clicking the acknowledgement on the firm website for instance.(As above)

5.7 Client instructions

Where the client provides the Firm with a specific instruction in relation to an order, or any particular aspect of that order, including an instruction for the trade to be executed on a particular venue, the Firm will execute the order in accordance with the client's instruction.

The Firm will take all the steps it has designed in this policy to obtain the best possible results for the client in respect of the order, or aspect of the order, not covered by the specific instruction. It is however possible that the specific instruction may prevent the Firm to take all the steps it has designed in its order execution policy to obtain the best possible results in respect of the elements of the order not covered by the specific instruction.

5.8 Verifying the fairness of the price

For each financial instrument that is traded OTC, the Firm before proposing the price to the client and/or executing the order will check the fairness of the price by comparing the price to external market data or reference prices in the same financial instrument or a comparable financial instrument if no reference price is available in the same financial instrument.

5.9 Annual information on the identity of execution venues and on the quality of execution

The Firm will summarise and make public on an annual basis, for each class of financial instrument, the top five execution venues in terms of trading volumes, where it has executed client orders in the preceding year, together with information on the quality of execution obtained.

6 Monitoring

The Firm will monitor the effectiveness of its order execution arrangements and order execution policy in order to identify and, where appropriate, incorporate any amendments to procedures. The Firm will monitor the prices available in the wider market to make sure that its executing parties are offering fair prices and that they continue to provide the best results for clients. CSL: Include here any specific monitoring criteria that will be used and MI the firm intends to gather to prove best execution (We will not only continue to monitor the prices for being the best available but will also monitor the key information such as slippage, TTL and swap points etc)

The Firm will assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for clients or whether it need to make changes to its arrangements.

The Firm will review its order execution arrangements and order execution policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in its order execution policy.

7 Material Changes

The Firm will notify clients of any material changes to its order execution arrangements or order execution policy as described above by posting the information on its website.

8 No Fiduciary Relationship

The Firm's commitment to provide clients with "best execution" does not mean that it owes clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between the Firm and clients.

Clients remain responsible for their own investment decisions and the Firm will not be responsible for any market trading loss clients suffer as a result of those decisions.

9 Breaches of Order Execution Policy

Any breaches of the Order Execution Policy will be recorded on the Firm's breach log in conjunction with its regulatory breach policy.