

Order Execution Policy
Cantor Fitzgerald Europe (“CFE”)
For Professional Clients

Part I - The Quality of Execution

When executing orders on your behalf in relation to *financial instruments*, we will take all reasonable steps to achieve what is called “best execution” of your orders.

This means that we will have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders, the priorities you place upon us in filling those orders and the market in question and which provides, in our view, the best balance across a range of sometimes conflicting factors. The purpose of this document is to provide you with information on our order execution policy.

Our commitment to provide you with “best execution” does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

Part II – Scope of the Order Execution Policy

This policy applies where *CFE* i) receives and transmits orders on behalf of *professional clients* and/or ii) executes orders on behalf of *professional clients* in relation to financial instruments within the scope of the Markets in Financial Instruments Directive (“MiFID”).

Executing orders “on a client’s behalf”

CFE will be regarded as executing orders on your behalf in circumstances where you legitimately rely on *CFE* to protect your interests in relation to the pricing or other aspects of the transaction that may be affected by how *CFE* executes the order. For example, this may be the case when *CFE* either deals with you as i) agent ii) riskless principal or iii) works an order on your behalf and needs to exercise discretion in relation to the execution of your order.

CFE will not be deemed to be executing an order “on a client’s behalf” in circumstances where we negotiate with you the terms of a transaction in which we deal with you as principal for our own account; where you contact *CFE* with a “request for quote” and you transact with us on the basis of that quote; or where you “hit” a quote that we have displayed publicly. Please note, in these circumstances, we will still be required to act in your best interests.

When *CFE* is acting in a name passing or “name give-up” capacity, we are deemed to be receivers and transmitters of orders. However, in carrying out these activities, we do not receive and transmit orders for execution and therefore the requirement for best execution will not apply.

Whilst we will take all reasonable steps based on those resources available to us to obtain the best possible result when executing orders in accordance with the obligations under the FCA rules to which we are subject, we cannot guarantee that we will always be able to provide best execution of every order executed on your behalf.

Our policy in providing you with best execution is, so far as possible and subject to the processes set out in Part III, to exercise the same standards and operate the same processes across all different markets and *financial instruments* on which we execute your orders. However, the diversity in those markets and instruments and the kind of orders that you may place with us mean that different factors will have to be taken into account when we seek to obtain the best possible execution result in the

context of different instruments and different markets. For example, there is generally no formalised market or settlement infrastructure for over-the-counter transactions. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas in other markets that have low liquidity, the likelihood of execution may be a more significant execution factor than others. In other cases our choice of venue may be limited (even to the fact that there may only be one platform / market upon which we can execute your orders) because of the nature of your order or of your requirements.

Part III – CFE’s Processes for Delivering Best Execution

Execution Factors

The execution factors that will be taken into account are: price; costs; speed; likelihood of execution and/or settlement; order quantity; nature of order or any other consideration relevant to the execution of the order. In terms of the relative importance of the execution factors, price will generally merit a high relative importance followed by market impact. However, there may be some instances when we determine that other execution factors are deemed more important in obtaining the best possible execution result.

Execution Criteria

The execution criteria that will be taken into account are:

- i) your characteristics (including your classification as a professional client);
- ii) the characteristics of your order;
- iii) the characteristics of the *financial instruments* which are the subject of your order;
and
- iv) the characteristics of the execution venues to which that order can be directed.

Execution Venues

CFE may use one or more of the following venues in meeting its obligation to take all reasonable steps to obtain, on a consistent basis, the best possible result for the execution of your orders:

- *Regulated Markets*
- *Systematic internalisers*
- *Multilateral Trading Facilities (“MTFs”)*
- *Other Exchanges which are not regulated markets*
- CFE’s own trading desks
- Market Makers or other liquidity providers
- Any other relevant execution venue

CFE will assess on a regular basis the quality of execution afforded by these venues on which we execute your orders and whether we need to change any execution arrangements. We will take steps so that we do not structure or charge commissions in a way which will discriminate unfairly between execution venues.

Choice and Method of Execution Venue

We will select the execution venue that we consider to be the most appropriate for achieving the best possible execution result for you, taking into account the execution factors, execution criteria, venues available and all sources of reasonably available information from local exchanges, MTFs, brokers and relevant data vendors.

In the majority of cases, execution will take place on a *regulated market* or *MTF*. This will be via our direct membership of that *regulated market* or *MTF*. In some cases we may pass your orders to an affiliate or a third party broker with whom we have entered into an agreement for handling orders in which case they may determine the execution venue.

There may be occasions when we deem it appropriate to execute directly with you in which case we will be the execution venue. Such occasions include where, subject to proper consideration of the execution criteria and execution factors referred to above:

- we believe we can trade to your advantage or at no disadvantage when compared to executing your order on another execution venue;
- where we can match your order with an order from another *CFE* client.

As *CFE* is not a regulated market nor an *MTF*, we can only act as an execution venue for the execution of your trades where we have obtained your prior express consent to trading outside a *regulated market* or a *MTF*.

Specific Client Instructions

You may give us a specific instruction as to the execution of an order in which case we must execute the order in accordance with those instructions.

Where your instructions relate to only part of the order, we will continue to apply our order execution policy to those parts of the order not covered by your specific instructions.

Please be aware that any specific instructions from you may prevent *CFE* from taking steps that it has designed and implemented to obtain the best possible execution result in respect of the parts of the order covered by those instructions.

Aggregation and allocation

CFE will not aggregate a client order with another order unless the following conditions are met:

- it is likely that the aggregation will not work to the overall disadvantage of any client whose order is to be aggregated;
- it has been disclosed to each client whose order is to be aggregated that the effect of aggregation may work to their disadvantage in relation to a particular order;
- an order allocation policy has been established and effectively implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions (see below for details of *CFE's* allocation policy); and
- Orders are placed on a first come first served basis. The volume and price of an order does not determine allocation of the aggregated order.

Order Allocation

The manner in which transactions resulting from aggregated orders are allocated is dependent on a number of factors.

For **full execution** of aggregated orders:

- If orders are aggregated and the execution of the full amount of the aggregated order occurs, then each order will be satisfied in full at the average price of the executed transaction.

For **partial execution** of aggregated orders the Firms will allocate the trades in a manner that is fair to all clients:

- The execution will be allocated to each client at the average price of the execution and on a pro-rata basis in relation to the quantity of each client's original order;
- If it is determined that a different allocation basis is more appropriate, this will be pre-authorized by a member of the Compliance department and a full justification should be documented;
- Partial executions undertaken for a client prior to their order being aggregated with other client orders will be disregarded for the purposes of determining the eventual allocation of the aggregated orders; and
- If orders are received from a number of clients where the relevant market has not yet opened, *CFE* will split the executions evenly between all parties who gave orders at this time.

CFE will undertake a revised allocation of an aggregated order if:

- An error is identified in either the intended basis of allocation or the actual allocation. In such an instance *CFE* will make a record of the reason for the re-allocation and ensure that the re-allocation occurs within one working day of the error being identified; or
- The order is only partially executed resulting in an uneconomic allocation to some customers. In such an instance *CFE* will take reasonable steps to ensure that a re-allocation is in the best interests of the customers for whom we have dealt.

Monitoring and review of the Execution Policy

CFE will monitor trades against the execution policy with a view to ensuring ongoing compliance with the policy. We will also review our policy annually in accordance with *MiFID* requirements, or sooner if a material change occurs. This policy will be posted on our website at www.cantor.com/legal/mifid and you are advised to review the website from time to time for any updates.

General Consent

There is a requirement to obtain your prior consent to this order execution policy. If we receive an order from you, you will be deemed to have given your consent to this policy.

Consent for Trading outside a Regulated Market or MTF

CFE additionally requires prior express consent in order to execute your orders outside a *regulated market* or *MTF*. With that in mind, please ensure that you sign and return the client acknowledgement and consent page at the end of this document.

Failure to provide us with this consent will result in *CFE* being unable to execute your orders outside of a *regulated market* or *MTF*.

Consent to Non-publication of Limit Orders

Where you place a limit order with *CFE* in shares (below a size criteria specified in *MiFID*) which are admitted to trading on a Regulated Market and that order is not immediately executed under prevailing market conditions, we are obligated under *MiFID* to make that order public unless we receive your consent not to do so. Accordingly we would be grateful if you could sign and return the client acknowledgement and consent page at the end of this document in order that, were we consider it appropriate, we can decide not to make your order public.

Definitions:

CFE – Cantor Fitzgerald Europe or any subsidiary or branch of *CFE* resident in the EEA for which investment services are provided.

Execution Venue – A regulated market, an MTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country.

Financial Instruments – Instruments specified in Section C of Annex I to *MiFID*.

MiFID – The European Parliament and Council Directive on markets in financial instruments (no. 2004/39/EC).

Multilateral Trading Facility (MTF) – A multilateral system, operated by an investment firm or a market operator, which brings together multiple third party buying and selling interests in *financial instruments* - in the system and in accordance with non discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of *MiFID*.

Dealing on Own Account – Trading against proprietary capital resulting in the conclusion of transactions in one or more *financial instruments*.

Professional Client – A client meeting the criteria laid down in paragraph 1 of Annex II to *MiFID*.

Regulated Market – A multilateral system operated and / or managed by a market operator which brings together or facilitates the bringing together of third party buying and selling interests in *financial instruments* in a way that results in a contract, in respect of the *financial instruments* admitted to trading under its rules / and or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of *MiFID*.

Systematic Internaliser – An investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a *regulated market* or an *MTF*.

Client Acknowledgement and Consent

Consent for trading outside a *Regulated Market* or *MTF*

We hereby consent to CFE executing our orders outside a *regulated market* or *MTF*:

Signed: _____

Name: _____

Title: _____

Date: _____

For and on behalf of: _____

Obligation to make unexecuted client limit orders public

Where we place an order with *CFE* in shares which are admitted to trading on a *regulated market* and that order is not immediately executed under prevailing market conditions, we hereby instruct *CFE* not to make the order public where *CFE* considers it appropriate not to do so.

Signed: _____

Name: _____

Title: _____

Date: _____

For and on behalf of: _____

Please return this acknowledgement and consent form either:

By mail to -

Cantor Client Due Diligence Team
One Churchill Place
Canary Wharf
London
E14 5RD

By email to -

CDDTEAMUK@cantor.co.uk