



Order Execution Policy

Freight Investor Services PTE Limited

1.1 Purpose

This document sets out Freight Investor Services Pte. Ltd. ("FIS") Order Execution Policy. This Order Execution Policy is applicable to broker services provided to our clients in connection with the Commodity Contracts listed in Annex 1 ("**Commodity Contracts**"). This document should be read in conjunction with FIS's Terms of Business.

1.2 Background

Where we provide a brokerage service to our Clients, FIS will act in accordance with our clients' best interests.

1.3 Order execution policy – obtaining the best possible result

When brokering trades on your behalf, we shall take all sufficient steps to obtain the best possible result for you taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order as relevant to you and a reasonable assessment of the sometimes overlapping and conflicting execution factors. This is known as "**Best Execution**".

We will determine the relative importance of the execution factors by reference to the circumstances at the time of execution of the relevant order and taking into account the execution criteria set out in section 1.7 below.

1.4 Exemptions from the requirement to provide Best Execution

Notwithstanding the intentions expressed above, FIS does not undertake to provide Best Execution in the following circumstances:

- (a) In our market in which we operate it is normal market practice for buyers and sellers to "shop around" by approaching several brokers or dealers for quotes. In these circumstances there is no expectation between the parties that the broker or dealer chosen will be required to provide Best Execution. As a sophisticated participant, unless you advise us to the contrary, we will assume that this is your normal trading behavior.
- (b) If FIS is acting in a name passing capacity, as receivers and transmitters of orders without transmitting the orders for execution, the requirement to provide Best Execution will not apply.

1.5 Specific Instructions

Where we follow specific trading instructions provided by you, FIS will execute the order in accordance with your instructions. Please note that in following your instructions FIS will be deemed to have taken all reasonable steps to provide the best possible result for you in respect of the order, or those aspects of the order, covered by your specific instructions.

However, please note, the nature of the specific instruction may prevent FIS taking the steps that it has designed and implemented in its order execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

This will include, but is not limited to using a specific execution venue regardless of a better price elsewhere.

1.6 MTFs and OTFs

When you transact on a multilateral trading facility (“**MTF**”) or other trading venue, the best execution provision will not apply to the operator of the MTF or that trading venue and these obligations will fall on the user of the system.

When you transact on an organized trading facility (“**OTF**”), the best execution provisions will apply to the operator of the OTF.

1.7 Criteria and Execution Factors

Execution Criteria

When executing a client order, FIS will take into account the following criteria for determining the relative importance of the execution factors:

- (a) The characteristics of the client;
- (b) The characteristics of the client order;
- (c) The characteristics of the Commodities Contracts that are the subject of that order;
- (d) The characteristics of the execution venues to which that order can be directed;

Execution Factors

The execution factors which we will take into account in deciding where and how to execute your order are, as relevant in the particular circumstances:

- (a) Price;
- (b) Cost of execution;
- (c) Speed of execution;
- (d) Likelihood of execution;
- (e) Likelihood and speed of settlement;
- (f) Size of order, particularly in relation to market capacity;
- (g) Client characteristics;
- (h) Nature of order;



- (i) Execution criteria, such as your client categorisation, and the execution venues to which your order can be directed;
- (j) the quality and cost effectiveness of any related clearing and settlement facilities; and
- (k) any other consideration relating to the execution of the order.

Although price will usually merit a high relative importance in obtaining the best possible result, in some circumstances we may determine that other Execution Factors are more important than price in obtaining the best possible execution result. Please see Annex 2 for an account of the relative importance FIS assigns to the Execution Factors.

1.8 Execution Venues

When brokering trades on your behalf, FIS has identified the following types of venues on which FIS will most regularly seek to execute your orders and which FIS believes offer the best prospects for achieving the best possible results for you:

- (a) our other clients; FIS's clients base;
- (b) any Regulated Market available to FIS;
- (c) any Multilateral Trading Facility (MTF) available to FIS;
- (d) any Organised Trading Facility (OTF) available to FIS;
- (e) other trading systems that are available to FIS or that FIS has access to; and
- (f) third party brokers.

FIS may also transmit your order for execution to another broker or dealer, in which case we will either determine the ultimate execution venue ourselves on the basis described above, and instruct the other broker or dealer accordingly, or we will satisfy ourselves that the other broker or dealer has arrangements in place to enable us to comply with our Best Execution obligations to you.

FIS's own commissions and the costs for executing an order in each of the eligible execution venues will be taken into account when assessing and comparing the results that would be achieved for a client by executing the order on each of the execution venues that are listed in this policy that is capable of executing that order.

FIS will also take steps not to structure or charge FIS's commissions in such a way as to discriminate unfairly between execution venues.

When selecting an execution venue, FIS will take sufficient measures to ensure that the selected venue obtains the best possible trading result for its clients, subject to the following general factors:

- in the markets in which FIS operates, it can only give clients visibility to prices that have been communicated to FIS by other clients that operate in the same market. Accordingly, in these circumstances, the best outcome that can be achieved must be within these limits;
- FIS will provide details of all tradable bids and offers (subject to the other matters referred to below);



- time availability of prices – in many markets, there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve. Accordingly, the “last traded” price may not always be available or act as a reliable indicator of current price;
- FIS cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) has the ability to trade on the relevant market and is operationally capable of settling the relevant trade;
- FIS cannot control either the cost of credit (credit premium) or credit acceptance between its clients; and
- where FIS invites you to choose one execution venue rather than another, we will provide fair, clear and not misleading information to prevent you from choosing one execution venue rather than another on the sole basis of the price policy applied by FIS.

The execution venues on which FIS places particular reliance in meeting its Best Execution obligations, and the relevant factors for selecting a particular execution venue, are generally applied consistently across all classes of Commodity Contracts to which your order relates. Please see Annex 1 for a list of the execution venues FIS uses as well as details regarding the execution venues used for each class of Commodity Contracts.

In cases where FIS applies different fees depending on the execution venue, we will explain these differences to you in sufficient detail to allow you to understand the advantages and disadvantages of the choice of a particular execution venue.

Similarly, FIS will inform you of any inducements it receives from an execution venue and of the value of any monetary or non-monetary benefits it receives in circumstances where FIS charges more than one client in a transaction. FIS does not accept payment for order flow and will not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular execution venue which would infringe the requirements on conflicts of interests or inducements applicable to it under Applicable Law.

In cases where FIS charges more than one participant in a transaction, we will inform you of the value of any monetary or non-monetary benefits received by FIS.

1.9 Monitoring and Review

We will monitor the effectiveness of our Order Execution Policy (and, in particular, the Execution Factors listed above and the execution venues listed in Annex 1) on a regular basis and will correct any deficiencies that affect our ability to continue to obtain the best possible result for the execution of client orders on a consistent basis.

Our Order Execution Policy will be reviewed annually and upon any material change which we consider might affect our ability to obtain the best possible result for our clients.

FIS might publish data relating to the quality of execution on a quarterly basis and the top five execution venues for each class of Commodity Contracts, in terms of trading volume, on an annual basis. These reports are accessible via the FIS website.



FIS will notify you of any material changes or updates to its Order Execution Policy by posting the information on the FIS website.

1.10 No Fiduciary Relationship

FIS's commitment in connection with Best Execution does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it as may be otherwise contracted between FIS and yourself. You remain responsible for your own trading decisions and FIS will not be responsible for any market trading loss you suffer as a result of those decisions.

Annex 1

List of Commodity Contracts and Execution Venues

The Commodity Contracts in connection with which FIS carries out its broker services are listed in the table below, along with details of the execution venue where such transactions are typically executed.

Commodity Contracts	List of Execution Venues
Iron Ore: Futures and Options	SGX, CME
Coking Coal: Futures and Options	SGX, ICE
Steel: Futures and Options	CME, LME, SGX
Scrap: Futures	LME, CME
Aluminum Premiums: Futures	CME
Fuel Oil: Futures and Options	ICE, CME, SGX
Fertilizer: Swaps and Futures	CME
Dry FFA: Swaps, Futures and Options	SGX, EEX
Wet FFA: Futures	ICE, CME
Power: Futures	EEX
Battery Metal: Futures	CME
Carbon: Options and Futures	CME, ICE
Base Metals: Futures	LME
Pulp and Paper: Futures	NOREXECO

Factors used to select Execution Venues

For Commodity Contracts, the factors used to select an execution venue are as follows:

- Type of Commodity contract traded - Certain commodity contracts only trade or clear at certain venues). In such circumstances, the execution venue will be prescribed; FIS will not 'select' the execution venue.
- Liquidity of relevant commodity contracts on the execution venue.
- Costs of trading on execution venue.



- Client instruction/ability to trade on execution venues – FIS is only able to arrange trades onto execution venues to which the client(s) have the ability to trade.



Annex 2

Weighting of Execution Factors

Weighting of Execution Factors

For Commodity Derivatives, the Execution Factors will typically be weighted in the following order, with the most important factor listed first:

- Price;
- Size;
- Likelihood of execution;
- Costs;
- Speed of execution;
- Any Other Relevant Factor

Although factors specific to the client or order may take precedence and change the relative importance of the general Execution Factors. For example:

- where there is unusual levels of volatility, any of the factors may become of greater importance depending upon the circumstances;
- where there are unusual market conditions, speed and likelihood of execution will become more important;
- when the order is received during the day and/or the size of order may affect the significance of speed and likelihood of execution.
- due to a lack of liquidity on a particular venue or across venues where likelihood of execution and speed will become more important.