

Winterflood

Order Execution Policy

Purpose and Scope

This document sets out the Order Execution Policy of Winterflood Jersey Limited (WJL). It explains how WJL handles and executes client orders in financial instruments to achieve the best possible result, in accordance with the requirements of the Jersey Financial Services Commission (JFSC) Investment Business Code of Practice.

This Policy applies to all client orders where WJL executes or transmits orders for execution on behalf of clients. It is intended primarily for professional clients but applies equally to retail clients, where relevant. The policy outlines WJL's approach to:

- Order execution and transmission
- Factors influencing execution quality
- Use of execution venues and brokers
- Aggregation and allocation of orders
- Specific client instructions
- Monitoring and review of execution arrangements

Clients should read this policy alongside any terms of business agreed with WJL.

Execution Methods

WJL does not execute orders directly on trading venues. All client orders are transmitted to a selected third-party broker for execution. A broker is chosen based on their market access, execution capability, observation of the Jersey regulatory framework, and alignment with best execution requirements.

Execution may take place on:

- Regulated markets
- Multilateral trading facilities (MTFs)
- Systematic internalisers
- Through market makers or liquidity providers
- Over the counter (OTC), where appropriate

WJL takes all reasonable steps to ensure that a broker it uses has appropriate execution arrangements in place and that they execute orders in line with regulatory expectations. Execution quality is assessed by WJL on a look-through basis.

WJL remains responsible for achieving best execution on behalf of its clients and reviews its broker arrangements regularly.

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Winterflood Jersey Limited is authorised and regulated by the Jersey Financial Services Commission

Execution Factors

In determining how to execute an order, WJL will consider the following factors:

Price – The rate at which the order can be executed. Price is generally the most important factor, particularly for standard, liquid instruments.

Costs – All costs directly associated with execution, including commissions, execution venue fees, exchange fees, clearing costs, and settlement charges. These may affect the total consideration for the trade.

Speed – The time taken from receiving the order to its execution. In fast-moving markets, speed may be prioritised to reduce the risk of adverse price movements. WJL must effect or arrange the execution of the order as soon as reasonably practicable in the circumstances, unless postponement is in the best interests of the client.

Likelihood of Execution – The probability that an order will be filled in full or in part. For illiquid instruments, or large orders, WJL may prioritise execution certainty over price.

Likelihood of Settlement – The probability that the counterparty will settle the transaction correctly and on time. This factor may be relevant in selecting brokers or venues.

Order Size – The quantity or value of the order may influence how it is executed. Larger orders may require working over time or routing through multiple liquidity sources.

Order Nature – Any specific features of the order (e.g. type of instrument, market conditions, or time constraints) that could affect execution decisions.

Market Impact – The extent to which placing the order might affect the price of the instrument. This is relevant for large or sensitive trades where minimising disruption is a priority.

The relative importance of each factor is determined using reasonable judgement, based on the characteristics of the order and the instrument involved.

Execution Criteria

WJL support by the selected broker will consider the following execution criteria when determining the relative importance of the execution factors when executing the relevant order:

Characteristics of the order – The order type (e.g. limit, market (at best) or deal at quote), size of the order, the types of instruments being dealt, the settlement mechanics and any other characteristics relevant to determining how the order should be executed.

Characteristics of the financial instrument – The degree of liquidity and the fact that different factors will be relevant to different financial instruments depending on their nature and how they are traded or settled.

Characteristics of the client – The nature of the client and their client classification, business model, capabilities of their technology to handle dealing methods such as partial fills or multi-day orders, business model and the general nature of their underlying client base.

Market impact – The obligation for WJL to consider any impact the order may have on the relevant market(s) which may cause detriment to the achievable price for the client order and/or other market participants.

Quality of execution – Includes aspects such as speed and likelihood of execution and the availability of price improvement.

Client instructions – Specific client instructions will be followed and, to the extent of any conflict, may take precedence over certain elements of this policy.

Order Types and Handling

When WJL supports various order types, including:

At Best Orders – An instruction to execute the order as soon as possible at the best available price in the market at the time the order is received. The client does not specify a price limit, and no execution price is guaranteed.

Limit Orders – An order to buy or sell a specified quantity of a security at a defined price or better. A limit order will only execute if the market reaches the specified price or better. These orders may not be filled if market conditions do not reach the limit level.

Worked Orders – Orders that are executed gradually over a period of time to reduce market impact or to avoid adverse price movements. These are typically larger orders or those in less liquid securities and are managed by the dealing team with discretion over timing and size of each fill.

All Or Nothing Orders – An instruction to fill the entire order quantity in a single execution or not at all. Partial fills are not accepted. These orders may remain unexecuted where full liquidity is unavailable.

Care Orders – Orders that require manual handling by a trader. WJL's dealing team will use their judgment in managing execution based on available liquidity and prevailing market conditions. This approach is used to support larger or sensitive trades.

Directed Orders – An order in which the client specifies the venue, broker, or method of execution. Directed orders are followed in accordance with the instruction provided. Best execution obligations will not apply to the aspects of the order governed by the client's direction.

Aggregated Orders – Where appropriate, client orders may be combined with other client orders for the same instrument to enable more efficient execution. Orders will only be aggregated when

it is in the overall best interest of all the clients concerned, or any possible disadvantage has been disclosed to the client.

Orders may be received through electronic channels (e.g. FIX, SFTP, web portal) or by telephone. WJL's dealing desk or trading systems will route orders for automated or manual execution based on size, liquidity, and complexity.

Order Aggregation and Allocation

WJL may aggregate client orders with other client orders, where it is in the overall best interest of all the clients concerned, or any possible disadvantage has been disclosed to the client WJL does not aggregate client orders with proprietary orders.

Aggregation is undertaken only where permitted by regulation and where the following apply:

- The instruments are compatible for combined execution
- The potential benefit (e.g. price or reduced cost) is proportionate

Order Allocation

When allocating orders, WJL will not give unfair preference to itself or to any client for whom it has dealt. Where WJL has aggregated a client order with other clients' orders it must allocate back to the client within 24 hours.

If an aggregated order is only partially filled, allocation will be made on a pro-rata basis, unless a different allocation method is agreed with the client or is necessary to comply with regulatory or operational considerations. WJL maintains an internal allocation policy to manage fair distribution and prevent preferential treatment.

Specific Client Instructions

If a client provides a specific instruction in relation to an order (such as requesting execution via a particular broker or venue), WJL will execute the order in accordance with that instruction. However, the firm's obligation to provide best execution will only apply to those aspects of the order not governed by the client's instruction.

Directed orders fall outside the scope of WJL's best execution obligation to the extent that the client instruction restricts the firm's ability to apply its policy.

Use of Execution Brokers

WJL will use one or more selected broker(s) to access markets and liquidity. Where, through the use of a broker, WJL has access to a variety of execution venues, it will compare those venues and give the client the best possible result. WJL will ensure, as far as possible, that the Jersey regulatory framework is observed by the selected broker. A broker is also subject to:

- Initial and ongoing due diligence
- Assessment of execution performance
- Review of execution data and benchmarks

WJL will monitor execution outcomes and act where performance falls below expected standards. A broker is expected to have policies that align with best execution requirements and be able to demonstrate the quality of execution delivered.

Monitoring and Review

WJL monitors execution quality through regular review of execution data, broker reports, and other performance metrics. Execution performance may be assessed based on:

- Price achieved
- Benchmark or indicative market price
- Variance in overall cost
- Reasons for deviation from expected results

WJL conducts a formal review of this policy and its execution arrangements at least annually, or sooner if there is a material change in market conditions, regulation, or the firm's operating model.

Consent

By placing orders with WJL, clients are deemed to consent to this Order Execution Policy. The current version is made available to clients on request and may be updated from time to time.

