



MAREX

# Marex Financial: Order Execution Policy

April 2021

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Note: Policy modified to include the Equities Market Making Desk April 2021

## 1. INTRODUCTION & SCOPE

Under the rules of the Financial Conduct Authority (“FCA”) and the requirements of the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”), Marex Financial is required to take all sufficient steps to obtain the best possible result for Professional Clients taking into account various factors and criteria. This is called “Best Execution”.

Marex Financial is committed to providing a high quality execution service to all clients on a consistent basis. We view this as fundamental to promoting trust and confidence in the integrity of markets and to the delivery of good outcomes for all our clients.

The purpose of this document is to provide our Professional Clients with appropriate information on our order execution policy in the various markets in which we operate in order to enable you to make a properly informed decision about our services. Our policy consists of both general information with respect to our approach to Best Execution and detailed information with respect to our various business areas/desks in the attached appendices.

This policy applies to the receipt, transmission and execution of client orders where:

- The order is for a “Financial Instrument” as defined under the Markets in Financial Instruments Directive 2004/39/EC (“MiFID”). A list of Financial Instruments under MiFID can be found at <http://fshandbook.info/FS/glossary-tml/handbook/Glossary>
- The order is from a client which has been categorised in writing by us under FCA rules as a “Professional Client”. Regulatory Best Execution obligations do not apply to transactions effected for or with “Eligible Counterparties”<sup>1</sup>.
- Marex Financial either receives and then transmits the order to another entity for execution on your behalf, or executes transactions ourselves as an agent or matched/riskless principal on your behalf. Marex Financial will be executing orders/transactions on your behalf when you legitimately rely upon us to protect your interests in relation to the pricing and other elements of the transaction (such as speed and/or likelihood of execution) that may be affected by the choices we make. More detail on legitimate reliance is set out at section 3 below.

This policy does not form part of our standard terms of business with any client and is not intended to be contractually binding. Marex Financial’s commitment to provide high quality execution services to all clients does not mean that we owe any fiduciary responsibilities to any client over and above our specific regulatory responsibilities with regard to Best Execution.

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<sup>1</sup> Marex Financial does not have Retail Clients

## 2. MAREX FINANCIAL DESKS

Marex Financial executes transactions in Exchange Traded Derivative (“ETD”), OTC and on-exchange contracts via the following desks:

- Agriculturals;
- Energy Futures;
- Financial Futures & Options;
- (Base) Metals; and
- Bullion & FX.
- Equities

Marex Financial’s Agriculturals and Metals desks also have market makers or liquidity providers, who may make prices and provide liquidity in ETD contracts in Marex Financial’s name.

Marex Financial’s Bullion & FX desk also executes spot, forward and Over-the-Counter (“OTC”) swaps transactions, submits orders to the IBA Gold Auction and IBA Silver Auction.

The Marex Solutions division of Marex Financial provides tailored hedging solutions. Marex Solutions executes OTC transactions in options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that may be settled in cash at the option of one of the parties. These products are highly bespoke and customised.

Marex Financial is a registered Market Maker on the LSE.

Each desk has its own detailed procedures which set out the arrangements in place to allow it to comply with its Best Execution obligations in accordance with the broking models it uses and the four-fold cumulative test (see section 3 below).

## 3. WHEN IS BEST EXECUTION OWED

### 3.1. Determining legitimate reliance

In order to determine whether there is legitimate reliance, we will consider all relevant circumstances of the transaction, including the following non-exhaustive list of factors (referred to as the ‘Four-Fold Test’):

- Which party initiates the transaction?

Where Marex Financial approaches you about a transaction, this may be a consideration in determining whether you are more likely to be placing reliance on us. This does not include the provision of trade ideas or information about products which can be independently assessed by you;

- Questions of market practice and the existence of a convention to ‘shop around’

Where there is a practice in a particular market that suggests that you would shop around for a quote

then it is less likely that you will be placing reliance on us;

- The relative levels of price transparency within a market

If you have ready access to prices in a particular market then it is less likely that you will be placing reliance on Marex Financial;

- The information provided by us and any agreement reached

Where any agreement we have with you is clear that we will not provide a service that includes executing on your behalf and there is no other reason to suggest that you are relying on us to protect your interests in relation to the pricing and other elements of the transaction, it is less likely that you will be placing reliance on us.

Following consideration of all relevant factors, including the Four-Fold Test, we will take a view as to whether they, when looked at together, indicate legitimate reliance. Where, following consideration of the above factors, we conclude that you are not legitimately relying on Marex Financial then Best Execution will not apply.

Where Marex Financial attempts to find the opposite side of your order on a riskless/matched basis this policy will apply (subject to the Four-Fold Test above).

### **3.2. General exceptions from Best Execution requirements**

The following exceptions apply to our provision of Best Execution under this policy:

- Where a specific instruction is given by you relating to the execution of all or part of an order, or a specific aspect of an order. See section 3.3 below;
- Where a systems or other failure or problem means that in order to execute an order, we decide to use an alternative method to that which we would normally select under this policy;
- Where a client executes an order themselves through an order routing/Direct Market Access interface provided by us to an execution venue;
- Where a client executes an order themselves and elects to execute the order through a Systematic Internaliser.
- Where we enter into transactions to unwind a defaulting client's position in accordance with our rights under our agreed terms of business with such client, we will not owe that client a duty of Best Execution in relation to such transactions. We may take into account any factors in executing such transactions as we determine, in our absolute discretion, to be appropriate.

### **3.3. Specific instructions**

Where you provide us with a specific instruction in relation to your entire order, or any particular aspect of your order, including an instruction for the trade to be executed on a particular venue, Marex Financial will execute the order in accordance with those instructions so far as is reasonably possible. In following a client's instructions, Marex Financial will be deemed to have taken all reasonable steps to provide the best possible result for that client in respect of the order, or any aspect of the order, covered by the client's specific instructions

Marex Financial will not induce a client to instruct it to execute an order in a particular way, by expressly indicating or implicitly suggesting the content of the instruction to the client, when Marex Financial ought reasonably to know that an instruction to that effect is likely to prevent it from obtaining the best possible result for that client.

Marex Financial may invite a client to choose between specified execution venues, provided that those venues are consistent with our Order Execution Policy. Where you are invited to choose a venue, then fair, clear and not misleading information shall be provided on the basis for choosing one venue over another.

### 3.4. Direct market orders

Direct Market Orders ("DMA") orders received by Marex Financial where an execution venue is specified are routed directly to that venue on a non-discretionary basis. In circumstances where Marex Financial does not take an active role in determining the execution parameters, any transaction will be executed in accordance with the parameters selected by you as to market, purchase or sell, type of order, volume and price and execution strategies, such as Volume Weighted Average Price ("VWAP") and Time Weighted Average Price (TWAP), and Best Execution is not owed. However, Marex Financial reserves the right to intervene in the routing and execution of DMA orders where the original parameters could result in adverse market impact.

## 4. EXECUTION FACTORS AND CRITERIA

Where it is determined that we owe Best Execution in relation to a transaction, we will, in accordance with the Policy, take all sufficient steps to obtain the best possible result. In the absence of any specific instructions from you, we will take into account the following execution factors:

- The liquidity of the market;
- The need for timely execution;
- The size of the order;
- The nature of the order;
- The ability of a venue to manage complex orders;
- The trading technology capabilities of the venue;
- Market conditions at the time of the order
- Market impact;
- Historical trading data;
- The likelihood of execution or settlement;

- The cost of the transaction;
- The quality of any related clearing and settlement facilities;
- Internal or external systems or communications failure; and
- Any other factor relevant to the execution of the order.

The applicability of, and importance attached to each execution factor will vary according to the type of transaction that is being executed and the instructions given to us. While price as an execution factor will normally be of high relative importance in obtaining the best possible result, Marex Financial will exercise appropriate judgement to take a holistic view when considering the applicable execution factors and consider the relative importance of the execution factors above with reference to the characteristics of:

- The client;
- The order;
- The Financial Instrument;
- The relevant execution venue(s).

Accordingly, for example, when transacting a large order, minimising market impact might be more important than price or, when trading an illiquid product, need for timely execution might be more important than price.

Whilst Marex Financial’s execution arrangements are designed to obtain the best result on a consistent basis, we cannot guarantee that we will be able to achieve Best Execution for every order.

## 5. VENUES

### 5.1 Trading and Execution Venues

The term ‘trading venue’ refers to one of the following:

- Regulated market (“RM”);
- Multilateral Trading Facility (“MTF”);
- Organised Trading Facility (“OTF”); and
- Equivalent third-country markets/facilities/platforms.

The term ‘execution venue’ refers to one of the following:

- Trading venue;
- Systematic internaliser;
- Market maker or any other liquidity provider; and
- Equivalent function in a third-country.

### 5.2 Selecting an Execution Venue



For many ETD's, there is only one execution venue available upon which to trade that particular contract.

Where the selection of an execution venue is relevant, we will choose the execution venue (or venues) that we consider to be the most appropriate to meet our obligation to obtain the best possible results for our clients on a consistent basis. Marex Financial will consider the execution venue you have indicated a preference for during the trading relationship, or selected at the point of on-boarding, or chosen at the time of the order.

A list of execution venues upon which Marex Financial executes transactions on for each of its desks can be found in the appendices and at [www.marexspectron.com](http://www.marexspectron.com). This list of venues on our website is regularly updated. This list is not exhaustive and Marex Financial reserves the right to use other execution venues where it is deemed to be appropriate in order to comply with our obligations under this policy.

## **6. AFFILIATES AND BROKERS**

When executing your order, Marex Financial may use affiliates and third party brokers to provide access to markets where we otherwise may not be able to execute or where we believe it to be in your best interests to do so, for example, to source liquidity. Where we owe Best Execution and pass an order to an affiliate or third party broker to execute any aspect of the resultant transaction (either in whole or part), we will be relying on that affiliate or third party broker to execute the transaction in a way which enables us to meet our Best Execution obligation. Marex Financial undertakes reasonable due diligence on affiliates and third party brokers used by us to ensure that we are satisfied that they can provide the appropriate level of experience and expertise to enable us to comply with our Best Execution obligations.

## **7. ORDER EXECUTION PROCESS**

Please refer to the appendices for a description of the order execution processes for each of the Marex Financial desks listed in section 2 above.

### **7.1. Pre-execution discussions**

As part of taking all sufficient steps to obtain the best possible result, Marex Financial may engage in pre-execution communications, where such communications are permitted by the relevant execution venue.

### **7.2. Order handling**

Marex Financial shall execute your orders promptly, fairly and expeditiously relative to other client orders. Comparable orders will be executed sequentially in accordance with the time of their reception unless the characteristics of an order or prevailing market conditions make this impossible or impractical. Orders on behalf of clients shall be promptly and accurately recorded and, if appropriate, allocated.

Depending upon the circumstances and the prevailing market conditions, Marex Financial may decide to aggregate a client's order with orders of other clients if the order is executed on a venue where order aggregation is permitted and we consider that the aggregation of orders is unlikely to work to the overall disadvantage of any client whose order is to be aggregated.

### **7.3. Block trades**

As a result of an order being aggregated, or otherwise, it may be executed in the form of a block trade if it meets particular size criteria or specific parameters, such as minimum block or crossing thresholds. In this trading scenario, Marex Financial will execute such orders outside of the central order book of the relevant exchange using the exchange's block or crossing functionality. To secure the best possible result for you, Marex Financial may utilise its relationships with market makers or liquidity providers.

### **7.4 Quote driven markets**

Certain ETD options markets may be quote driven. When Marex Financial calls around the market for pricing, we will take account the impact of making such calls on the market price of the contract and the detrimental effect that calling too many market makers may have on the market. The panel of market makers selected will be based on our knowledge of which market makers are active in the particular contract and the volumes that a market maker will offer a quote.

## **8 COSTS, CHARGES AND THIRD-PARTY PAYMENTS**

Marex Financial will not structure or charge commissions in such a way as to discriminate unfairly between execution venues. Marex Financial will not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular execution venue which would infringe any of our obligations in relation to conflicts of interest or Best Execution.

Should Marex Financial obtain any price improvement in the execution of a transaction subject to this policy, this will be offered to you.

## **9 MONITORING AND REVIEW**

Marex Financial will monitor the effectiveness of this policy and its implementation in order to identify and correct any deficiencies in its execution arrangements. We have a governance framework in place which includes first and second line controls to ensure that our Best Execution obligations are complied with.

This policy is kept under review and accordingly we may update it from time to time to ensure compliance with changes to the FCA rules in force and, if appropriate, to correct any deficiencies or disclose changes in our order execution arrangements. Marex Financial maintains an up-to-date policy on its website at [www.marexspectron.com](http://www.marexspectron.com).

## **10 CONSENT**

We are required to obtain each client's prior consent to our order execution policy. A copy of this Policy is made available to each client and a client will be deemed to provide such prior consent when giving us any order subject to this policy.

In the event you request Marex Financial to execute a transaction in a financial instrument which is traded on a RM or MTF, we may execute those transactions outside of an RM and MTF if we have obtained your express consent to do so. Please note that providing that consent does not impact whether or not we owe you Best Execution obligations and our obligation to execute any transaction where Best Execution applies in accordance with the Policy. The request to provide such consent is contained in Marex Financial's account opening documentation.

## **11 ANNUAL SUMMARY**

Marex Financial will make public on its website on an annual basis for each class of Financial Instrument, the top five execution venues where client orders have been executed during the preceding year.

Marex Financial will publish an annual summary on its website on the quality of execution obtained. However, should you have any queries regarding our execution arrangements, please contact your usual Marex Financial contact.

## APPENDIX A: AGRICULTURALS DESK

### 1. Instruments and Execution Venues

The Agriculturals Desk trades ETD options and futures contracts in the execution venues stipulated below.

EXECUTION VENUES	CONTRACT
ICE Futures Europe	All traded agricultural contracts
ICE Futures US	All traded agricultural contracts
CME (including CBOT, NYMEX, COMEX)	All traded agricultural and currency contracts
Euronext	All traded agricultural contracts
Market Makers / Liquidity Providers	All traded agricultural options contracts

### 2. Trading Capacity

The Agriculturals Desk is a dual capacity desk which comprises of the: (i) broking desk; and (ii) market makers/liquidity providers. However, while the Agriculturals Desk acts in a dual capacity, the two elements are segregated and individuals on the desk do not act in dual capacity.

#### ➤ *Agricultural Broking Desk*

The broking element of the Agriculturals Desk acts in an agency capacity, unless you request a risk price.

ETD contracts are executed on the execution venues detailed in section 1 above. With regard to selecting an execution venue, while there can be more than one execution venue to trade on by product, for instance, in coffee, the contract specifications vary between execution venues. As such, there will generally only be one execution venue available upon which to trade a particular contract.

In accordance with the Policy, should there ever be more than one execution venue available for the same contract specifications, selection should be based on: (i) the execution venue the client has indicated a preference for during the trading relationship; (ii) for new clients, the execution venue he has selected, at the point of on-boarding; or (iii) the execution venue chosen by the client at the time of order.

#### ➤ *Agricultural Market/Makers/Liquidity Providers*

The Agricultural Desk's market makers/liquidity providers trade in a principal capacity and provide responses to Requests for Quotes ("RFQ"). Where the Agriculturals Desk's market makers/liquidity providers respond to an RFQ as part of the 'shop around' market, a client is deemed as being less likely to be placing legitimate reliance on us to achieve the best possible result, in accordance with the four-fold test, as set out in the Policy.

### 3. Relevant Execution Factors

In the absence of specific instructions, the Agriculturals Desk will consider all relevant execution factors, as set out in the Policy. Such execution factors are pertinent where for example, you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to your account, without the need to reconfirm the price, size or any other factor(s), or where we execute an order as

agent or riskless principal. Examples of these include resting orders, limit orders, market on close / open, and fill or kill orders.

The options market is a call around market and we will contact a panel of market makers and liquidity providers, including the Agriculturals Desk's own market makers/liquidity providers. The RFQ is distributed using a 'blast functionality' to enable all market makers and liquidity providers to receive the RFQ at the same time. The client will be filled in accordance with the objective to provide Best Execution. The Agriculturals Desk does not provide any preference to its own market makers/liquidity providers.

#### **4. Conflicts of Interest**

In light of the Agriculturals Desk being a dual capacity desk, a potential conflict arises between the two capacities. As such, Marex Financial has implemented controls and procedures to mitigate such conflict of interest and the associated risks, for example, front-running. The procedures include separation in seating arrangements, issuing RFQs using the blast functionality and ensuring client orders are always given priority.

## APPENDIX B: ENERGY FUTURES DESK

### 1. Instruments and Execution Venues

The Energy Futures Desk trade various ETD futures contracts in the execution venues stipulated below.

EXECUTION VENUES
ICE Futures Europe
ICE Futures US
CME (including CBOT, NYMEX, COMEX)

The Energy Futures Desk may occasionally receive an options order, which is handled in an arranging capacity to which Best Execution does not apply, and is therefore outside the scope of this Policy.

### 2. Trading Capacity

The Energy Futures Desk acts in an agency capacity and will use the four-fold test, in accordance with the Policy to determine whether a client is placing a legitimate reliance on it to provide Best Execution.

### 3. Relevant Execution Factors

In the absence of specific instructions, the Energy Futures Desk will consider all relevant execution factors, as set out in the Policy. Such execution factors are pertinent where for example, you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to your account, without the need to reconfirm the price, size or any other factor(s), or where we execute an order as agent or riskless principal. Examples of these include resting orders, limit orders, market on close / open, and fill or kill orders.

The Energy Futures Desk may, according to the size of the transaction, submit orders as block trades or cross the order to the central order book in accordance with relevant exchange rules.

## APPENDIX C: FINANCIAL FUTURES & OPTIONS (“FF&O”) DESK

### 1. Instruments and Execution Venues

The FF&O Desk trades financial futures and options and has 24 hour coverage. The FF&O Desk trades on the below execution venues.

EXECUTION VENUES	
<b>Asia Pacific / Middle East</b>	<b>Europe</b>
Dubai Gold and Commodities Exchange (DGCX)	London Metal Exchange (LME)
Dubai Mercantile Exchange (DME)	EUREX
Hong Kong Futures Exchange (HKFE)	Euronext (Paris, Amsterdam, Lisbon & Brussels)
Bursa Malaysia (MDEX)	NASDAQ OMX (NLX)
Tokyo Stock Exchange (TSE/OSE)	NASDAQ OMX (Scandinavia)
Tokyo Commodity Exchange (TOCOM)	Borsa Italiana (IDEM)
Tokyo Financial Exchange (TFEX)	Mercado Español de Futuros Financieros (MEFF)
Australian Securities Exchange (ASX 24)	ICE Futures Europe
Singapore Exchange (SGX)	ICE ENDEX
<b>Americas</b>	The Derivatives Exchange (TURKDEX)
CME (including CBOT, NYMEX, COMEX)	South African Futures Exchange (SAFEX)
Montreal Derivatives Exchange (TMX)	Warsaw Stock (WSE)
Chicago Board Options Exchange (CBOE)	EEX
ICE Futures US	NASDAQ (NFX)
ICE Futures Canada	OMIP
Minneapolis Grain Exchange (MGEX)	Market Makers & Liquidity Providers
One Chicago	
Market Makers & Liquidity Providers	

### 2. Capacity

The FF&O Desk acts in an agency capacity and will use the four-fold test, in accordance with the Policy to determine whether a client is placing a legitimate reliance on it to provide Best Execution.

### 3. Relevant Execution Factors

In the absence of specific instructions, the FF&O Desk will consider all relevant execution factors, as set out in the Policy. Such execution factors are pertinent where for example, you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to your account, without the need to reconfirm the price, size or any other factor(s), or where we execute an order as agent or riskless principal. Examples of these include resting orders, limit orders, market on close / open, and fill or kill orders.

The FF&O Desk may, according to the size of the transaction, submit orders as block trades or cross the order to the central order book in accordance with relevant exchange rules.

The options market is a call around market and a broker will use a RFQ facility to source liquidity and best price.



## APPENDIX D: METALS DESK

### 1. Instruments and Execution Venues

The Metals Desk trades various London Metal Exchange (“LME”) futures and options contracts. Clients at on-boarding are aware that they are choosing a Desk that trades LME metal contracts and therefore, execution venues are narrowed down to those in the below table, where LME contracts can be executed.

LME EXECUTION VENUES
LME Select
LME Ring (i.e. the floor)
Market makers/liquidity providers

While each execution venue trades LME contracts, they will typically have varying levels of liquidity, different tenor and different prices.

LME Select has screen prices so is transparent with regard to prices and is typically used for outright. However, LME Select often lacks the liquidity required for large orders and for spreads/carries, in which case the Metals Desk seek to locate liquidity in the other execution venues (which are less transparent as to price) or through an inter-office arrangement. Furthermore, large orders are capable of affecting market price so the Metals Desk must be cautious to not unduly affect the market which may be to the detriment of the client order, e.g. when showing an order in the LME Ring or on LME Select.

In selecting an execution venue, the Metals Desk will also consider whether the client has instructed them to execute the order on a particular execution venue, e.g. the client may state they want their order to go to the LME Ring.

### 2. Capacity

The Metals Desk is a dual capacity desk which comprises of the: (i) broking desk; and (ii) market makers. However, while the Metals Desk acts in a dual capacity, individuals on the Desk do not act in dual capacity. As such, it is the broking desk that interacts with clients and while the LME is a principal to principal market, this relationship does not release Marex Financial from its Best Execution obligations.

### 3. Execution Factors

In the absence of specific instructions, the Metals Desk will consider all relevant execution factors, as set out in the Policy. Such execution factors are pertinent where for example, you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to your account, without the need to reconfirm the price, size or any other factor(s). Examples of these include resting orders, limit orders, market on close / open, and fill or kill orders.

The Metals Desk may approach market makers for being able to provide timely ‘market’ quotes in response to a challenge. Market makers also provide a minimum liquidity in outright and spreads determined on a ‘per trade’ basis. The Metals Desk brokers will approach its market makers for a risk price. As part of the segregation of duties, brokers cannot make prices and a market maker cannot make a price directly to a client.

Orders placed into the LME Ring for 'closing price' will not be subject to best execution, as the client will be guaranteed the LME closing price in the relevant contract.

#### **4. DMA & Algorithms**

DMA orders received by the Metals Desk where an execution venue is specified are routed directly to that venue on a non-discretionary basis. In circumstances when the Metals Desk does not take an active role in determining the execution parameters, the transaction will be executed in accordance with the client's instructions and best execution is not owed. However, if a LME Select trade is date and price adjusted using a Marex Financial Spectron price, then the adjustment will be subject to Best Execution.

Clients may at their discretion use Desk's internal VWAP and TWAP algorithms on the Desk's DMA platform. Prior to this, the Desk will have informed the client what the algorithms are designed to achieve. For such automated strategies, the execution factors given priority will be liquidity, price, costs and speed relative to the benchmark type of order.

#### **5. Conflicts of Interest**

In light of the Metals Desk being a dual capacity desk, a potential conflict arises between the two capacities. As such, Marex Financial has implemented controls and procedures to mitigate such conflict of interest and the associated risks, for example, front-running. The procedures include segregation of duties and client order flow rules.

## APPENDIX E: BULLION & FX DESK

### 1. Instruments and Execution Venues

The Bullion & FX Desk executes transactions in bullion, FX spot, non-deliverable forwards, swaps and options contracts. These can be executed both ETD and OTC due to the nature of the markets. For ETD transactions, the below execution venues are predominantly used.

EXECUTION VENUE	CONTRACT
CME (Comex)	Gold futures
Currenex	FX spot
ICE Benchmark Administration (“IBA”)	Spot gold and silver
Market Makers / Liquidity Providers	Various

In the absence of a client specifying an execution venue, selection is largely dictated by the level of liquidity available and market makers are often required to source liquidity. CME (Comex) and Currenex generally have the necessary liquidity for products traded on them. Should any other execution venue gather sufficient liquidity that allows it to challenge these execution venues on price, then these would need to be considered also.

Marex Spectron is also a direct participant and member of ICE’s IBA Gold and Silver auctions where the Desk trades spot unallocated gold and silver delivered into London. The LMBA Gold Price and LBMA Silver Price (benchmarks) are published from the IBA auctions.

### 2. Capacity

The Bullion & FX Desk is a dual capacity desk which comprises of the: (i) broking desk; and (ii) liquidity providers. However, while the Bullion & FX Desk acts in a dual capacity, individuals on the Desk do not act in dual capacity.

Brokers may approach market makers in order to source liquidity. Market makers can provide timely ‘market’ quotes in response to a challenge. They will also provide a minimum liquidity determined on a ‘per trade’ basis. There is almost always more than one market maker involved in price determination and any resultant trade may be shared among the respondent market maker quotes.

### 3. Execution Factors

In the absence of any specific instructions, the Bullion & FX Desk will consider all relevant execution factors, as set out in the Policy. Such execution may also have a bearing on which execution venue is selected; as per the above, selection is largely dictated by the level of liquidity available.

For option and forward transaction, a RFQ facility on single bank platforms may be used and reference is made to the options pricing models available for indicative pricing. With regard to gold and silver auctions, prices may be fixed and are transparent. The Bullion & FX Desk does not take orders during the auction to prevent untoward price movement.

### 4. Conflicts of Interest

In light of the Bullion & FX Desk being a dual capacity desk, a potential conflict arises between the two capacities. As such, Marex Financial has implemented controls and procedures to mitigate such

conflict of interest and the associated risks, for example, front-running. The procedures include segregation of duties and client order flow rules.

## APPENDIX F: MAREX SOLUTIONS

### **1. Instruments**

Marex Solutions is a business division of Marex Financial that provides tailored hedging solutions. Marex Solutions executes OTC transactions in 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. These products are highly bespoke and customised.

Transactions relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned, 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 recognized clearing houses or are subject to regular margin calls.

### **2. Capacity**

Marex Solutions transacts on a principal basis providing a risk price by facilitating RFQs from clients or facilitating a request for a proposal from a client.

### **3. Execution Factors**

Best Execution rules centre around ensuring the client receives the best possible result available for a trade at any given moment. It is recognised that with highly customised and bespoke OTC products, the execution factors will not be the same as the execution factors for ETDs. Marex Solutions will consider the pricing of contracts and this can be with reference to relevant market parameters or with reference to the pricing model.

## APPENDIX G: EQUITIES MARKET MAKING DESK

### 1. Instruments and Execution Venues

The Equities Desk is a registered Market Maker

EXECUTION VENUES	CONTRACT
London Stock Exchange	Listed Stocks and Shares

### 2. Trading Capacity

The Desk's market makers trade in a principal capacity and provide responses to Requests for Quotes ("RFQ") and in the normal course of business does not execute orders on an agency basis.

### 3. Execution Factors

Should the desk accept an order for execution the following factors are taken into consideration when executing orders on behalf of clients:

- Size and nature of the order
- Price
- Characteristics of the financial instrument subject to the order
- Characteristics of the order execution venues to which that order can be directed
- Cost of execution

For Professional clients, the price and depth of liquidity available at the specified price i.e a specific limit, will in the majority of circumstances determine best execution, although the other factors above may take priority on occasions where they deliver the best possible result for the client.

Aggregation of orders can take place if two or more clients place an order in the same instrument with the same execution instructions i.e at best. In this instance allocation of fills will be made pro rata subject to the size of the tickets