



Order Execution Policy Foreign
Exchange Derivatives Service
Provision of Franx B.V.

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This document concerns the order execution of Franx B.V. in the context of Foreign Exchange Derivatives Service Provision.

1. Objective of this policy

The Financial Supervision Act (in Dutch: Wet op het financieel toezicht (Wft)) obligates investment companies to inform their clients on the way in which they implement 'best execution'. Best execution implies that Franx B.V. has to take all reasonable measures in order to ensure that the best possible result is achieved for the client when executing orders.

This document contains a summary of the rules with respect to our order execution. On the basis of these rules, we have taken all reasonable steps to comply with our obligation to achieve an optimal result when we execute orders in Foreign Exchange Derivatives on your behalf. In this policy document, we refer to our obligation to offer you best (order) execution.

2. When does this policy apply?

This policy applies if you enter into Foreign Exchange Derivative Transactions with Franx B.V. The financial instruments that fall under the scope of this policy document are dealt with on a so-called "Request for Quote" basis. We are aware of the trust that clients place in us and therefore, with regards to the proposed price and other execution factors, we take circumstances, which may differ for each situation, duly into consideration. All the clients of Franx B.V. are classified as retail clients (MiFID client definition).

3. Factors we take into account in order to achieve best execution

In order to comply with our obligation to provide best (order) execution, we take account of the following execution factors:

- price
- execution costs
- likeliness of execution and settlement
- size of the order
- speed
- possibly other considerations that are important for the execution of your order.

The mutual importance of the aforementioned execution factors may vary. Amongst the aforementioned factors, price and execution costs will be the most important in most cases. In the second place, account is taken of the likeliness of execution, settlement and the size of the order.

4. Criteria that are significant with respect to order execution

For Foreign Exchange Derivatives, we take account of the following criteria when executing orders:

- availability of the required 'initial margin' (EUR cash collateral)
- the maximum sum (in EUR) that can be traded per transaction, per currency pair, applicable to your company.
- the maximum individual day limit (in EUR) per currency pair, applicable to your company.
- the maximum allowable size of your transaction portfolio (in EUR)
- the maximum size of the total settlement sum, per day for your company
- the characteristics of the envisaged financial instrument

5. The instruments to which this policy relates

This policy relates to the following financial instruments: Foreign Exchange Forward transactions (FX Forwards).

6. Structure of the client price

- 1 You request a one-way price (bid or asking price). A two-way quote is not possible. We ensure that we duly record and distribute your bid or asking price.
- 2 The liquidity provider of Franx B.V. (ABN AMRO Bank N.V.), transmits a bid or asking price to Franx B.V. This takes place on the basis of best execution. This is the trading price that ABN AMRO Bank N.V. issues in the interbank market (bid or asking price).
- 3 This price is rounded by Franx B.V. to the rate format desired by Franx B.V., i.e. 6 digits, with a maximum of 4 decimals after the point. Rounding takes place on the basis of 'standard rounding' (for example: 1.11256 becomes 1.1126 and 1.11254 becomes 1.1125)
- 4 On top of the rounded price, the following components are added in order to come to the price at which you can trade, the client price:
 - **Margin in basis points.** The number of basis points depends on the Tiering (6 client groups) in which you are classified. This tiering is determined by Franx B.V. on the basis of the expected annual trade volume (in EUR) as provided by you. Franx reviews the Tiering on an annual basis, whereby account is taken of the trade volume in the previous year. There are no retroactive corrections. However, we may implement an interim review upon your request. The margin is shown in pips (percentage in points), where the rounding takes place on the basis of the "standard rounding" method and in absolute figures.
 - **Minimum Fee:** all the transactions will be subject to a minimum fee (margin).

For information on prices and costs, please visit our website: www.franx.com.

7. Execution venues

All the financial instruments, referred to in this policy, are traded as "Over-The-Counter" (OTC) derivatives. For these transactions there is no leading market that enables benchmark prices to be determined for trading. Franx B.V. acts as your direct counterparty and ABN AMRO acts as the counterparty for Franx B.V. This means that you bear the risk that Franx B.V. will not be able to comply with its obligations (counterparty risk). In order to mitigate this risk, Franx B.V. concludes an opposite transaction with ABN AMRO. The market prices, as shown to you, are issued by ABN AMRO. Franx B.V. adds a surcharge on top of these market prices. The aggregate thereof constitutes the trading price for you.

8. How do we guarantee best execution?

ABN AMRO guarantees best execution to Franx B.V. for transactions that Franx B.V. concludes with you. Franx B.V. will verify this periodically and post the outcomes on the public website of Franx B.V. Franx B.V. guarantees best execution to you.

Due to the absence of a relevant leading market, ABN AMRO uses internal models for transactions in the financial instruments, as referred to in Article 5, in order to come to an optimal price for Franx B.V. ABN AMRO takes account of the relevant market conditions when determining the trading price of a financial instrument (the transaction price).

If a problem occurs which seriously hampers the execution of your order, we will notify you thereof with the shortest possible delay.

We will ensure that, upon the settlement of your order, your funds and financial instruments will immediately be credited to the correct account.

We do not misuse information about your orders and have taken all reasonable measures to prevent such misuse.

9. Exceptional market conditions

This policy will not apply in times of serious market turbulence and/or during outages of internal or external systems. In such cases, the timely execution of orders will become, insofar as possible, the most important factor. If the market is illiquid, Franx may not be able to offer best execution.

If the aforementioned situations occur, Franx will inform its clients accordingly via the Platform.

10. Sequence of execution

If clients communicate similar orders to us, we will execute them in order of receipt and immediately, unless the nature of the order or the prevailing market conditions impedes us from doing so. All the orders of clients will immediately be offered for execution and will never be combined with the orders of other clients.

11. Monitoring and changes

We will monitor the quality of our execution rules and immediately implement changes if this proves to be necessary. You will be informed about any essential changes in the policy before they take effect. We assess this policy every year in order to ensure that we continue to be able to offer best (order) execution.

12. Follow-up services

Upon your request, we will gladly explain how we implemented and evaluated our policy when executing a transaction on your behalf. We will respond to you within a reasonable period.

13. Consent and permission

When you submit an order after this information was transmitted or received by you, you grant us permission to execute your orders in accordance with our Order Execution Policy and you confirm that you have read and understood all the foregoing.

Amsterdam, September 2018

Please note:

If you give specific instructions for the execution of an order, which deviate from our policy, we will execute the order in accordance with your instructions, unless we informed you that we are not able to execute the order in accordance with your instructions. However, this may mean that we are not able to act in accordance with our order execution policy and proceed through the steps that we have determined and introduced in order to be able to offer best (order) execution.