

FIRM'S ORDER TRANSMISSION AND EXECUTION POLICY

FOR DAVY SECURITIES

This is a summary of Davy Securities' order execution policy ('Policy') for Professional Clients.

OVERVIEW

Davy Securities (the 'Firm') provides a Receipt and Transmission of Orders (RTO) service to its clients. The Firm is regulated by the Central Bank of Ireland and is an investment firm subject to the requirements of EU Markets in Financial Instruments Directive 2014/65 EU ('MiFID II'), as implemented by Statutory Instrument No. 375 of 2017 in Ireland ('the MiFID Regulations').

Under the the MiFID Regulations, Davy Securities is required to have an Order Execution Policy in place and to take all sufficient steps to obtain the best possible result for its clients when buying and selling financial instruments on behalf of its clients. The purpose of this document is to provide Professional Clients with information on this Policy.

Davy Securities is required to execute orders on terms that are most favourable to its clients (termed 'best execution'). This requires Davy Securities to take all sufficient steps to obtain the best possible result for clients in the execution or placement of such orders.

While Davy Securities takes all sufficient steps to achieve the best possible result for its clients on a consistent basis, it cannot be guaranteed that best execution is achieved for each and every trade. The steps we typically take to ensure we achieve the best possible result are described in the Policy. The Policy is subject to:

- Any specific instructions that you give to Davy Securities e.g. an instruction to execute subject to a specific price limit ('limit order')
- The nature of your order (e.g. large orders relative to the normal trading volume of the financial instrument)
- The nature of the markets and financial instruments (e.g. whether there are buyers and sellers in the market for the financial instrument).

SCOPE OF THE POLICY

The Policy applies to client orders in all financial instruments covered by the MiFID Regulations. This includes: listed and unlisted shares; fixed income instruments, including bonds; and money market instruments such as treasury bills, certificates of deposit, commercial paper; as well as any other financial instruments covered by the MiFID Regulations which may be executed on your behalf from time to time.

The Firm transmits all client orders to its affiliate, J&E Davy, trading as Davy, for execution. The Firm is satisfied that J&E Davy can obtain the best possible results on a consistent basis for the execution of its clients orders.

EXECUTION FACTORS

The following factors will be taken into consideration in determining how to obtain the best possible result for your order:

- 1 Price of the financial instrument
- 2 Costs and expenses related to execution
- 3 The size of the order
- 4 Likelihood of execution and settlement
- 5 Speed of execution
- 6 Nature of the order
- 7 Any other consideration that is relevant to the execution of your order.

In general, the best possible result for a client will be determined in terms of the total consideration of a trade, representing the price of the financial instruments and all costs and expenses relating to execution (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). However, we may use our discretion to place a higher importance on the other factors referred to above, as listed from 3 – 7. In general, the ranking of the relevant importance of such factors is listed in this order, but may vary on a case by case basis as Davy will take the following factors into account:

- Your client categorisation
- The characteristics of your order
- The characteristics of the financial instrument
- The characteristics of the execution venues to which the order may be directed.

SPECIFIC INSTRUCTIONS

Where you provide specific instructions in relation to your order, the order will be executed in line with these instructions. Where you provide specific instructions that relate to only a part of the order, we will continue to follow this Policy for those aspects of your order that are not covered by your instruction. Any instructions provided by you may prevent us from following all steps of the Policy which has been designed to obtain the best possible result for you in respect of the elements that are covered by that instruction.

EXECUTION VENUES, INCLUDING J&E DAVY'S EXECUTION VENUES

Davy Securities' execution venue is J&E Davy. The Firm relies on the J&E Davy execution arrangements, including its execution venues, to help meet its obligation to obtain the best possible result for client orders.

J&E Davy may use one of the following types of venues:

- Regulated Markets¹; in particular the Irish Stock Exchange and the London Stock Exchange
- Multilateral Trading Facilities ('MTF')²; in particular CHI X
- Organised Trading Facilities ('OTF')³

¹ Regulated market – is a market place, trading system or exchange which meets the minimum EU standards set out in title III of the MiFID. In an Irish context the Official List of the Irish Stock Exchange is a regulated market.

² Multilateral Trading Facility (MTF) – is, in broad terms, a system that brings together multiple parties (e.g. investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks

or matching engines that are operated by an investment firm or a market operator. In an Irish context, the IEX (Irish Enterprise Exchange) market of the Irish Stock Exchange is an MTF.

³ Organised Trading Facility (OTF) – is a multilateral system that is not a regulated market or MTF bringing together multiple third party buying and selling interests in financial instruments in a way that results in a contract or transaction.

- Davy is registered as a market maker⁴ on the Irish and London Stock Exchanges and as a primary dealer in Irish government bonds. When entering into a transaction for you, Davy may be dealing as principal for its own account by selling the financial instrument concerned to you or buying it from you
- Other market makers, third party brokers or other liquidity providers
- Non EU entities performing a similar function to the above.

Collectively, executing on a Regulated Market, MTF or OTF is referred to as executing or trading on a trading venue.

Where there is more than one competing execution venue, J&E Davy takes into account its own commissions and also the costs for executing the order on each of the eligible execution venues. J&E Davy does not structure or charge its commissions in such a way as to discriminate unfairly between execution venues. For certain types of financial instruments, there may be only one execution venue available to J&E Davy.

For some orders, it may be determined that the best result is achieved by executing outside a trading venue. Such trades are not afforded the same protections as trades executed on a trading venue, which are subject to rules and regulations governing execution and settlement. This increases counterparty risk.

J&E Davy may place your order with another broker or dealer for execution. In such cases, J&E Davy will satisfy itself that the broker or dealer has arrangements in place to meet its best execution obligations to its clients.

ORDER HANDLING AND FAIR ALLOCATION

Davy Securities ensures that client orders are executed in a prompt, fair and efficient manner. It is possible that, on a rare occasion, Davy Securities may aggregate your orders with the orders of other clients where we believe that such aggregation is unlikely to work to your disadvantage. However the effect of the aggregation may work to your disadvantage in relation to a particular order. If aggregated orders can be executed only in part, in general, the related trades are allocated to clients on a pro-rata basis. Where orders are allocated on a non-pro-rata basis, this follows an internally agreed procedure. Generally, however, Davy Securities does not aggregate client orders.

Should you place a limit order with Davy Securities for a share admitted to trading on a regulated market or traded on a trading venue, below a certain size and this is not immediately executed under prevailing market conditions, then we may be obliged to publish the details of your limit order unless you have expressly instructed otherwise.

MONITORING AND REVIEW OF THE POLICY

Davy Securities has a monitoring programme that reviews execution quality on an ongoing basis, assessing whether more favourable results for clients could be consistently achieved on alternative venues. Upon client request, Davy Securities will provide information on how best execution was achieved for a client order.

An overall review of the Policy and/or execution arrangements is completed on an annual basis or more frequently where a material change occurs. Material changes to the Policy are notified by posting an updated version of the Policy on the website at www.davy.ie/legal

A summary of Davy Securities' review of execution quality, together with details J&E Davy as its broker is available on www.davy.ie/legal from April 2018.

⁴ Market Maker: is a firm that buys and sells a particular financial instrument on a regular and continuous basis by posting or executing orders at a publicly quoted price. This is to enhance liquidity in that particular financial instrument. It may also include a firm engaging in algorithmic trading that is pursuing a market making strategy.