

ORDER EXECUTION POLICY

Purpose

This Order Execution Policy ("Policy") provides information to Clients of Cowen Execution Services Limited ("CESL") on when, where and how best execution is delivered by CESL in respect of each class of financial instruments, as relevant, for its Clients.

Under Article 27 of the EU Markets in Financial Instruments Directive, 2014/65/EU, ("MIFID II"), CESL is required to establish and implement an Policy to allow CESL to obtain, for their Clients orders, the best possible result in accordance with the prevailing requirements.

This Policy contains the following main sections:

- **SCOPE**
 - "All sufficient steps"
- **EXECUTION MODEL AND VENUES**
- **EXECUTION SOLUTIONS**
 - Shares
 - Dealing on a request for quote ("RFQs")
 - Execution Entities
 - Execution Venues
- **ORDER HANDLING**
 - The Best Possible Result
- **MONITORING**
- **COMMUNICATION WITH CLIENTS**
- **FEES**
- **GOVERNANCE**

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SCOPE

This Policy includes, in respect of each class of financial instruments, information on the different venues where the investment firm executes its Client orders and the factors affecting the choice of execution venue. CESL routes Client orders to those venues that enable CESL to obtain on a consistent basis the best possible execution of its Client orders under the circumstances at such time.

For the purpose of this Policy, the execution venues include Regulated Markets (“RMs”), Multilateral Trading Facilities (“MTFs”), Systematic Internalisers (“SIs”), market makers, other liquidity providers, third country MIFID II equivalent venues and other execution venues globally.

CESL’s Policy applies to the provision of services by CESL to its Professional Clients when CESL executes orders on a Client’s behalf in relation to transferable securities. For avoidance of doubt, CESL does not provide portfolio management services.

CESL will be executing orders in shares on a Client’s behalf where the Client legitimately relies on CESL to take all sufficient steps to obtain, when executing orders, the best possible result for its Clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. Nevertheless, where there is a specific instruction from the Client, CESL shall execute the order following the Client specific instruction.

For quote driven activity, such as certain trading in Exchange Traded Funds (“ETFs”), CESL will consider whether Clients may be placing legitimate reliance on CESL. As part of that assessment CESL will take account of relevant UK and European guidance including the following: (i) which party has initiated the transaction; (ii) whether there is a market convention to ‘shop around’; (iii) the relative levels of transparency within a market; and (iv) the information provided by CESL and any agreement reached.

Where appropriate, after a consideration of all the relevant factors it may be concluded that Clients are in fact placing legitimate reliance on CESL.

The scope of applicability of the best execution requirements is kept under regular review and will be revised as necessary.

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“All sufficient steps”

MiFID II Directive Article 27(1) defines best execution as the obligation on firms to *“take all sufficient steps to obtain . . . the best possible result for their Clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to execution”*.

The relative importance of execution factors will depend on the characteristics of the Client, their order, the financial instrument and execution venue or market. This is described in more detail below.

CESL cannot guarantee that it will always be able to provide best execution of every order CESL transmits for execution on behalf its Clients or orders that CESL executes directly on behalf of its Clients.

CESL’s approach is focused on achieving the best possible overall results on a consistent basis, and not merely best price for an individual order.

In seeking the best possible result for the Client, CESL applies an order handling process that is structured around order initiation, order decision, execution to final settlement.

When CESL is occasionally executing orders in a non-systematic, ad-hoc, irregular and infrequent manner CESL will take all sufficient steps to achieve the best possible result for its Clients.

CESL takes “all sufficient steps” to achieve the best possible results for its Clients by verifying that CESL’s execution arrangements work well throughout different stages of the order execution process. This includes execution arrangements to ensure intended outcomes can be successfully achieved on an on-going basis. For instance, this involves front-office accountability and systems and controls with the aim to identify any potential deficiencies.

CIL takes “all sufficient steps” to achieve the best possible results for its Clients by verifying that CIL’s execution arrangements work well throughout different stages of the order execution process

CESL has identified a three-step process for designing and maintaining infrastructure designed to deliver best execution for clients:

- **Design:** The design process is an ongoing process involving the continual updating of arrangements made by CESL to deliver the best possible outcome for its clients. CESL seamlessly combines its own proprietary technology with that of its preferred execution partners to help clients achieve their performance goals through access to all material pools of liquidity in a given market. The electronic trading tools are designed to increase flexibility while addressing cost, timing, performance, transparency, and market structure requirements. The execution model is reviewed and approved by the relevant governance functions and captured in this Policy.
- **Implementation:** The approved execution arrangements are implemented using proprietary technology and execution partnerships, and are then subjected to an ongoing review process. CESL reviews executions provided to Clients through its transaction analysis tools, management oversight, independent Compliance function and Governance structure to ensure that these have been undertaken in accordance with this Policy and reasonably achieved the intended outcome.
- **Updating:** Any issues arising from the ongoing review process and/or monitoring of market structure developments are escalated and incorporated in the design process.

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EXECUTION MODEL AND VENUES

CESL accesses over 100 markets around the globe. CESL accesses these markets through its US affiliate Cowen Execution Services LLC (“CES”), which is registered as a broker-dealer with the U.S. Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority.

CESL execution models include

- a) “Client Driven Execution (Low Touch) with, or without, algorithmic and/or Smart Order Routing (“SOR”) execution support”;
- b) “Trader Assisted Execution (Care/High Touch) with/without algorithmic and/or SOR execution support”; and
- c) “Give Ups”. Please see below for details.

For executions outside of US markets, CESL’s Client orders are routed to execution venues via CES’s direct relationships with local execution entities, i.e. local third party execution brokers. CESL does not maintain direct relationships with any third party execution brokers.

For executions in US markets, CESL routes orders to CES and CES will generally execute such orders directly on US based execution venues.

Through CESL’s relationship with CES, CESL accesses trading venues worldwide and uses advanced technology and a broad range of solutions to access diverse sources of liquidity in order to deliver consistent, performance-driven results.

CESL regularly evaluates the execution quality of the various venues on which its Client orders are executed, particularly where the Client has not specifically selected the execution venue or specified other parameters of the order. This process is further described below.

CESL believes that routing orders via CES enables it to obtain results for its Clients that are at least as good as the results it could reasonably expect to obtain from using alternative entities for execution.

CESL’s choice of execution venue may be constrained by the fact that there may be only one venue where an order can be executed due to the nature of the Client’s order or requirements.

If the Client has provided prior express consent, its orders may be executed on its behalf outside a RM or MTF. CESL will not unfairly discriminate between execution venues or third party brokers but will make a decision on an execution venue based on a consideration of the Execution Factors.

CESL could directly become a participant or member of various execution venues but CESL is of the view that this would not increase execution quality or keep down commissions and other related costs. Operating indirectly via multiple third party brokers provides CESL with the opportunity to re-route orders as and when it may be required for the purpose of achieving best execution.

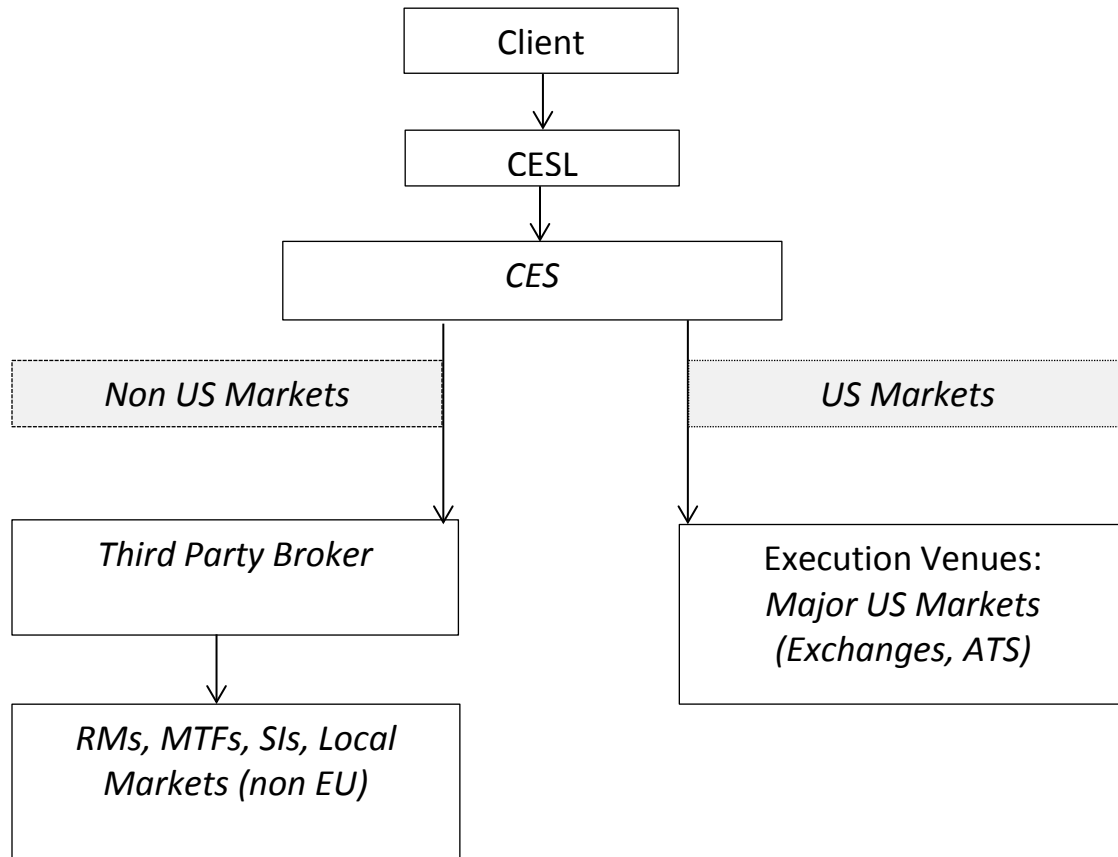
All Client order routing is subject to pre-trade risk controls and these will always override Client instructions. CESL sets limits based on, inter alia, Client buying power, maximum notional value and share quantity per order, ADV checks and limit price checks versus prevailing market value. Any breach of pre-determined risk checks will result in the order being prevented from routing to market and/or rejected back to the Client.

The execution solutions adopted under the above execution model are described below in Section “EXECUTION SOLUTIONS”.

The execution venues are reached by CESL, via its affiliate CES, through other third party brokers. A list of the execution venues is available in Annex 1.

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At a summarised level, CESL's execution model can be described as follows:



EXECUTION SOLUTIONS

Shares

CESL accesses an extensive number of brokers and execution venues via CES, including RMs, MTFs, SIs and other execution venues globally. Outside the European Economic Area (“EEA”), CES is a member of all major U.S. equities exchanges and routes to alternative trading systems that account for over 75% of the volume of all alternative trading systems. With smart order routing capabilities, CESL allows third party brokers to smart order route Client order flow when discretion has been given by Clients. Such routing includes sending to various venues based on third party brokers’ internal routing logic (*for description of “discretion” see below, point 2*).

In accordance with applicable regulation, the obligation of best execution applies where CESL is acting in its capacity as a broker, accepts an order to buy or sell a financial instrument from a Client and acts as an agent, on behalf of the Client in the execution of that order, either directly on the relevant markets or indirectly via another broker.

CESL’s executions have the following characteristics that are designed to enable CESL to provide Clients with best execution across its Client Driven Execution (Low Touch) solution as well as across its Trader Assisted Execution (Care/High Touch) solution:

- **Low latency**
CESL does not offer ‘lowest latency’ trading solutions to latency sensitive Clients but it does utilise industry-standard technology solutions to deliver low latency market access to venues that support electronic trading.
- **Order Management System (“OMS”)/Execution Management System (“EMS”) technology**
CESL uses a third party OMS/EMS technology and its low-latency connectivity enables CESL to offer Clients electronic access or care order access with a broad market coverage.
- **Algorithms (“algos”)**
CESL offers direct access to an algo suite consisting of CES proprietary algos and indirectly via CES, to a broad range of algos available through third party execution brokers. The algos enables CESL to provide high quality execution services to satisfy performance benchmark, liquidity-seeking and opportunistic Client order types.

The algos are able to adapt and react to changing market conditions, including volume, trade size and touch sizes for computing child orders size.

The overriding aim of each child order that an algorithm generates will be to obtain best execution, given the size of the child order, the liquidity available and the prevailing market conditions.

Third party algos, available through third party execution brokers, are only available to CESL’s traders. The third party algos are used by CESL traders when the view is that use of such algo(s) will enable CESL achieve a better result given the order characteristics.
- **SOR**
CESL deems access to all material venues of liquidity vital in providing Clients with access to the most advantageous displayed prices and liquidity. CESL does this through execution partnerships with key third party execution brokers by utilising access to their SOR solutions and venue access. These SOR solutions are available to Clients as order execution support.

The SOR logic takes into account the features of each order and the selects the optimal venue placement strategy.

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The primary objective of the SOR execution support is to achieve the best possible outcome for the Clients. CESL/CES works with third party execution brokers that CESL/CES have assessed having the best opportunity to achieve best execution.

Unless otherwise instructed by the Client, CESL will within its Client Driven Execution (Low Touch) solutions utilise the SOR execution support where available. For Trader Assisted Execution (Care/High Touch) solution the trader will generally utilise the SOR execution support, but may, depending on the Client's circumstances, decide not to do so.

Clients may opt-out of the SOR execution support by providing prior notice to CESL. In such circumstances, the order is only sent to the execution venue specified in the Client's instruction.

A Client and/or a CESL trader may, in the majority of situations amend order instructions throughout the life of the order prior to execution, e.g., change limits, change benchmark(s), participation rate or algorithm.

CESL applies its Client Driven Execution (Low Touch) and its Trader Assisted Execution (Care/High Touch) depending on the Client instruction, the CESL trader's initiatives, type of venue and type of financial instrument.

Execution Solutions

The Client Driven Execution (Low Touch) solution, the Trader Assisted Execution (Care/High Touch) solution and the Give-Ups are described as follows.

1. Client Driven Execution Solution (Low Touch) - with/without algorithmic and/or SOR execution support

The Client Driven Execution solution (Low Touch) means an electronic order received from a Client that does not require 'manual intervention' by CESL and is routed to an execution venue(s) automatically in accordance with the Client instructions, i.e. no discretion has been provided (*for description of "discretion" see below, point 2*).

Routing via the Low Touch solution provides access to a specific execution venue, or multiple execution venues, SORs and use of algos (benchmark, liquidity-seeking, opportunistic and custom algorithms).

The various nuances to the Client Driven Execution solution (Low Touch) are as follows:

- **Straight DMA**

Client decides to route parent orders for execution to a particular venue. These are orders where the Client selects individual trade parameters and with no discretion passed on to CESL.

As the Client has given a specific instruction on how to route the order CESL may be prevented from obtaining the best possible result for the Client. However, CESL will provide best execution in accordance with Client's specific, limiting instructions and on any remaining aspects of the order where discretion has been given by Client to CESL (*for description of "discretion" see below, point 2*).

- **SOR DMA**

Client decides to route parent order for execution but with discretion to execute on best available venue(s). SOR DMA orders can be sent for execution 'at market' or subject to a limit price. CESL will use smart order routing solutions to identify the best available price and liquidity to satisfy the client order.

The SOR DMA solution aims to seek liquidity efficiently, and achieve best execution, by taking into consideration various factors including price, size, latency, likelihood of execution and costs. Clients can choose to limit execution (e.g., by excluding certain execution venues), in which case, this will be treated as a specific instruction which may prevent CESL from obtaining the best possible result for the Client. However, CESL will provide best execution in accordance with Client's specific, limiting instructions and on any remaining aspects of the order (*for description of "discretion" see below, point 2*).

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- **Algo SOR DMA**

Client decides to route parent order for execution using a pre-determined algo strategy. The algo will generate orders designed to find liquidity and/or execute in accordance with a performance target (benchmark), and route these order using SOR technology.

The algo offering includes both benchmark and liquidity-seeking algos, with each designed to achieve the respective desired outcome. Both algos operate by executing larger parent orders through a series of smaller, individual child orders by using SOR in conjunction with the particular algo selected.

The Client's choice of trading via an algo, along with any specified parameters selected, is considered a specific instruction to CESL that will be satisfied by the order being traded by the algo as CESL seeks to achieve the desired outcome for the Client.

As the Client has given a specific instruction on how to route the order CESL may be prevented from obtaining the best possible result for the Client. However, CESL will provide best execution in accordance with Client's specific, limiting instructions and on any remaining aspects of the order.

Market and Marketable Limit Orders are executed aggressively and Limit Orders are posted seeking passive execution.

2. Trader Assisted Execution Solution (Care/High Touch) - with/without algorithmic and/or SOR execution support

The Trader Assisted Execution solution (Care/High Touch) is available to Clients that wish execution consultancy from CESL's trading desk to actively seek the appropriate order execution in line with this Policy.

Subject to any Client instructions, CESL's trading desk will review the order characteristics and determine the level of human intervention that may be suitable for the order concerned. For example, a small order relative the liquidity available in the market may be routed straight via an algo without further interaction by a CESL trader.

Similarly to the Low Touch solution the High Touch solution provides access to a specific execution venue, or multiple execution venues, smart order routing solutions and use of benchmark, liquidity-seeking, opportunistic and custom algorithms. As noted earlier, CESL has the ability to utilise third party algos should CESL believe such algos would assist in achieving best execution given order parameters or characteristics.

As described under the Order Handling section, executions will be exercised in accordance with due consideration of the execution factors and execution criteria.

The various nuances to the Trader Assisted Execution solution (Care /High Touch) solution are as follows:

2a) Routing

Depending on Client instructions and the level of any discretion given, a CESL trader may have various ways to choose from on how to route an order, including choosing venue, algo, SOR, etc.

- **No discretion**

This solution concerns a situation when a Client gives a specific instruction to CESL. CESL's trading desk routes parent order for execution to a particular venue or multiple venues in accordance with the Client's instructions, including the use of any particular algo.

Note: Specific instructions from a Client may prevent CESL from taking the steps that it has designed and implemented in its policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

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- **With discretion**

This solution concerns a situation when a Client gives an instruction to CESL to work' the order. In this situation CESL's trading desk receives parent order for execution with instruction to "work". CESL's trading desk will use algo and SOR tools, as appropriate, alongside trader discretion, to achieve execution performance, in line with client requirements, on a best endeavours basis.

Orders may be worked on an execution venue either in part or completely and/or crossed with other Client orders (see below "CESL Internal Cross").

This solution includes when partial discretion has been given to the CESL trader.

This solution is also available on an order-by-order basis.

2b) *CESL Internal Cross*

- **Internal OTC agency cross**

Within this solution CESL will, with prior Client agreement, execute an internal OTC cross subject to such crosses for CESL being non-systematic, ad-hoc and irregular in nature.

CESL will only execute an agency cross, i.e. execute orders off a RM or a MTF, where the Client has provided its prior express consent.

CESL will only cross flow with other client orders and only where, (1) both clients have agreed to the price, timing and terms of the cross and (2) the activity is non-systematic, ad-hoc and irregular in nature. CESL will check the fairness of the prices proposed for executing an agency cross against market data and where possible, by comparing the relevant instrument with similar or comparable instruments.

CESL shall, on request from Client, provide any additional information about the consequences of this means of execution.

3. Give Ups

The give up is a procedure where CESL receives an order from a Client but asks another executing broker that is not CES, to execute the order in CESL's place. In the give up scenario the executing broker executes directly on behalf of the Client of CESL. This is usually done in markets because CESL cannot place an order for a Client due to market access on the custodial side. In these markets, CESL/CES 'step out' and allows the client to settle directly vs the third party local broker.

CESL may also use give ups to assist in handling and executing Client orders in order to meet business continuity requirements.

Depending on region/market the execution broker may offer algo or SOR execution support. Details can be obtained upon request.

Dealing on a request for quote or RFQs

Dealing on a RFQ is generally done due to potential liquidity issues, and in particular in relation to ETF orders.

CESL will trade the orders on an execution venue, similar to trading of other equity instruments.

Clients also have the ability to request a quote from multiple ETF market or liquidity providers. In this case, CESL's trading desk would go out to these brokers and manually request for a price based on the Client orders. In the event that the Client gives CESL discretion to complete within a certain price, CESL will make the decision when to trade and with whom based on best available price.

If CESL is not given discretion, CESL's trading desk will reflect the prices back to the client and await confirmation from the client on when to proceed given their objective.

From time to time and depending on level of discretion provided, CESL's trading desk would seek the Client's acceptance of the quote provided prior to confirming the execution with the, market makers or liquidity providers.

Trading ETFs includes providing quotes or negotiating a price upon request. In doing so, CESL will determine whether there is legitimate reliance on it to protect a Client's interests in relation to pricing and other elements of the transaction. In making this determination, CESL will apply the 'Four-Fold Cumulative Test' (as described in the European Commission opinion on the scope of best execution (ESC-07-2007)).

When CESL is assessing if a Client is legitimately relying on CESL to protect its interests, the following factors will be 'taken together', i.e. cumulatively:

1) Which party initiates the transaction:

Where the Client initiates the transaction, this suggests that it is less likely that the Client will be placing reliance on CESL. CESL may communicate trade ideas, relevant market opportunities or indicative prices to the Client as part of its general relationship with its Clients and Client does not consider that this means it will be deemed to have initiated the transaction.

2) Questions of market practice and the existence of a convention to 'shop around':

Where market practice suggests that the Client takes responsibility for the pricing and other elements of the transaction and the market practice is to obtain quotes from various sources, it is less likely that the Client will be placing reliance on CESL.

3). The relative levels of transparency within a market:

If a Client does not have ready access to prices in a market in which CESL operates, it is more likely that the Client will be placing reliance on CESL; whereas, if a Client's access to pricing transparency is broadly equivalent to that of CESL, it is less likely that the Client will be placing reliance on CESL; and

4) The information provided by CESL and any agreement reached: Where the arrangements and agreements with a Client (such as CESL's Terms of Business or this Policy) state that CESL will provide best execution, it is more likely that the Client will be placing reliance on CESL.

Where the consideration of the above factors concludes that there is no legitimate reliance on CESL, then best execution will not apply.

Execution Entities

As noted above, CESL accesses a large number of markets around the globe through its relationships with local execution entities, i.e. third party execution brokers.

CESL aims to take all sufficient steps in order to obtain the best possible results for its Clients by selecting execution entities (i.e. third party executing brokers), with access to execution venues where CESL considers it can consistently achieve best execution.

In conjunction with CES, and through a dedicated Broker Selection Routing Committee, CESL adopts processes relating to the selection of suitable third party executing brokers.

Before adding a third party executing broker to its approved list of brokers, CESL/CES evaluates the broker's order routing and execution arrangements by, inter alia, considering the following:

- competitiveness of fee structure for the execution(s)
- ability to seek price improvements
- promptness of execution
- access to execution venues, including redundancy and reliability
- past history in executing orders
- ability to offer expertise in a certain sector or type of stock due to its country/market profile and presence and market share
- ability to provide direct electronic order routing and SOR solutions
- access to benchmark algo(s) and/or other algos (e.g., liquidity seeking) which can meet Client requirements
- ability to offer High Touch execution solutions
- ability to offer CESL, and/or its Clients, execution performance review
- ability to deal with orders to avoid or reduce market impact by for instance splitting orders into small tranches
- ability to adapt to changes in regulatory developments and market structure
- ability to adapt to changes in technology developments
- clarity in their order execution policy
- ability to meet a specific Client's request
- overall quality of service
- reputation in the market.

In addition to the assessment points referred to above, a third party executing broker will only be added to the CESL/CES broker list after having been approved following a specific assessment of areas relevant to creditworthiness, reputation financial stability, risk, anti-money laundering prevention processes, settlement arrangements, regulatory awareness and technology responsiveness.

Where there is only one execution venue, or one third party broker, available for the execution of a Client order that single venue or broker will be used to fill the particular order.

CESL/CES aims to ensure, via the selection of appropriate third part executing brokers, that it does not structure or charge commissions in such a way as to unfairly discriminate between execution venues.

Through CES, CESL has identified various third party executing brokers with execution arrangements in place, with access to execution venues that enables CESL to comply with the obligation to deliver the best possible results to CESL's Clients on a consistent basis.

On an on-going basis, selected third party executing brokers via CESL's/CES's Best Execution Committee are regularly monitored for execution performance against set benchmarks, such as speed, price, likelihood of execution, etc. Any required changes due to matters related to particular third party executing brokers and/or routing arrangements would be identified through this process.

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For certain regions/countries CESL has determined that the best possible result for Clients occurs through executions via one particular third party executing broker which has, through its SOR execution support, access to all relevant venues in the country or region concerned. The assessment and identification of such broker and its routing is considered within the framework of CESL's/CES's Best Execution Committee.

Execution Venues

As noted above, identification of suitable third party executing brokers includes their access to execution venues. Separately CESL also evaluates potential execution venues and assesses on a regular basis execution venues that CESL is currently offering executions on. Examples of criteria considered are the liquidity available on the venue, the long term viability of the venue, the market micro structure and types of liquidity on the venue.

As noted earlier, execution venues include RMs, MTFs, SIs, market makers, other liquidity providers, third country MIFID II equivalent venues and other execution venues globally.

Access to particular venues may be required to meet certain Client requirements as well as to ensure that sufficient steps are taken to provide best execution.

CESL, through CES, accesses the most material and publicly accessible pools of liquidity across different venues, including the main listing venue in each region/country. This access is considered sufficient to allow CESL to achieve best execution for its Clients.

CESL has access to these main venues, either direct to the order book on a Low Touch (where the venue has electronic trading capabilities) or on High Touch basis (through one or more local execution brokers who are members or participants of these venues).

CESL carries out, directly or via its third party execution broker(s), regular assessments of execution venues against certain criteria including:

- the general prices available on the venue
- liquidity available on the venue
- the relative volatility of the market
- the speed of execution
- the cost of execution
- the quality and cost of clearing and settlement
- the long term viability of the venue

The regular assessment of execution venues supports the process to provide the best possible outcome for a Client on a consistent basis as well as supports decisions whether any order routing changes may be required.

In a particular situation, where the use of one of CESL's usual execution venues or execution entities would not result in the best possible result of a Client orders other execution venues and entities CESL reserves the right to use other venues.

A list of the execution venues that are reached by CESL, through other third party brokers via its affiliate CES, is available in Annex 1.

ORDER HANDLING

The Best Possible Result

In seeking the best possible result for the Client, CESL applies a structured order handling approach from the point of receipt of Client order to the final settlement.

Orders must be accurately recorded and executed sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests or instructions of the Client require otherwise.

CESL never induces Clients to instruct CESL to execute an order for the purpose of generating an order in a specific security. As applicable, and subject to discretion provided by Client, CESL may provide execution consultancy for orders a Client has placed. To this effect, CESL's trading desk may suggest what execution strategy may be best suited to achieve the Client's desired results, including selection of an algo, individual parameters of an algo or SOR.

CESL's familiarity with the trading technologies of CES and relevant execution entities enables it to assist customers with algos, systems, platforms, and other technological concerns. CESL's desk may either assist the Client with its orders or transmit them on the Client's behalf.

Client order instructions may be given on an order-by-order basis and recorded in the OMS (e.g., limits, benchmarks, participation rates, and sensitivity of order). Where default trading preferences exist, these can be changed on the instruction of the Client, either on a general basis or for a specific order.

Where CESL has discretion in relation to an order, Clients may also specify the manner in which that discretion is to be exercised by providing qualitative instructions, such as a view of the market/sector/stock or whether the order is part of a larger order or contingent on another.

As relevant, this order handling process applies to CESL Client orders, whether the Client is domiciled in the EEA or not, where CESL either (i) places Client orders, through CES, with other execution entities; or directly executes Client orders (as a 'CESL Internal Cross').

To locate better pricing opportunities for securities that trade in multiple venues, CESL utilises, to the extent possible, its SOR execution support to send orders to various execution venues.

If a Client directs CESL to execute its order at a particular execution venue and/or with specific instructions or restrictions, and CESL acts in accordance with such instructions/restrictions, CESL is treated as having satisfied its best execution obligations and the Policy.

As noted earlier, if for whatever reason, the Client does not wish to consider venues other than the primary market on which the security is listed, for example, the Client opt-out of the SOR execution support, which means that the Client's orders will be routed only to the specific venue that the Client has specified in its order.

Subject to any specific Client instruction that CESL receives, the execution factors for any order to which best execution requirements apply are price, cost, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of an order.

The Client and/or the CESL trader (subject to discretion provided by Client) may, in most situations amend order instructions and parameters (e.g., such as limit, benchmark, participation rate and algorithm) prior to execution. Such amendments or instructions are only effective when explicitly acknowledged by the relevant CESL trader.

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Price will always be viewed as being of high relative importance in obtaining the best possible result. However, all key execution factors will be considered in light of the execution criteria, assessing their relative weighting in light of a wide range of elements that could influence the outcome of the execution. The assessment of these considerations will determine the appropriate interaction with the market.

CESL will give priority to price and speed in order of importance. However, as noted, the nature or circumstances of an order may mean that the relative importance of the execution factors should be different. CESL will routinely consider the time interval (latency) between an order being received by CESL and its execution as well as the time interval (latency) between an order being received by one of the execution entities and its execution.

Cost of execution is generally considered as the total trading costs faced by the Client and by assessing execution quality in terms of total consideration. CESL is regularly assessing execution costs as part of its order routing decision process and by assessing price, cost and likelihood of execution. It should, however, be noted that CESL's Clients are charged a pre-agreed commission rate such that they are not directly exposed to variation in costs for execution that CESL may incur due to participation on particular venue or other costs that may be 'passed on' by the execution entities.

In executing orders CESL will consider the likelihood of execution in terms of the risk of not being able to execute orders on different venues or the probability that orders may not be filled within a given time period.

Similarly to execution factor of 'price', CESL is routinely assessing likelihood of execution by measuring latency comparisons, per broker/per market.

CESL is also routinely assessing any failures to execute per broker/per market as part of the order routing decision process.

Settlement is considered in light of the risk of settlement failures or delays in settlement and forms part of CESL's routine reviewed of such failures or delays.

Relative importance of each execution factor is determined by the execution criteria and the assessment of these considerations will determine the appropriate interaction with the market.

The Best Execution Factors and Best Execution Criteria

CESL will take all sufficient steps to obtain the best possible result when executing a Client's order.

CESL will take into account execution factors for any order to which best execution requirements apply, including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to execution.

Orders might potentially be subject to all execution factors, but the relative importance of each factor is determined by the execution criteria, which include the following contributing elements:

- order typology (nature of the order)
- the overall objectives of the Client's order
- the liquidity profile of the instrument(s)
- the size of the order
- general market environment and prevailing market conditions
- sales trader knowledge of the Clients' order-handling preferences
- access to trading venues to which the order can be directed
- the order is traded using an algorithm or strategy which may result in a different ordering of the above considerations in order to achieve the desired end result of the Client.

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CESL will take into account the execution factors and execution criteria when CESL is executing orders directly on a Client's behalf and where the Client has made its own execution decision(s).

As indicated above, when executing a Client order, CESL will give priority to price. CESL will then prioritise liquidity and speed in order of importance. However, the nature or circumstances of an order may mean that the relative importance of the execution factors should be different.

Set out below are hypothetical examples of some of the most common ways in which the order of relative importance of the above factors may vary and an explanation of why this might be the case. These examples are provided for illustrative purposes only. Importantly, CESL will handle each order on an order-by-order basis and seek best execution for that order based on the parameters of such order and the market conditions existing at such time.

- 1) The size of the order in relation to the liquidity or volume of the security in question may prevent speed from taking precedence over likelihood of execution. Such de-prioritisation may result in interacting more passively with the market to avoid unacceptable price impact to the detriment of the Client's interests. Under these circumstances price remains the primary execution factor.
- 2) Speed may be de-prioritised while price would continue to be important in situations where the Client is expecting the order to be completed and there is ample time to execute the order with available liquidity. In such scenarios the likelihood of execution is an important factor in order to complete the order and CESL may therefore execute by applying a more passive execution strategy where a lower participation rate may be used to reduce any market impact and maximise the price obtained.
- 3) In order to meet a Client's expectation, speed and likelihood of execution may be considered against the balance of price in situations where a Client wants to interact with all available liquidity in the stock. These can be achieved with a higher participation rate.
- 4) A lower participation rate would usually apply in situations of sufficient liquidity in a particular stock. As such, speed would be considered less important while price would continue to be an important execution factor.
- 5) If the order is for a portfolio, the price will be judged against the relevant weighted benchmark, rather than on a security-by-security basis. Similarly, block trades will be judged against the relevant weighted benchmark rather than on the individual executions. If the order is for a portfolio or block, the CESL trader may seek principal bids from major market players for all or a large portion of the portfolio in order to obtain more certainty of execution, particularly with small cap, illiquid (or low liquid) or emerging market securities.
- 6) When the order is traded using an algo or other specific strategy, the ordering of the factors may change in order to achieve the desired end result of the Client.
- 7) To the extent possible, orders will be executed in line with Client's instructions. Where a Client gives a specific instruction as to the execution of an order (for example, route directly to a specific venue) CESL will execute the order in accordance with those specific instructions. Such instructions by the Client may affect execution factors such as price, cost, speed and likelihood of execution. A Client's instruction relates to only part of the order, CESL will continue to apply its Policy to those aspects of the order not covered by the specific instructions.
- 8) Where a Client specifies a parameter (e.g. percentage of volume), CESL will endeavor to execute a transaction, or a series of transactions, such that the overall execution of the order is achieved within the parameters.
- 9) Certain orders, particularly in illiquid stocks and ETFs, may be executed via established relationships with market makers or other liquidity providers.

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- 10) Where the Client does not wish to participate in any indications of interest (described below) or trade advertisements the executions would then be carried out without the use of such facilities, or the potential liquidity they may generate, which in turn may impact the likelihood or speed of execution.
- 11) In certain situations, or if legitimate reliance exists, generally for ETFs but occasionally for larger orders, quotes may be sought from two or more brokers/liquidity providers.
- 12) For larger order or orders in less liquid markets, a single execution entity may be approached on the basis of that execution entity's ability to execute the orders under the prevailing circumstances, especially in cases where CESL considers that approaching multiple execution entities may be detrimental to the Clients' interests.

CESL Internal Crosses

Subject to CESL agency crosses being non-systematic, ad-hoc and irregular in nature CESL's trading desk will complete established internal processes prior to competing a CESL cross, including seeking agreements from both Clients, confirming change in beneficial ownership, crosses to occur within the prevailing EBBO (if similar order sizes available at the EBBO level in the market). CESL will not accept a cross if the cross does not appear to be a 'genuine transaction'.

Where there is a benefit to the Clients concerned, consideration will be given to crossing trades internally. For instance, that would occur when it can save both Clients the cost of the bid/ask spread.

Indication of Interest (IOI)

CESL uses certain vendors to advertise Indications of Interest ("IOI"). In case an IOI offers the opportunity to deal at a better price for a particular order than the prevailing market then CESL will consider using an IOI. Under no circumstances does this imply that CESL would preference an order from one Client over an order from another Client

Aggregation of Orders

Client agrees that, under applicable rules, CESL is permitted to aggregate one of Client's orders with orders from other Clients if such aggregation of orders is unlikely to disadvantage the Client. Nevertheless, Client understands that such aggregation may result in Client being disadvantaged. CESL's policy is to aggregate Client's orders (either with other Client's orders or with other of Client's Orders) when CESL believe it will result in a favourable execution result for the Client. In either case, including when an order is partially executed, CESL will allocate the fills on a time priority basis.

Specific Instructions and where best execution may not apply

As indicated and noted with examples throughout this Policy, where there are specific instructions from a Client, either relating to an order or in relation to any particular aspect of an order, CESL will execute the order so far as reasonably possible in accordance with the instructions.

These specific instructions can limit the application of the Policy with respect to the elements of the order that are impacted by the instructions. Nevertheless, when a specific instruction covers only a part of the order, or only one aspect of it, the Policy remains applicable to the aspects of the order not covered by the specific instruction.

CESL's is not required to provide best execution where:

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- the Client has made its own trading decisions using its discretion and is not relying on CESL to act in the Client's best interests to obtain the best possible result
- the Client deals with CESL on the basis of a quote or off the back of a quote or IOI CESL has provided at a Client's request, where CESL has determined that there is no legitimate reliance exists.

MONITORING AND GOVERNANCE

CESL monitors on a regular basis the effectiveness and application of this Policy. Where appropriate CESL will correct any deficiencies identified as part of this monitoring. CESL evaluates trading execution quality obtained on a periodic ex-ante basis and considers alternative methods designed to improve the execution process, taking account of a wide variety of execution factors (as noted above). Generally, the CESL monitoring process will focus on the outcomes that have been achieved for the Clients and whether these are consistently giving Clients the best outcome they could have had, depending on the relevant assessment criteria.

In order to analyse and draw conclusions from detailed monitoring of quality of execution obtained by brokers and on execution venues CESL has identified the below framework relevant to its best execution monitoring.

Algo monitoring

Orders that are executed algorithmically are subject to monitoring by the algo team which has full visibility of algorithmic orders, on both a real-time and historical basis. As applicable, order executions which fall outside designed tolerances are investigated by CESL/CES dedicated 'algo-team'. Orders that deviate from prescribed limits are rejected before they are sent for execution.

Front office monitoring

CESL monitors execution quality obtained by execution entities and on execution venues on an intra-day basis or on a T+1 basis. Based on order handling reports, this monitoring includes reviewing child execution slippage from applicable benchmarks, latency and other reference points. As applicable, order executions which fall outside designated parameters are investigated and escalated by CESL's trading desk and by CESL's Compliance function.

Compliance oversight

CESL Compliance oversees the monitoring of trading activity that is executed by the front office and acts as the second line of defence in reviewing conclusions reached by the front office. CESL's Compliance is responsible for the implementation CESL's internal Compliance monitoring of best execution as well as overseeing CESL's best execution governance arrangements.

Best Execution Committee

CESL's/CES's Best Execution Committee is responsible for the oversight of CESL's overall business activities as it relates to fulfilling its best-execution duty, and to evaluate regularly and rigorously the quality of executions by CESL.

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The Best Execution Committee is also responsible for the oversight and selection of suitable third party executing brokers to be added to CESL's/CESL's broker list

CESL/CES designated senior personnel participate in a Best Execution Committee. Inter alia, the Best Execution Committee reviews best execution issues escalated by trading desk personnel and the Compliance function.

The Best Execution Committee reviews order execution quality obtained by execution entities (i.e. third party executing brokers) through their participation in different venues, trend analysis of execution entities, trend analysis of execution venues and trend analysis of execution algos. The Best Execution Committee also assists in reviewing best execution policies and reviewing best execution measures carried out third party brokers.

The reviews include execution practices whenever a material change occurs that could affect CESL's ability to continue to satisfy its best execution duty. The review is an overall assessment of whether the execution policies and arrangements include all sufficient steps that CESL could be taking to obtain best execution of Clients orders. CESL undertakes tests to determine whether it could consistently obtain improved execution results if it were to:

- include additional or different execution venues or entities,
- assign a different relative importance to the best execution factors, or
- modify any other aspects of its applicable policies and/or arrangements.

Where requested by a Client, CESL will demonstrate that the execution of a Client's order has been undertaken in accordance with this Policy. However, demonstrating best execution will not necessarily involve a transaction-by-transaction analysis, but may involve an assessment of a series of transactions executed over a period, thus demonstrating that, overall, the best result was achieved in accordance with this Policy.

CESL will notify you of any material changes to this Policy.

COMMUNICATION WITH CLIENTS

If a Client is connected electronically, though FIX for instance, it can elect to receive automated real-time execution updates. If the Client is not connected electronically, the relevant CESL trader may provide manual updates (for example, via Bloomberg IB chat/message or voice).

FEES

Client fees and commissions are pre-agreed through negotiation between the Client and CESL. As such, Clients are not directly exposed to costs for execution that CESL may incur due to participation on particular venue or other costs that may be 'passed on' by the execution entities.

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CONSENT

CESL are required to obtain the Client's prior consent to our Policy. Clients will be deemed to provide such prior consent when they give us an order.

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ANNEX 1 EXECUTION VENUES

Venue	MIC
AIM ITALIA - MERCATO ALTERNATIVO DEL CAPITALE	XAIM
AKTIETORGET	XSAT
AQUIS	AQXE
ATHENS EXCHANGE S.A. CASH MARKET	XATH
ATHENS STOCK EXCHANGE	ASEX
BANK OF AMERICA - MERRILL LYNCH INSTINCT X - EUROPE	MLXN
BARCLAYS CAPITAL SECURITIES LIMITED - SYSTEMATIC INTERNALISER	BCSI
BATS EUROPE	BCXE
BATS EUROPE - LIS SERVICE	LISX
BATS EUROPE - BXE PERIODIC	BATP
BATS EUROPE - CXE DARK ORDER BOOK	CHID
BATS EUROPE - CXE ORDER BOOKS	CHIX
BATS EUROPE - REGULATED MARKET INTEGRATED BOOK	BART
BATS EUROPE -BXE DARK ORDER BOOK	BATD
BATS EUROPE -BXE ORDER BOOKS	BATE
BELGRADE STOCK EXCHANGE	XBEL
BLOCKMATCH MTF DARK	BLOX
BOERSE BERLIN	XBER
BOERSE BERLIN EQUIDUCT TRADING - BERLIN SECOND REGULATED MARKET	EQTB
BOERSE BERLIN EQUIDUCT TRADING	XEQT
BOERSE BERLIN EQUIDUCT TRADING - OTC	EQTD
BOERSE DUSSELDORF	XDUS
BOERSE FRANKFURT	XFRA
BOERSE HAMBURG	XHAM
BOERSE MUENCHEN	XMUN
BOERSE STUTTGART	XSTU
BOLSA DE MADRID	XMAD
BORSA ISTANBUL	XIST
BORSA ITALIANA	MTAA
BORSA ITALIANA EQUITY MTF	MTAH
BUCHAREST STOCK EXCHANGE	XBSE
BUDAPEST STOCK EXCHANGE	XBUD
BULGARIAN STOCK EXCHANGE	XBUL
CITADEL CONNECT EUROPE - SYSTEMATIC INTERNALISER	CCEU
CITI MATCH - GB	CGME
CREDIT SUISSE INTERNATIONAL - SYSTEMATIC INTERNALISER	CSEC
DB CLOSE CROSS	DBCX

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DEUTSCHE BANK AG EU SYSTEMATIC INTERNALISER	DBES
ELECTRONIC ETF, ETC/ETN AND OPEN-END FUNDS MARKET	ETFP
ERSTE GROUP BANK AG	EGSI
EURONEXT - EURONEXT AMSTERDAM	XAMS
EURONEXT - EURONEXT BRUSSELS	XBRU
EURONEXT - EURONEXT LISBON	XLIS
EURONEXT - EURONEXT LONDON	XLDN
EURONEXT - EURONEXT PARIS	XPAR
EURONEXT BLOCK	XSMP
EURONEXT GROWTH BRUSSELS	ALXB
EURONEXT GROWTH LISBON	ALXL
EURONEXT GROWTH PARIS	ALXP
EURONEXT PARIS MATIF	XMAT
FIRST NORTH DENMARK	FNDK
FIRST NORTH DENMARK – AUCTION ON DEMAND	MNDK
FIRST NORTH DENMARK - NORDIC@MID	DNDK
FIRST NORTH ESTONIA	FNEE
FIRST NORTH FINLAND	FNFI
FIRST NORTH FINLAND – AUCTION ON DEMAND	MNFI
FIRST NORTH FINLAND - NORDIC@MID	DNFI
FIRST NORTH LATVIA	FNLV
FIRST NORTH LITHUANIA	FNLT
FIRST NORTH SWEDEN	FNSE
FIRST NORTH SWEDEN – AUCTION ON DEMAND	MNSE
FIRST NORTH SWEDEN - NORDIC@MID	DNSE
FIRST NORTH SWEDEN - NORWAY	ONSE
GOLDMAN SACHS INTERNATIONAL - SIGMA BCN	GSBX
GOLDMAN SACHS INTERNATIONAL - SYSTEMATIC INTERNALISER	GSSI
GOLDMAN SACHS INTERNATIONAL BANK - SYSTEMATIC INTERNALISER	BISI
INSTINCT X	MLCO
IRISH STOCK EXCHANGE - ALL MARKET	XDUB
ITG - POSIT MTF	ITGL
ITG-POSIT	ITGI
JANE STREET FINANCIAL LTD - SYSTEMATIC INTERNALISER	JSSI
JOHANNESBURG	XJSE
JPMORGAN CHASE BANK N.A.	JPCB
LJUBLJANA STOCK EXCHANGE	XLJU
LONDON STOCK EXCHANGE	XLON
LONDON STOCK EXCHANGE - MTF	XLOM
LONDON STOCK EXCHANGE AIM	AIMX

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MERCADO CONTINUO ESPANOL - CONTINUOUS MARKET)	XMCE
MERRILL LYNCH INTERNATIONAL - SYSTEMATIC INTERNALISER	MLSI
MORGAN STANLEY AND CO. INTERNATIONAL PLC - SYSTEMATIC INTERNALISER	MSSI
MOSCOW (MICEX)	MISX
MS POOL	MSPL
NASDAQ BALTIC RIGA	XRIS
NASDAQ BALTIC TALLINN	XTAL
NASDAQ BALTIC VILNIUS	XLIT
NASDAQ COPENHAGEN A/S – AUCTION ON DEMAND	MCSE
NASDAQ COPENHAGEN A/S - NORDIC@MID	DCSE
NASDAQ HELSINKI LTD – AUCTION ON DEMAND	MHEL
NASDAQ HELSINKI LTD - NORDIC@MID	DHEL
NASDAQ OMX COPENHAGEN	XCSE
NASDAQ OMX HELSINKI	XHEL
NASDAQ OMX STOCKHOLM	XSTO
NASDAQ STOCKHOLM AB – AUCTION ON DEMAND	MSTO
NASDAQ STOCKHOLM AB - NORDIC@MID	DSTO
NORDEA SI	XNOR
NORDIC GROWTH	XNGM
NORDIC MTF	NMTF
NORWEGIAN OTC	NOTC
OFF-EXCHANGE TRANSACTIONS - LISTED INSTRUMENTS	XOFF
OSLO ACCESS	XOAS
OSLO AXESS NORTH SEA - DARK POOL	XOAD
OSLO BORS	XOSL
OSLO BORS - LIT X AUCTIONS	XOSA
OSLO BORS NORTH SEA - DARK POOL	XOSD
OTCBB	XOTC
POSIT AUCTION	XPAC
POSIT AUCTION	XPAC
POSIT DARK	XPOS
POSIT RFQ	XRFQ
PRAGUE STOCK EXCHANGE	XPRA
SIGMA X MTF	SGMX
SIGMA X MTF - AUCTION BOOK	SGMY
SIX SWISS EXCHANGE	XSWX
SIX SWISS EXCHANGE - BLUE CHIPS SEGMENT	XVTX
SIX SWISS EXCHANGE - SIX SWISS EXCHANGE AT MIDPOINT	XSWM
SUN TRADING INTERNATIONAL - SYSTEMATIC INTERNALISER	STSI
TEL AVIV STOCK EXCHANGE	XTAE

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TOWER RESEARCH CAPITAL EUROPE LTD	TRSI
TRADEGATE EXCHANGE	TGAT
TURQUOISE	TRQX
TURQUOISE DARK	TRQM
TURQUOISE LIT AUCTIONS	TRQA
TURQUOISE MIDPOINT	TRQM
TURQUOISE PLATO	TRQM
TURQUOISE PLATO BLOCK DISCOVERY	TRQM
TURQUOISE SWAPMATCH	TRQS
UBS MTF	XUBS
UBS MTF - PERIODIC AUCTION	XUMP
VIRTU FINANCIAL IRELAND LIMITED - SYSTEMATIC INTERNALISER	VFSI
WARSAW STOCK EXCHANGE	XWAR
WINTERFLOOD SECURITIES LIMITED - ELECTRONIC PLATFORM	WINS
WINTERFLOOD SECURITIES LIMITED - MANUAL TRADING	WINX
WIENER BOERSE AG- DRITTER MARKT (THIRD MARKET)	WBDM
WIENER BOERSE AG	XWBO
WIENER BOERSE AG AMTLICHER HANDEL (OFFICIAL MARKET)	WBAH
WIENER BORSE	XVIE
WOOD & COMPANY FINANCIAL SERVICES, A.S. - SYSTEMATIC INTERNALISER	WOOD
XETRA DEUTSCHE BORSE REGULIERTER MARKT	XETA
XETRA DEUTSCHE BORSE - FREIVERKEHR	XETB
XETRA DEUTSCHE BORSE	XETR
IRISH STOCK EXCHANGE - MAIN SECURITIES MARKET	XMSM
ZAGREB STOCK EXCHANGE	XTRZ