

HIROSE FINANCIAL UK LTD.

Execution Policy

Introduction

Hirose Financial UK Ltd. (referred to as “Hirose UK”, “we”, “us” or “our”) is regulated by the Financial Conduct Authority (the “FCA”) of the United Kingdom with authorisation number 540244. In accordance with the FCA Rules, Hirose UK is required to provide its clients with its order execution policy (the “Execution Policy”).

This document sets out the approach taken by Hirose UK in ensuring that the best possible outcome is obtained for its clients on a consistent basis when executing client orders and transmitting orders to third parties (i.e. other brokers) for execution. As well as our obligations under of the implementation of the Markets in Financial Instruments Directive (“MiFID II”), other Financial Conduct Authority (FCA) Rules and Guidance as well as other EU regulations and ESMA Guidance where appropriate.

Our Order Execution Policy (this “Policy”) describes:

- (a) Our execution approach for carrying out orders from origination to execution
- (b) An explanation of how the different factors influence the firm’s execution approach and
- (c) How we monitor and review the effectiveness of our best execution obligation

To avoid confusion, we should make clear that when we refer to executing orders we mean entering into any transaction with us, not simply accepting and implementing orders to open or close a trade when our quote reaches or trades through your chosen level as described in our Business Terms and Conditions and below.

You should read this Execution Policy carefully. Your consent and acceptance of this Execution Policy is assumed if you enter a transaction with us. By transacting with us, you will be deemed to be providing your consent to your order being executed outside of a regulated market, multilateral trading facility or organized trading facility.

Our Obligation

We have a general duty to conduct business with you honestly, fairly, and professionally, and to act in your best interests when executing orders. More precisely, when we execute orders on your behalf, we will take sufficient steps to provide you with “best execution”, that is, we will operate according to our procedures which we have established in order to obtain the best possible result for our clients on a consistent basis, taking into account the execution factors set out below.

Execution Venue

Your orders will be executed exclusively, and without exception, on the trading platform(s) offered by Hirose UK. We are counterparty to all your trades. Any position you open with us can only be closed on our trading platform used to open the position, and cannot be transferred to any other person.

Please note that we act as principal in all dealings and as the sole execution venue for your orders which are executed on an OTC basis, not on a regulated market, or multilateral trading facility ("MTF") or Organised Trading Facility ("OTF"). Therefore, there is only one execution venue as between our clients and ourselves.

Hirose UK operates on a matched principal, back to back basis and therefore we instantaneously hedge each one of our client trades with our liquidity provider, Hirose Tusyo Inc. ("Tusyo"). This is the execution venue where our hedges are placed. Tusyo has a number of liquidity providers including but not limited to Barclays Bank, PLC, Citibank, Commerzbank, Deutsche Bank and JPMorgan. Each liquidity provider streams through a direct feed of indicative buy and sell prices to Tusyo. Tusyo's Price Engine selects the best buy price and the best sell price, which result in the best available spread to Hirose UK.

Trading with us

Please understand that the Execution Policy, which you should read in conjunction with our Business Terms and Conditions, does not provide a guarantee that the prices that we quote or the levels at which you specify that an order should be implemented will be met. Prices may move very quickly and erratically from one level to another. This may mean for example that the price at which you deal with be different from the quoted price. This is known as gapping and can arise in periods of low liquidity and high volatility such as immediately after the release of economic data.

Scope

The Execution Policy shall apply when executing transactions with retail and professional clients in margined foreign exchange and metal transactions.

The tradable instruments that we deal in can be found in the Market Information pages on the Website.

Best Execution Arrangements

Hirose UK is obliged to seek the best possible result for its client in relation to each trade requested. The best possible result however may vary depending on the situation, and this may not always equate to obtaining the best price or the lowest cost. Hirose UK is therefore required

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to consider and assess the relative importance of the relevant 'execution factors' in respect of each class of financial instrument in which it trades.

Prices. This is the price at which a transaction is executed. We describe above how we derive our prices to you from those of liquidity providers which we use as execution venues. Pricing is fully automated. It should be noted that there is no external market for the products that we offer to our clients and therefore the prices that we offer may not be the same as those offered by other providers for each underlying asset. However, we seek to offer the very best possible prices to our clients at all times.

Costs. We aim to be transparent about costs though we do not give any promise or guarantee that our charges to you will be lower than those of any competitors. Our costs and charges (to include all expenses incurred by you which are directly related to the execution of the order) are:

The costs that we will charge you consist of:

- Our spread charge
- Overnight rollover or expiration rollover charges (which can be positive or negative)
- Interest in respect of any outstanding debt

Full details of our charges can be found on our website.

There are no external costs including commissions, fees, taxes, exchange fees, clearing and settlement costs or any other costs passed on to you by intermediaries in relation to the execution of your orders.

Speed. This refers to the amount of time that elapses between the trade order and the successful execution of that trade. Order execution is fully automated on the platforms offered by Hirose UK. Speed of execution can be impacted by:

- Technical considerations on the platform(s) offered by Hirose UK (latency caused by data transfer rates or/and system performance)
- The suitability of your equipment and the quality of your internet connection
- Rapid market fluctuations

From time to time, there may be circumstances that affect the trading platform's ability to provide a price feed on its platform or the prices generated. Your trading account is subject to potential price slippage in the instrument you are trading, the likelihood of which is affected by

volatility in the underlying market, or your internet connection speed or distance from our trading servers.

Size of the order. Your orders are executed on a Fill or Kill basis. Order size is restricted by the amount of margin that a client has in place and through order limits: A maximum number of lots is allowed for each transaction or order for each instrument. Current order limits are displayed in the website.

Likelihood of execution and settlement. Order execution is fully automated on the trading platform(s) offered by Hirose UK.

- Orders are executed in order of submission (first come, first served) regardless of the order type or product.
- All orders types are available during trading hours and certain order types, are always available.
- All orders must conform to our Terms and Conditions in respect of margin requirements and order limits for execution to take place. Orders that do not meet this requirement will be rejected by the trading platform.
- The submission and acceptance of an order is not a guarantee of its execution.
- Please note that we are not under any obligation to accept an order or enter a transaction with you. However, we will normally do so if you have sufficient funds in your account with us and are not otherwise in breach of your agreement with us.
- Other relevant considerations to the execution of the order

When executing an order on your behalf, we will consider the following criteria for determining the relevant importance of the above execution factors:

- Order characteristics of the client order (Order size, type of an order)
- Instrument characteristics (Liquidity in the underlying market)
- characteristics of the execution venues being considered

Aggregation

We will not combine your order with those of other clients for execution as a single order.

Client Order Handling

Hirose UK records and executes otherwise comparable orders sequentially and promptly unless the characteristics of the order or market conditions make it impracticable to do so. We will promptly inform you if we become aware of any material difficulty relevant to the proper carrying out of your orders. Orders received in a different media can not be termed otherwise comparable.

Quotes

Where there is a lapse of time between Hirose UK's first quote and your acceptance which causes delay or in the case that the market conditions have changed, Hirose UK will still be within its rights to execute that order or enter into that transaction, provided that the quote is not significantly out of date and that it still would have met the best execution requirements.

Trade Execution Complaint

When we receive a trade execution complaint from a client within 24 hours from the time the disputed or questioned trade was executed, we shall revert to you within a short period of time afterward with a report on an investigation after reviewing the transaction to determine if it is, in fact, an erroneous trade execution.

Such complaint may be called into our Compliance Desk at +44 (0)20 3687 0348 or submitted via email at info@hiroseuk.com. A trade execution complaint must include your name, your Login ID (username), time of execution and ticket number in order that we may remedy the complaint at the earliest opportunity.

Reviewing Execution Quality and the Execution Policy

We will, on a regular basis, monitor our operations in relation to this Policy. A periodic review will be made of the execution venues and data sources we rely upon to provide pricing information. Where we identify the need to make any material change to either this Policy or to our Order execution arrangements, such changes will be fully disclosed to you.

You will be notified of any material changes to the Execution Policy via our website <https://hiroseuk.com/>

No Fiduciary Duty

We provide you with access to our trading platform and are not acting in any other capacity including as a fiduciary.

Our commitment to provide you with "best execution" does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.