

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”).

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 at pages [7-8]. .

You should read this Execution Policy carefully. Your consent and acceptance of this Execution Policy is assumed if you enter into a transaction with us. In particular, 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

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any other person.

Specific Instructions

If you have given us specific instructions on the execution of an order, as is the case with limit orders and other market orders, we will follow those instructions and take all sufficient steps to obtain the best possible result when executing your order by following your instructions. To the extent that your instructions are incomplete, we are not obliged to act upon them, but where we do, we will usually follow our Execution Policy for those parts or aspects of orders not covered by your instructions.

For orders that are not wholly covered by your specific instructions, we will take account of the following execution factors to deliver the best possible outcome on your behalf. We are also required to tell you the relative importance that we attached to each factor.

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.

Execution Venue

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 J.P.Morgan. 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.

Best Execution Arrangements

In the absence of any specific instructions from you, when receiving and executing client orders and entering into transactions on your behalf in relation to financial instruments, we are required to take a number of factors into account when considering how to deliver best execution. We will take into consideration all factors that will allow us to deliver the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. Unless the following are instrumental in delivering the best possible result in terms of the total consideration, we have rated total consideration (i.e price and any costs relating to execution). The following information is relevant to total consideration (i.e. price plus costs):

Prices. 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 exactly 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. 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. 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 available at all times.
- All orders must conform to our Terms and Conditions in respect of margin requirements and order limits in order 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 into 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 take into account the following criteria for determining the relevant importance of the above execution factors:

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

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 7614 3580 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 www.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.

Our Order and Transaction Management

Hirose UK provides margined forex trading on an execution basis only where transactions are automatically processed via a method called ‘Straight Through Processing’ (STP). We do not have dealers who monitor and confirm every transaction. The prices that we publish on our platform and offer to you are an indication of the prices at which we would be willing to buy from you and sell to you. They are not firm prices. There are a number of features that you should be aware of:

- **Market Order Execution**

A Market Order is an instruction to buy or sell a currency pair at the market bid or offer price. When you place a Market Order, that order is released to the marketplace and fulfilled at the market bid or offer price. As long as there are interested buyers and sellers, a Market Order is usually fulfilled. However, Market Orders provide no price protection and (because filling a Market Order can take some time) they may fill at a price far lower/higher than the rate that was displayed when you placed the order. This is especially true in a rapidly moving market.

- **Entry Stop Order**

An Entry Stop Order is an instruction to trade if a specific price (which is less favourable than our current quote) is reached. When the stop price is reached, an entry stop order becomes a market order (An order to buy or sell at the current market price.).

- **Stop Order (Stop Loss Order)**

A Stop Order is an instruction to trade once a specified price is reached. A Sell Stop Order is always below our current quote and a Buy Stop Order is always above our current quote. The intention of a Stop Order is to limit the liability of the trade. When the stop price is reached, a stop order becomes a Market Order (an order to buy or sell at the current market price.).

- **Trailing Stop Order**

A sell Trailing Stop Order sets the stop price at a fixed amount below the market price with an attached "trailing" amount. As the market price rises, the stop price rises by the trail amount, but if the price falls, the stop loss price doesn't change, and a market order (an order to buy or sell at the current market price.) is submitted when the stop price is reached. A buy trailing stop order is the mirror image of a sell trailing stop order.

- **Limit Order (Take Profit Order) & Entry Limit Order**

A Limit Order (Entry Limit Order) is an instruction to buy or sell at a specified price that is more favourable than our current quote. When the limit price is reached, the Limit Order is executed at the specified price.

※Attention for LION Trader:

Hirose UK is committed to ensuring seamless execution of orders and uses some of the latest technology available to achieve this. In the event that an order (Entry Limit, Limit, Entry Stop, Stop, or Trailing Stop Order) does not get filled automatically, a message below will pop up on the trading platform (see below). If you agree to cancel the order and continue trading, please click O.K. and make a Market Order for the rejected order. Otherwise, please contact us for assistance as soon as you notice the message. Please note that once you have cancelled a specific order it is not possible to reactivate it.

