

BROWN BROTHERS HARRIMAN INVESTOR SERVICES LIMITED
CURRENCY EXECUTION SERVICES
ORDER HANDLING POLICY FOR PROFESSIONAL CLIENTS

I. Executive Summary

This document sets out the order handling and execution policy (the “Policy”) adopted by Brown Brothers Harriman Investor Services Limited (“BBHISL”) in accordance with the requirements set out in the FCA handbook and only applies to clients which BBHISL has designated as **Professional Clients (“Clients”)**.

BBHISL is authorised and regulated by the Financial Conduct Authority (“FCA”) and is a wholly-owned subsidiary of Brown Brothers Harriman & Co (“BBH”), a private bank organized as a limited partnership under the laws of the State of New York in the United States.

This Policy is reviewed annually and also in the event of a material change to BBHISL’s execution arrangements.

This Policy is made available to Clients as required by the FCA¹.

II. Scope

This Policy is designed to provide Clients with information on the arrangements and with respect to the order handling and best execution obligations (the “Obligations”) applicable to BBHISL in its capacity as agent. This policy contains information relevant to Clients and applies to BBHISL as a regulated investment firm in the UK. The terms of this Policy do not apply to those clients classified by BBHISL as Eligible Counterparties.

BBHISL will take all sufficient steps to obtain the best possible result for its Clients when receiving or transmitting orders with respect to financial instruments (as defined in the FCA Handbook), taking into account the execution factors set out herein.

BBHISL is required to obtain Client consent to this Policy prior to executing orders. Clients who have received or had access to this Policy (or any summary providing appropriate information on this Policy) will be regarded as having consented to this Policy when they subsequently give BBHISL orders for execution.

Clients acting on behalf of their own customers will be (unless agreed otherwise) treated by BBHISL as its Client for the purposes of this Policy.

III. BBHISL’s Currency Execution Services

As part of its currency execution services (“CES”), BBHISL will execute foreign exchange transactions on behalf of its Clients with third party counterparty(ies) based on rate(s) provided by such counterparty(ies) or other liquidity source(s). This Policy and the Obligations apply to that part of the execution relating to the identification of rate(s) by BBHISL as agent under the CES product.

¹ As implemented in the FCA Handbook.

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IV. Policy Requirements

Nature of the Obligations

The Obligations placed upon firms by the FCA require regulated firms to take all sufficient steps to obtain the best possible result when executing Client orders in financial instruments.

"All sufficient steps" means that BBHISL must be satisfied that the processes and procedures it has in place can be expected to lead to the consistent delivery of the best possible execution result, taking into consideration the execution factors set out below (the "execution factors").

- Price
- Size and nature of the order;
- Likelihood of execution and settlement;
- Market volatility;
- Perceived liquidity;
- Speed of execution;
- Costs; and
- Any other consideration relevant to the execution of an order.

Relative Importance of the Execution Factors

In general, we regard price and costs as the most important execution factors. However, in determining the relative importance of the execution factors, BBHISL will take other factors into account in the context of all relevant circumstances of the Client order. In the absence of specific instructions from the Client, BBHISL will consider the execution factors in the context of the following:

- nature of the execution service that is required;
- perceived liquidity of the relevant currency;
- market conditions at the time;
- available execution venues and / or any credit or dealing limits that may apply;
- any other consideration relevant to the execution of the order; and
- any specific instructions from the Client.

In complying with this Policy, BBHISL will be expected to strike a reasonable balance across a range of sometimes conflicting factors.

Requirements for BBHISL's Execution Process

BBHISL will act as a Client's agent in executing trades. BBHISL will, subject to parameters established in advance with the Client, seek pricing on which Client orders are based with a roster of inter-bank dealers. In no event shall BBHISL (i) be a principal counterparty to an agency trade or have any liability as principal for the performance of an agency trade; or (ii) hold cash or securities belonging to the Client.

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In the context of CES, BBHISL may execute foreign exchange transactions on behalf of its Clients with third party counterparty(ies) based on rate(s) provided by such counterparty(ies) or other liquidity sources. Third party counterparty(ies) or other liquidity source(s) whose rate(s) will form the basis of any foreign exchange transaction with BBHISL's Clients are chosen in accordance with the relative importance of the execution factors set out herein.

Requirements for Specific Instructions

Where a Client provides specific instructions in relation to the execution of an order (e.g. to execute with a particular counterparty), BBHISL will confirm that the order is executed in line with such instructions. The Obligations will not apply to the order to the extent of the specific instructions. A Client on whose behalf BBHISL intermediates foreign exchange trades with BBH will have specified BBH as the Client's counterparty.

Requirements for Monitoring and Review of this Policy

BBHISL will maintain procedures and controls designed to monitor the effectiveness of this Policy, including procedures for the review of trades executed to ensure that the best possible result is consistently being achieved for Clients. Should BBHISL become aware that a Client's order is not processed in conformity with this Policy, BBHISL will review the circumstances and may make adjustments, as appropriate, at its discretion and on a case-by-case basis.

In the event of systems failures or other circumstances which are unavoidable or beyond BBHISL's reasonable control, BBHISL may from time to time execute orders in a manner that differs from the normal process provided by this Policy. In the event of such an occurrence, BBHISL will still endeavor to execute orders on the best terms available in the relevant circumstances.

BBHISL shall review this Policy, and its order execution arrangements, at least annually and whenever a material change occurs that affects BBHISL's ability to continue to obtain the best possible result for its Clients on a consistent basis. The review will focus on whether BBHISL would obtain better results for its Clients if it was to:

- (A) include additional or different execution venues;
- (B) assign a different relative importance to the execution factors; or
- (C) modify other aspects of this Policy and/or its execution arrangements.

BBHISL shall also monitor, on a regular basis, the effectiveness of the policy and, in particular, the execution quality of the Execution Venues and, where appropriate, correct any deficiencies. BBHISL shall notify Clients of any material changes to this Policy.

Requirements for Reporting

Upon reasonable and proportionate request by a Client, BBHISL will provide information with respect to the execution of Client orders in accordance with this Policy.

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Requirements for Order Handling

BBHISL will, acting as agent for a Client, arrange transactions in foreign exchange instruments as outlined in the agreement with a range of execution venues.

BBHISL will receive orders by one of three means:

1. BBH acting as agent on behalf of Clients pursuant to their standing instructions;
2. other authorised agents of the Client; or
3. directly from the Client.

The section below sets out further information on how orders will be handled by BBHISL, acting as agent for a Client and arrange transactions in foreign exchange instruments with a range of execution venues.

Upon receipt of a Client order, BBHISL shall:

- ensure that orders executed on behalf of Clients are promptly, fairly and accurately recorded and allocated where applicable;
- carry out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or in the interests of the Client, require otherwise. Orders received by different media will not be deemed comparable if it is not practicable for them to be treated sequentially.

V. Aggregation and allocation of orders

BBHISL will not carry out a Client order in aggregation with another Client order unless the following conditions are met:

- it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any Client whose order is to be aggregated;
- it is disclosed to each Client whose order is to be aggregated, either orally or in writing, that the effect of aggregation may work to its disadvantage in relation to a particular order;
- in accordance with our order allocation policy.

Order Allocation Policy

Where BBHISL has aggregated Client orders, it will allocate such orders in a manner to avoid detriment to a Client and in any event, in accordance with the rules applied by the FCA.

Orders concluded on behalf of one or more Clients, BBHISL's policy is for such aggregated trades to be apportioned to the relevant Clients based on a weighted average price.

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VI. Governance

BBHISL has established an Oversight Committee whose responsibility it is to review and assess the overall quality and appropriateness of execution, order handling, execution monitoring and reporting requirements. The Committee includes senior level management from related business lines in BBHISL. The Committee meets at least on a quarterly basis for the purpose of analysing the effectiveness of the order execution arrangements, choice of execution venues and whether any action is required to address deficiencies.