
APPENDIX 2: INFORMATION ABOUT THE DAVY PARTIES' ORDER EXECUTION POLICY

This is a summary of the Davy Parties' order execution policy (the 'Policy') for Retail Clients. By entering into this Agreement you consent to the Policy.

OVERVIEW

Under the EU Markets in Financial Instruments Directive 2014/65 EU ('MiFID II'), as implemented by Statutory Instrument No. 375 of 2017 in Ireland ('the MiFID Regulations') and the rules of the Financial Conduct Authority in the UK ('FCA Rules'), Davy UK and J&E Davy are required to have an order execution policy in place and to take all sufficient steps to obtain on a consistent basis the best possible result for Clients when transmitting client orders for execution and when buying and selling (referred to below as execute, executing or execution) financial instruments on behalf of Clients. The purpose of this document is to provide Retail Clients with information on the Davy Parties' Policy.

SCOPE

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

BEST EXECUTION

The Davy Parties' regulatory obligation to take all sufficient steps to obtain, on a consistent basis, the best possible result for Clients applies whenever:

- Davy UK places an order with, or receives an order from, a Client for transmission to J&E Davy or a third party for execution; and/or
- J&E Davy executes an order on behalf of a Client or transmits the order to a third party provider for execution.

While the Davy Parties will take all sufficient steps to achieve the best possible result for Clients on a consistent basis, it cannot be guaranteed that best execution is achieved for each and every trade.

The steps the Davy Parties typically take to ensure the best possible result is achieved are described in this summary of the Davy Parties' Order Execution Policy.

The Policy is subject to:

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

SPECIFIC CLIENT INSTRUCTIONS

When you provide specific instructions in relation to your order, J&E Davy will endeavour to ensure that the order is executed in line with those instructions. However, please note that instructions provided by you may prevent J&E Davy from following some or all of the steps of our Policy, which has been designed to obtain the best possible result for Clients when placing or transmitting orders for execution or executing orders. Where a Client provides specific instructions that relate to only part of the order, this Policy will be applied to those aspects of the order that are not covered by the instruction.

EXECUTING YOUR ORDER

You should be aware that for certain types of financial instruments there may be only one execution venue available. Certain investments are generally not admitted to trading on a trading venue (e.g. units in CIS). You consent to your orders being executed outside a trading venue where deemed appropriate in accordance with the Policy, that is, outside of a regulated market, multilateral trading facility ('MTF') or organised trading facility ('OTF'). This will be the case where, for example, your order is placed directly with a fund manager. Execution outside of a trading venue involves certain risks, including greater counterparty risk, as compared to shares traded on regulated markets that are cleared and settled through a settlement system.

DAVY UK'S BEST EXECUTION OBLIGATION

As stated above, Davy UK owes a duty of best execution when placing or transmitting orders on a Client's behalf. In choosing to place or transmit Client orders to J&E Davy, Davy UK has satisfied itself that J&E Davy has arrangements in place to enable Davy UK to meet the best execution obligations that it owes to its Clients. Any third party to whom Davy UK transmits orders will be directly responsible to you for meeting its best execution obligations.

If you instruct us to transmit your order as a market order, we may provide you with the current market price. However, Davy UK cannot guarantee that the price quoted will be the price secured by J&E Davy or third party broker when they execute your order. Davy UK will not be liable for any direct or indirect losses incurred as a result of market movements between a market price quoted to you and that secured by J&E Davy or third party broker.

J&E DAVY BEST EXECUTION OBLIGATION

Execution Factors

As stated above, J&E Davy owes a duty of best execution when executing orders and when transmitting orders to a third party broker for execution. Where applicable, J&E Davy will issue contract notes to you in respect of transactions within your Davy Portfolio as outlined in clause 6.5.1 of this Agreement.

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

- Price of the financial instrument;
- Costs and expenses related to execution;
- The size of the order;
- Likelihood of execution and settlement;
- Speed of execution;
- Nature of the order; and
- Any other consideration that is relevant to the execution of your order.

As this policy applies to Retail Clients the best possible result for a Client will be determined in terms of the total consideration of a trade, representing the price of the financial instruments and all costs and expenses relating to execution (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). In some circumstances, J&E Davy may use its discretion to place a higher importance on the other factors referred to above. In general, the ranking of the relevant importance of such factors is listed in this order, but may vary on a case-by-case basis as J&E Davy will also take the following criteria into account:

- your categorisation as a Retail Client;
- the characteristics of your order;
- the characteristics of the financial instrument(s) that are the subject of that order; and
- the characteristics of the execution venues to which the order can be directed.

EXECUTION VENUES

In order to meet the obligation to obtain the best possible result for the execution of client orders, J&E Davy may use one of the following types of venues:

- Regulated Markets^[1], in particular Euronext Dublin and the London Stock Exchange
- Multilateral Trading Facilities ('MTF')^[2], in particular CHI X
- Organised Trading Facilities ('OTF')^[3]
- J&E Davy is registered as a market maker^[4] on Euronext Dublin and the London Stock Exchanges and as a primary dealer in Irish government bonds. When entering into a transaction for you, J&E Davy may be dealing as principal for its own account by selling the financial instrument concerned to you or buying it from you
- Other market makers, third party brokers or other liquidity providers
- Non EU entities performing a similar function to the above.

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

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

A full list of execution venues and third party executing firms used by J&E Davy for each class of financial instrument in respect of which J&E Davy executes orders on behalf of Client or places or transmits order to other entities for execution is available at www.davy.ie/legal.

By entering into this Agreement you explicitly consent to your orders being executed outside of a regulated market, MTF or OTF.

ORDER HANDLING AND FAIR ALLOCATION

J&E Davy ensures that Client orders are executed in a prompt, fair and efficient manner. J&E Davy may aggregate your orders with the orders of other Clients or J&E Davy's own orders where J&E Davy believes that such aggregation is unlikely to work to your disadvantage. However the effect of the aggregation may work to your disadvantage in relation to a particular order. If aggregated orders can be executed only in part, J&E Davy will allocate the related trades to Clients on a pro-rata basis. If J&E Davy has aggregated your order with J&E Davy's own orders and the aggregated order is partially completed, J&E Davy will allocate the related trades to Clients in priority to J&E Davy's own orders unless J&E Davy can demonstrate that without J&E Davy's participation the order would not have been carried out on such favourable terms, or at all.

Should you place a limit order with us in a listed share below a certain size and this is not immediately executed under prevailing market conditions, then we may be obliged to publish the details of your order unless you have instructed otherwise.

MONITORING AND REVIEW OF THE POLICY

The Davy Parties will monitor the effectiveness of this Policy to ensure that it consistently achieves the best possible result for Clients and to identify whether more favourable results could consistently be achieved on alternative execution venues or by transmitting orders to other brokers for execution. Where deficiencies are identified, The Davy Parties will take appropriate measures and effect suitable changes to the Policy to address such deficiencies. Monitoring will be achieved through a regular review of trading analytics

and execution data. In particular, J&E Davy has an execution monitoring programme that reviews execution quality on an ongoing basis, assessing whether more favourable results for Clients could be consistently achieved on alternative venues and whether the brokers or dealers to whom J&E Davy transmit orders for execution and with whom J&E Davy may place orders continue to provide the best possible result for the Davy Parties' Clients on a consistent basis. Where your order is executed against J&E Davy's own book, execution quality is reviewed in the same way as any other execution venue. If deficiencies are identified, appropriate amendments will be made to J&E Davy's execution arrangements.

Upon Client request, the Davy Parties will provide information on how best execution was achieved for a Client order.

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

A summary of J&E Davy's review of execution quality, together with details of the most frequently used execution venues and third party brokers J&E Davy use on an annual basis is available on www.davy.ie/legal.

CHARGES

It is the Davy Parties' policy that its remuneration structure will not influence either the selection of execution venues, or the order flow that follows as a result of the execution process.

STAFF UNDERSTANDING AND TRAINING

All relevant staff are made aware of the Policy and given appropriate training to highlight and emphasise the importance of best execution.

^[1] *Regulated market – is a market place, trading system or exchange which meets the minimum EU standards set out in title III of the MiFID II. In the UK market, the London Stock Exchange is a regulated market.*

^[2] *Multilateral Trading Facility ('MTF') – is, in broad terms, a system that brings together multiple parties (e.g. retail investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator.*

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

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