

# Best Execution Policy

## Overview of the Policy

MiFID provides for best execution regime which requires Novum to take all sufficient steps to obtain the best possible result for its clients, taking into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. The firm at all times strives to act in accordance with the best interests of their clients when transmitting client orders.

In order to comply with the best execution requirement of MiFID, Novum Securities have set out this policy to ensure that appropriate execution policies and/or arrangements are effectively implemented for the carrying out of all orders. Novum Securities shall apply its best execution policy to each order with a view to obtaining the best possible result for its clients. This obligation applies in relation to all types of financial instruments irrespective of whether they are traded on trading venues or OTC.

However, given the differences in market structures and the structure of financial instruments, it may be difficult to identify and apply a uniform standard of, and procedure for, best execution that would be valid and effective for all classes of instrument. Our best execution policy takes into account the different circumstances surrounding the execution of orders for particular types of financial instruments.

The detailed policy for order execution contained below is subject to review regularly and clients will be informed of any material changes to this policy. This policy is intended, in as clear a way as possible to demonstrate how Novum Securities operates and provides best execution as often as is possible.

## Execution Venues

An 'execution venue' includes a regulated market, an MTF, an OTF, a systematic internaliser, RSP or a market maker, broker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing.

## Scope

(a) **Clients** - This policy applies to Professional clients only. Novum does not owe best execution to those classified as eligible counterparties.

(b) **Financial Instruments** - This policy only applies to transactions conducted in instruments falling under the scope of MiFID II. It will cover the following classes of financial instruments:

- Shares
- Warrants
- Units
- Government and public security
- Debenture.

## Execution Factors

The decision of which Execution venue is used for any one trade will be reached based on price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. This decision may be influenced by the firm's own fees and commissions.

When executing an order, the firm will generally treat price as the highest priority for ensuring best execution. Only under exceptional circumstances would this not be the case.

In order to calculate the price, the firm will pay due attention to the 'total consideration'. This is represented by the price of the financial instrument and the costs related to execution, which must include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

## Execution Criteria

When executing a client order, we will take into account the following criteria for determining the relative importance of the execution factors above:

1. the characteristics of the client including the categorisation of the client as professional or eligible counterparty;

When dealing with Professional Clients, the Firm does not differentiate between an 'elective' Professional Client and a 'per se' Professional Client and will apply Best Execution to all transactions undertaken for its clients.

This policy does not apply to Eligible Counterparties as the Firm does not owe best execution.

2. the size, nature and characteristics of the client order;
3. the characteristics of financial instruments that are the subject of that order;
4. the characteristics of the execution venues to which that order can be directed;

Regardless, due to the differences in market structures and the structure of financial instruments, it may be difficult to identify and apply a uniform standard of, and procedure for, best execution that would be valid and effective for all classes of instrument. As such we will take into account the different circumstances surrounding the execution of orders for particular types of financial instruments.

## **AGGREGATION OF ORDERS**

We may combine your order with our own orders, orders of connected persons and orders of our customers. By combining your orders with those of other customers we must reasonably believe that we will obtain a more favourable price on your behalf than if your order had been executed separately. However, on occasions, aggregation may result in you obtaining a less favourable price.

As best execution obligations apply to all financial instruments, irrespective of whether they are traded on trading venues or OTC, the firm will gather relevant market data in order to check whether the OTC price offered for a client is fair and delivers on the best execution obligation.

Selecting an Execution Venue

The following methodology will be used when selecting an execution venue for an Order.

Subject to proper consideration of the execution criteria and execution factors referred to above, we will choose where we believe we can trade to the best advantage (or at no disadvantage to) for you.

When dealing on a regulated market or a Multilateral Trading Facility (MTF) we will select the execution venue that we consider the most appropriate.

Conflict of Interests/Inducements

The firm will not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interests.

Providing information to clients on order execution

Following the execution of a transaction on behalf of a client the firm will inform the client of where the order was executed.

Furthermore, the firm shall take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client.

Specific Client Instructions

The firm can take specific instructions from a client which may override this policy however the firm may not induce any client to do so. If a client chooses to give specific instructions to the firm then the firm will attempt to provide best execution as far as is possible. However, this may prevent the firm from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Please note that we are required to obtain your prior consent to this policy.

We are also required to obtain your prior express consent before we execute an order outside of a Regulated Market or Multilateral Trading Facility (MTF) in an instrument admitted to trading on a Regulated Market or MTF. This consent must be in writing or by email.

By signing this document, you declare that you have read and understood the above and give consent to this Order Execution Policy. You also consent that we may execute an order outside of a Regulated Market or Multilateral Trading Facility (MTF) in an instrument admitted to trading on a Regulated Market or MTF.

Signed

Date

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Email consent can be sent to [compliance@novumsecurities.com](mailto:compliance@novumsecurities.com)