



Britannic Energy Trading Limited Order Execution Policy Disclosure Statement for Professional Clients

1. Purpose

This Order Execution Policy Disclosure Statement provides you with summary information on the arrangements that are designed to enable Britannic Energy Trading Limited (“**BET**”) to meet its regulatory obligations when executing orders on behalf of professional clients.

2. The best execution obligation

When BET executes an order on your behalf, BET is required to take all sufficient steps to obtain the best possible result in accordance with its order execution policy, taking into account factors such as price, speed, size/volume and likelihood of execution or settlement of the order. This is referred to as *the best execution obligation*.

3. Scope

The policy applies to all clients of BET except those clients classified as eligible counterparties in relation to any financial instrument as defined in the FCA Handbook.

This policy only applies where BET is executing an order on your behalf or where we otherwise expressly agree that it will apply. BET will be considered to be executing an order on your behalf where you legitimately rely on BET to protect your interests in relation to the pricing or other aspects of the transaction that may be affected by the way BET executes the order.

BET will not be considered to be executing an order on your behalf where BET publishes a quote, provides a request for quote (“**RFQ**”) service or negotiates a price with you on request and you transact on the basis of that quote or price, provided we conclude that you are not legitimately relying on BET to protect your interests in relation to the transaction.

Where BET executes an order on your behalf in relation to a financial instrument that has been specifically designed or customised by BET or another bp group company to meet your specific needs or circumstances, BET will be deemed to have satisfied the best execution obligation.

BET does not guarantee or otherwise warrant that it will be able to obtain the best possible result in relation to each and every order that it executes on your behalf.

4. Execution factors

BET will take into account the following factors with a view to obtaining the best possible result when executing an order on your behalf:

Execution factors (by ordinary relative importance):

- i) Price
- ii) Total consideration (e.g. price and transaction costs)
- iii) Speed
- iv) Size/volume
- v) Nature of the order
- vi) Likelihood of execution and settlement

Using our commercial judgement, knowledge and experience of the relevant market and relevant information available at the time, BET will, at its discretion, determine the relative importance of each

of the above factors in obtaining the best possible result. Ordinarily, price will merit high relative importance in obtaining best execution, but this will be modified, for example, where the size of the trade is large compared to the liquidity of the market in question, or where the speed of execution becomes more important due to the nature and size of the client order requirements.

When determining the relative importance of the execution factors listed above, BET will also have regard to other factors or considerations relevant to the execution of the order in order to obtain the best possible result for you (the “execution criteria”). In particular BET will take into account, inter alia, your status as a professional client, the characteristics of the order, the relevant financial instrument and the execution venue where the order can be executed.

- **Energy-related energy commodity OTC bilateral derivatives (including swaps, options, bespoke products)**

Execution factors: We will apply the execution factors in their typical order of importance as set out above, taking into account the execution criteria.

Execution venues: BET will enter into OTC derivatives transactions with you as your counterparty and so there will be no third party execution venue involved in the transaction (unless we are entering in to a block trade on a third party venue).

BET will monitor and review on a periodic basis the quality of execution that BET obtains when it enters into transactions with you as set out in section 10.

- **Emissions Allowances and related OTC derivatives (by relative importance):**

Execution factors: We will apply the execution factors in their typical order of importance as set out above, taking into account the execution criteria.

Execution venues: BET will enter into OTC derivatives transactions with you as your counterparty and so there will be no external execution venue involved in the transaction.

BET will monitor and review on a periodic basis the quality of execution that BET obtains when it enters into transactions with you as set out in section 10

- **Block trades on third party venues**

Execution venues: ICE Futures Europe

For block trades executed outside of the central order book of the relevant exchange, while price will remain the key execution factor, the likelihood of execution and other considerations such as confidentiality of the position and implementation shortfall versus a known benchmark will also be important factors.

Given access to clearing is one of the key factors in selecting an execution venue for block trades we may be given specific instructions to use a specific execution venue in which case the provisions on specific instructions in section 6 will apply.

BET will monitor and review on a periodic basis the quality of execution that BET obtains when it enters into transactions with you as set out in section 10.

5. Execution venues

In light of the nature of the services and instruments that it provides and the markets in which operates, BET will typically execute your orders against its own proprietary capital. In such circumstances, BET is the execution venue.

Before we are able to execute any orders on your behalf outside a Regulated Market, Multilateral Trading Facility, Organised Trading Facility (a “**Trading Venue**”), we are required to obtain your consent. As noted above, BET typically executes orders against its proprietary capital and therefore the majority of your orders will be executed outside a Trading Venue on an OTC bilateral basis, with BET acting as your counterparty.

You should be aware that where BET executes orders outside a Trading Venue the resulting OTC transaction does not benefit from any clearing mechanism and you are therefore exposed to counterparty risk generally against BET. This stems from the creditworthiness of us as an institution and can be measured by potential losses resulting from our potential default. It may be more difficult for you to obtain accurate pricing information because OTC trades are negotiated and priced individually and there is no central source for obtaining price information from competing dealers. You may request additional information from us about the consequences of its executing in this way outside of a Trading Venue, either generally or for specific transactions.

When selecting third party execution venues for block trades as set out in Section 4, BET takes care to select those execution venues that, in its view, enable it to obtain on a consistent basis the best possible results for you.

When selecting Execution Venues for execution of block trades we may take into account the following qualitative factors (among others):

- access to clearing brokers;
- relevant block sizes;
- block trade functionality of the execution venue;
- transparency (e.g. lit, dark) of the execution Venue;
- clearing schemes;
- liquidity analysis
- market share;
- breadth of market coverage;
- reputation, financial strength and stability;
- ongoing reliability;
- overall costs of a trade including commissions;
- anonymity of trading activity;
- licensed, as required, to execute the type of transaction.

Other relevant considerations may be agreed in advance on your specific instructions.

We do not apply separate fees based on the third party execution venue selected. Such costs are incorporated into the mark-up / mark-down applied to the price of the instrument that is provided to you.

6. Specific instructions

Where you provide BET with a specific instruction regarding the execution of the order, BET will execute the order in accordance with those instructions to the extent it is able to do so and will be deemed to have met its obligation to obtain the best possible result in respect of the order or part thereof covered by such instructions.

Such instructions may, by their very nature, prevent us from taking such reasonable steps that are necessary to obtain the best possible result in respect of the whole order or part thereof.

7. Trading obligation for OTC derivatives

In certain circumstances (e.g. where the transaction relates to a derivative that is subject to the trading obligation as described in article 28 of Regulation (600/2014) (as implemented in the UK) we may only execute such Transactions on a Trading Venue or a third-country trading venue assessed as equivalent.

8. Reports

Where required by applicable regulations, BET will publish annually information on the top five execution venues it has used in terms of trading volume for classes of financial instruments, noting that, in most cases, it will be entering into any transactions with you directly as principal rather than executing these on a third party execution venue. This information will be available for professional client orders. No information will be available on eligible counterparty client orders.

In addition, where BET acts as an execution venue and where required by applicable regulations, BET will also make available on its website information on the quality of its executions.

10. Monitoring and review

In determining what the best possible result is for you, we will not compare the results that can be achieved for you by BET with results that might be achieved for you by another company on the basis of that company's execution policy or fee structure.

We will monitor the effectiveness of our order execution arrangements on an ongoing basis and implement appropriate enhancements. We will notify you of any material changes to our order execution arrangements.

In addition, BET will, at least annually and whenever a material change occurs that could affect its ability to obtain the best possible result for the execution of its Clients' orders, review this policy and its execution arrangements.

When executing orders or taking decisions to deal in OTC products including bespoke products, we will check the fairness of the price proposed to you, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

11. Further information

Further details on the order execution policy of BET can be obtained via your normal business contact.