



## **Best Execution Policy**

Griffin Markets Europe SAS (also referred as “Griffin”), is an investment firm authorized to perform the following investment services:

- reception and transmission of orders on behalf of clients;
- execution of orders on behalf of clients;
- operation of Organised Trading Facilities (“OTF”).

The OTF is a hybrid voice/electronic multilateral trading system which operates under discretionary rules. Under MiFID II, Griffin’s best execution obligations require it to take reasonable steps to obtain the best possible results for its customers when executing orders. Griffin is committed to its responsibilities towards promoting the integrity and stability of the wholesale energy markets.

Griffin offers the following routes to market/services:

- An OTF;
- An arranging service for the registration of block trades. The arrangement of block trades does not take place through the OTF;
- An arranging service for contracts which are not financial instruments and which are executed outside the OTF.

Griffin deals only with Professional Clients and Eligible Counterparties who are wholesale energy market participants.

### **Financial instruments**

Griffin shall offer the following financial instruments for trading:

Asset Classes:

- Commodity Derivatives
- Emission Allowances
- Emission Allowance Derivatives

Sub-asset classes:

- Energy Commodity Futures/Forwards
- Energy Commodity Options
- Energy Commodity Swaps
- Emission Allowances
- Emission Allowance Derivatives
- Other Commodity Derivatives

Sub-classes:

- Natural Gas
- Electricity
- European Union Allowances (EUA)

Contracts for the supply of gas or power which must be physically settled, and which are executed on the OTF are not financial instruments pursuant to C6 Annex I Markets in Financial Instruments Directive 2014/65/EU.



## **Best Execution Measures**

Griffin shall use all reasonable endeavours to arrange transactions on terms most favourable to its customers and take all reasonable steps to obtain, when doing so, the best possible result for its customers taking into account execution factors such as:

- Market liquidity;
- Order size;
- Speed;
- Likelihood of the execution;
- Timely execution;
- Nature of the order;
- Market conditions such as volatility;
- Characteristics of the client;
- Cost;
- Internal or external communications failure;
- Internal or external systems failure;
- Technology capabilities of the venue;
- Specific customer instructions;
- Regulatory or exchange issues such as, exchange settled block trades; and
- Any other factor relevant to the execution of the order.

Where automated systems are used to route and execute client orders, it will be routed to the “Best Execution” venue as determined by the above criteria. Orders and indications of interest submitted to Griffin may be routed either to Griffin’s OTF or an exchange for execution. Griffin may, from time to time, receive rebates from certain exchanges in consideration for registering certain contracts.

Whilst Griffin takes all reasonable steps to produce the best possible result for customers, there is no guarantee that best execution is achieved for every order. It may not always be possible in the following circumstances:

- Where a client executes an order themselves;
- Normal market practices such as, buyers and sellers seeking several quotes from a number of broker dealers;
- Where we act as an arranger in a transaction between two or more counterparties;
- Where a client provides us with specific instructions in relation to their order then the order will be executed in accordance with those instructions; and
- Where a systems failure or disruption to business means an alternative method would need to be selected.

Griffin shall take reasonable measures to obtain the best possible trading result for participants, subject to the following:

- Griffin can give clients visibility only to prices that have been communicated to it by other participants who operate in the same market, accordingly any “best outcome” will solely be within these limits;
- Griffin shall provide details of all tradable bids and offers (subject to the other matters referred to below);
- Time availability of prices – in many markets there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve,



accordingly the “last traded” price may not always be available or act as a reliable indicator of current price;

- Griffin cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is operationally capable of settling the relevant trade;
- Griffin cannot control either the cost of credit (credit premium) or credit acceptance between participants;
- Any applicable regulatory/statutory requirements on how a transaction is concluded, arranged or executed.

Moreover, Griffin does not have arrangements in place to execute client orders with counterparties willing to pay to route the order flow to them (Payment for order flow “PFOF”) and does not source exclusive liquidity from specific clients (Griffin does not provide Right of first refusal, “ROFR” to its clients). In doing so, Griffin ensures that any relevant client has a reasonable opportunity, including adequate time, to interact with and trade on the disseminated trading interests.

### **Possible venues for execution of financial instruments outside Griffin’s OTF**

- CME NYMEX
- ICE Endex
- ICE Futures Europe
- ICE Futures US
- Nasdaq
- EEX

Those trading venues have been selected based on several criteria such as,

- broad liquidity which improves the probability of execution and supports competitive pricing,
- regulated status and strict exchange rules, which help safeguard clients’ interests,
- high level of transparency,
- strong international market presence,
- robust and reliable clearing infrastructure.

### **Specific Instructions**

Where there is a specific instruction from a client, Griffin shall execute the order in line with that instruction.

Where there is a specific instruction from a client in relation to a specific aspect of an order, Griffin shall execute the specific aspect of the order in line with that instruction.

Griffin is aware however that where a client has given specific instructions which cover one part or aspect of the order does not release the Firm from its best execution obligations in respect of any other parts or aspects of the client order that are not covered by such instructions.

Griffin will not induce a client to instruct it to execute an order in a particular way, by expressly indicating or implicitly suggesting the content of the instruction to the client, when Griffin ought reasonably to know that an instruction to that effect is likely to prevent it from obtaining the best possible result for that client.



Griffin is, however, permitted to invite a client to choose between two or more specified trading venues, provided that those venues are consistent with Griffin's best execution policy.

Where Griffin invites a client to choose an execution venue, fair, clear and not misleading information shall be provided to prevent the client from choosing one execution venue rather than another on the sole basis of the price policy applied by Griffin.

### **Periodic assessment of the effectiveness of the order execution policy**

The best execution policy will be reviewed on a regular basis to assess its effectiveness.

### **Scenarios where an obligation of Best Execution is not owed by Griffin**

Griffin does not owe an obligation of Best Execution where:

- Arranging (i.e. not executing) transactions;
- Clients are classified as an Eligible Counterparty (in compliance with article 30 of MiFID II); or
- Executing Contracts for the supply of gas or power which must be physically settled pursuant to C6 Annex I Markets in Financial Instruments Directive 2014/65/EU.

Nonetheless, Griffin shall act honestly, fairly and professionally in accordance with the best interests of its clients (in compliance with article 24 of MiFID II). To comply with its obligations, Griffin ensures that all costs are communicated to its clients, does not have arrangements in place with counterparties willing to pay for order flow routing, ensures that relevant clients have a reasonable opportunity – including sufficient time – to interact with, and trade on disseminated trading interest, and maintains a conflicts of interest policy to prevent any undue influence on order routing.

The above does not constitute part of Griffin's Terms of Business and is not legally binding. Griffin's commitment to provide a client with "Best Execution" does not mean that it owes any fiduciary responsibility over and above the specific regulatory obligations placed upon it or as may be specifically agreed between Griffin and a participant.

Best Execution shall be reviewed regularly and updated with any material changes or changes in accordance with Griffin's regulatory obligations and may be reviewed at <http://www.griffinmarkets.com>.