ORDER EXECUTION POLICY
FOR TRANSACTIONS IN FINANCIAL INSTRUMENTS

Riga, 2019
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1. **GENERAL**

1.1. **SCOPE OF THE POLICY**

1.1.1. *Order Execution Policy for Transactions in Financial Instruments* (hereinafter - “the Policy”) of Rigensis Bank AS establishes the basic principles and key factors considered when executing Client’s Orders for transactions in Financial Instruments, ensuring the best possible result for a Client.

1.1.2. The Policy is developed and is being implemented in accordance with the requirements set out in the Directive 2014/65/EU of the European Parliament and of the Council and related regulations, as well as Financial Instrument Market Law of the Republic of Latvia (hereinafter - “the Law”).

1.1.3. The Policy applies to clients to whom the Bank has granted the Private (non-professional) or Professional Client’s status.

1.1.4. The Bank is obliged to act honestly, fairly and professionally, considering the Client's interests. In connection with execution of the Orders, the Bank is obliged to take all necessary measures to ensure the best possible result for the Client. The Policy applies to:

1.1.4.1. execution of the Client’s Orders by the Bank;

1.1.4.2. Bank’s acceptance of the Client’s Orders and forwarding them to the Counterparties for execution;

1.1.4.3. when the Bank accepts the Orders from the Clients’ Counterparties for the execution.

When accepting the Client's Order for execution, the Bank shall execute it in accordance with this Policy, unless the Client has given specific instructions regarding the manner of execution of its Order.

1.1.5. Prior to the conclusion of an Agreement and provision of the investment services the Bank informs the Client about the Policy. The Client must get acquainted with provisions of this Policy. Investment services may only be provided to the Client if the Client agrees with this Policy. It shall be considered that when the Client submits the Order to the Bank it has become acquainted with the Policy and agrees with its terms and conditions.

1.1.6. The Bank shall provide the Client with an accurate reply in regard to the Policy within a reasonable period of time, if the Client has submitted to it reasoned and corresponding requests for information on the Policy or Order execution order and the manner of their revision.

1.1.7. Upon receipt of a reasoned request from the Client, the Bank shall provide the Client with information on the Order execution venues where the Client's Orders have been sent or placed.

1.2. **POLICY UPDATING**

1.2.1. The Bank shall review the Policy and related internal regulations of the Bank when substantive circumstances arise which may affect the Bank’s ability to apply the Policy in accordance with regulatory requirements, but at least once a year. The Bank constantly monitors whether the selected order execution venues enable the Bank to achieve the best possible results. The Policy shall be reviewed by the Board of the Directors and approved by the Supervisory Board.
1.2.2. The Policy is publicly available document and the Bank is entitled unilaterally and without prior notification to execute amendments to the Policy, as well as if changes in the regulations and Bank’s internal regulatory documents have been made.

1.3. OBJECTIVES OF THE POLICY

1.3.1. To define the approach for the execution of the Clients’ Orders, including the acceptance of the Client’s Orders by the Bank and forwarding them to the Counterparties for execution;

1.3.2. To establish the procedure for merging and splitting of the Clients’ Orders;

1.3.3. To establish selection criteria for the Counterparties;

1.3.4. To define the principles to ensure the best possible result and its assessment factors.

1.4. USED TERMS AND ABBREVIATIONS

Terms that are not defined in this Policy are used according to the Financial Instrument Market Law of the Republic of Latvia.

Financial Instruments financial instruments, which are stated in the Law.

Client is a legal or natural person (resident or non-resident) who the Bank provides or plans to provide with investment services and ancillary investment services.

Client’s interests is the best Financial instrument price (in a selling Order it is the highest price; in a buying Order it is the lowest price), the fees related to the execution of the Order, the speed of execution of the Order, the possibility and security for executing the Order and its settlement, avoidance of possible losses and other transaction risks, the volume of the transaction, specific characteristics and other factors to be considered in the process of executing the Order.

Agreement is an agreement which is being concluded between the Client and the Bank for provision of the investment services and ancillary investment services or an agreement on transactions in financial instruments on the exchange market.

Total Price of the Service is the price of the Financial Instrument and all the costs related to the execution of the Order and other costs of the Client related to the execution of the Order, including the execution venue payment, settlement payment, as well as payments for other persons involved in the execution of the Order.

Counterparty is a legal person which is entitled to provide intermediary services related to transactions with Financial Instruments and with which the Bank has established business relations for holding Financial Instruments and/or for executing the Clients’ Orders, including depositories, credit institutions, brokers, investment companies, intermediaries, agents, etc.

Order is the expression of the will of the Client in respect of buying or selling of the Financial Instruments, based on which the Bank starts execution of the transactions with Financial Instruments.

For the purposes of this Policy, the "execution venue" means a regulated market, a multilateral trading facility (MTF), an organized trading facility (OTF), a systematic internaliser (SI), a market maker or other liquidity provider, or an institution, which performs functions equivalent to above mentioned in a third country.

For the purposes of this Policy, the "trading venue" means a multilateral trading facility (MTF), an organised trading facility (OTF).
2. **BASIC PRINCIPLES OF ORDER EXECUTION**

2.1. To ensure the best possible result of the transaction for the Client and to meet the Client’s Interests, the Bank considers the following factors when executing the Orders or accepting and submitting them for execution:

2.1.1. the Order’s amount, specific characteristics and effect on the market;
2.1.2. Total Price of the Service;
2.1.3. the possibility and speed of the Order execution and settlements;
2.1.4. other considerations that the Bank deems important.

2.2. When defining the role of the factors mentioned in Paragraph 2.1 of the Policy, the Bank considers the following criteria: the Client’s status, the type of the Client’s Order (including if the order is related to a securities financing transaction), the type of the Financial Instrument, the market situation and the possible venue for the Order execution.

2.3. The best result of the Order execution is mainly determined on the basis of the Total Price of the Service. However, in specific cases, for example, when the date of the Order maturity cannot be defined, several intermediaries may be involved in its execution, the best result can be achieved through the assessment of other factors mentioned in Paragraph 2.1 of the Policy if it does not contravene with the Client’s interests.

2.4. For private (non-professional) Clients the best possible result always shall be determined on the basis of the Total Price of the Service.

2.5. In the majority of cases when an Order corresponds to the standard market size and is executed on any of the execution venues, the Total Price of the Service shall be regarded as the most essential factor for establishing of the best possible result. In particular cases when the execution of an Order might affect the market price or the possibility and speed of Order settlements, the Bank is entitled to execute the Client’s Order as it deems necessary in order to achieve the best possible result for the Client.

2.6. For Professional Clients the best possible result shall be determined by applying the following factors: the size of an Order, the speed of execution, the security of settlements, the Total Price of the Service. Other factors of execution mentioned in Paragraph 2.1 of the Policy are as important as the aforementioned.

2.7. If the Client has given special instructions for execution of the Order in full or in any part of it, for example, for the placement of the Orders or the person to whom the Order is handed, the Bank follows the Client’s special instructions. In this case the Client is aware and agrees that when the Bank receives an Order with special instructions the Bank when executing the Client’s Order in conformity with the Client’s special instructions may not be able to secure the achievement of the best possible result as well as the compliance with the Client’s interests. For the part of the Order, which is not affected by the Client’s specific instructions, the Bank shall ensure the best possible execution result.

2.8. If the Client has given special instructions to the Bank referring to the execution of the Order (price, amount, settlement date, execution venue) and the Bank, having assessed them, has identified that the Client’s interests are not endangered, it is deemed that the parties have mutually agreed on the terms of the Order. By implementing this agreement, it is deemed that the best possible result has been ensured in relation to the Private (non-professional) and Professional Clients.
2.9. By an undertaking to ensure the best possible result for the Client, the Bank does not take upon itself more obligations than provided by regulations or agreed with the Client. However, such consent does not exclude a possibility that, due to the existence of particular circumstances, the best possible result for the Client may not be achieved.

2.10. Information related to specific classes of Financial Instruments is set out in Attachment No.1 to this Policy.

3. ORDER SUBMISSION, MERGING AND SPLITTING

3.1. The Client may submit an Order to the Bank by phone or on paper, via the Internet Bank or the trading platform. The aforementioned ways of submission include different processing procedures of the Orders necessary to be carried out before the Bank can start executing Orders, including a different registration procedure for received Orders. Therefore, the submission sequence of the Orders, by using different Order submission ways to the Bank, may not correspond to the sequence in which the Bank commences the execution of received Orders. If the Orders are received outside the market opening hours, they are usually executed when the opening hours on the relevant market resume.

3.2. The Bank ensures audio recording of telephone conversations with the Client during the submission of the Orders and uses such recordings as an evidence to prove the submission of the Orders and their content. The Client may request and the Bank is such case is obliged to provide the Client with the audio record of the Order.

3.3. The Bank processes the Clients’ Orders in a timely manner, effectively and fairly. The Bank processes the Client’s Orders in the sequence in which they have been received, unless the particularities of Orders or existing market conditions make execution impossible or the Client’s interests require a different course of action. A Private (non-professional) Client is informed in a timely manner of any significant difficulties influencing the execution of the Order. Financial Instruments or funds received as a result of transactions are immediately booked or transferred to the Client’s Financial Instruments account or the Financial Instruments cash account with the Bank.

3.4. Merger of the Orders:

3.4.1. In certain cases, upon the Bank’s discretion when the merger of several Orders allows the achievement of results that are better for a Client than if the Orders were executed individually, the Bank is entitled to merge the Orders of the Client with the Orders of other Clients or orders in the name of the Bank.

3.4.2. The Bank may merge the Orders with an order in its own name or with an Order of another Client only in cases when the merger of Orders will not be disadvantageous to the interests of the Clients whose Orders are merged, or when it is impossible to execute individually. However, exceptions cannot be excluded when the merger of a certain Order with others may cause losses to the Client.

3.4.3. The Bank may merge only the Orders which have the following matching parameters:
   3.4.3.1. Financial Instruments with an identical identification code (ISIN code),
   3.4.3.2. price,
   3.4.3.3. transaction type,
   3.4.3.4. planned settlement dates of transactions,
3.4.3.5. the Order is received before the first Order is executed.

3.4.4.4. Prior to the merger of the Client’s Order, the Bank informs each Client whose Order is to be merged of the planned merger of the Client’s Order with another Client’s/Bank’s order in its own name. The Bank notifies the Client that the merger may lead to potential losses with regard to the specific Order. If the Client does not agree to the merger of his/her/its Order with the Order of another Client/Bank’s order in its own name, he/she/it immediately notifies the Bank and in such case the Bank executes the Order individually. Otherwise, the Bank proceeds the execution of the Order and it is deemed that the Client has agreed to the Bank’s action. Henceforth the Client may not bring forward any claims in respect of the occurred merger of the Orders.

3.5. Terms and conditions for splitting of the results from the merged Orders:

3.5.1. If the Bank has merged Orders, the Bank splits the results of the executed transaction between the Clients whose Orders have been merged fairly and without discrimination. The result of a fully executed merged Order is allocated by the Bank pro rata to the amount of each individual Order. If a merged Order has been executed partially or in several transactions and at different prices, individual Orders of the Clients are arranged and executed sequentially according to their registration sequence, and each next individual Order is only executed after the previous Order is carried out, and in the scope, level left upon full completion of the previous Order. If the consent of all Clients whose Orders have been merged is received, the Bank is entitled to split the results of partially executed merged Order pro rata to the amount of individual Orders.

3.5.2. If the Bank has merged order in its own name with one or several Clients’ Orders, the Bank splits or re-allocates the respective transaction results without prejudice to Client’s interests, ensuring the Client with fair (pro rata to the amount of the Client’s Financial Instruments) allocation of the outcome of the merged executed Orders.

3.5.3. If the Bank has merged the Client’s Order with an order in its own name and the merged Order is executed partially, the Bank divides the results of the transactions in priority sequence: first for the benefit of the Client, then for the Bank. However, if the Bank is able to provide a reasonable evidence that without the merger the Order could not be executed at all or on such favorable terms, the Bank may apply the proportional division of results of the transaction.

3.6. If the amount of the Order submitted by a Client significantly exceeds the standard amount established in the market and its execution might affect the Client’s interests, the Bank is entitled to execute this Order in parts or in any other way that would ensure the best possible result for the Client. The Bank may divide the Order in respect of Financial Instruments traded on a regulated market, a multilateral trading facility (MTF) and/or an organised trading facility (OTF).

3.7. For the purpose of safeguarding the Client’s interests, the Bank may restrict the types of Orders available (for example, the Orders at the market price, restricting Orders) even though the respective execution venue of the Financial Instrument allows several other types of Orders, as well as to restrict and apply a shorter term of maturity than that of Orders available at the relevant execution venue.

3.8. If the Client’s limit order relating to the shares, which are allowed to be traded on a regulated market or trading venue is not executed immediately due to existing market conditions, the Bank shall, unless the Client expressly instructs otherwise, perform actions to facilitate as soon as possible execution of this order by making it immediately available publicly in a manner that is
easily available to other market participants (including by submitting the Client’s limit order to a trading venue).

4. **TRANSACTIONS WITH FINANCIAL INSTRUMENTS ON TRADING VENUE**

4.1. An essential part of the Orders received from the Clients is for Financial Instruments traded (quoted) on the trading venue, such as shares, bonds and standardized financial derivatives, i.e. options and futures.

4.2. Upon receipt from a Client of an Order on transactions with quoted Financial Instruments, the Bank ensures the following execution procedure:

4.2.1. The Order is promptly transferred for execution (including forwarded to the Counterparty) to the venue where the Bank deems the best possible result may be ensured for the Client (except for cases mentioned in Paragraph 2.7 and 2.8 of the Policy). In the majority of cases, in respect of the specific Financial Instrument the venue with the highest liquidity is deemed as the best Order execution venue.

4.2.2. If the amount of the Order submitted by the Client is commensurable with the standard amount in the market, the execution of the Order is ensured immediately as possible upon its receipt.

4.2.3. The Order is merged and split in accordance with the provisions laid down in Paragraph 3 hereof.

4.2.4. In individual cases, the Bank may execute the Client’s Order against the Bank’s portfolio or another Client’s Order at a price which reflects the market price and is nondiscriminatory between the Clients or the Client and the Bank.

4.2.5. If the Bank is not a member of a regulated market in which the Financial Instrument indicated in the Client’s Order is quoted, the Bank immediately upon receipt of the Order sends it for execution to a Counterparty, which is member of the relevant regulated market, applying the criteria of this Policy to the selection of the Counterparty.

5. **TRANSACTIONS WITH FINANCIAL INSTRUMENTS OVER-THE-COUNTER (OTC)**

5.1. The Bank may execute the Client’s Order outside the regulated market, multilateral trading facility (MTF), organised trading facility (OTF) only if the Client has agreed to it in the Agreement. If the Client has not agreed in the Agreement to the execution of Orders over-the-counter (OTC), the Bank informs separately the Client of such possibility prior to the execution of each Order. A note regarding the Client’s consent to the execution of the Order over-the-counter (OTC) is stated in each relevant Order.

5.2. A significant part of transactions over-the-counter (OTC) is executed by the Bank with the following Financial Instruments: bonds, other debt securities, structured products, shares of investment company funds, financial derivatives, etc.

5.3. After receipt of the Client’s Order for over-the-counter (OTC) transactions with Financial Instruments, the Bank ensures the following procedure:

5.3.1. In most cases, the Bank executes this type of Client’s Orders against the Bank’s portfolio at a price corresponding to the market price. The price is defined on the basis of prices available on the market for the respective Financial Instruments to the extent such reference prices are available. It is deemed that the Bank has fulfilled its obligations to ensure the best possible result for the Client if the Bank, when executing the Client’s Order against the Bank’s portfolio, determines a price for the Client that corresponds to the
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market situation, the Client agrees to the price and the Bank immediately executes the Order, except in cases when, considering variable market conditions and the time period between the price offer until its confirmation, the determined price has obviously become outdated.

5.3.2. In individual cases, the Bank may carry out the Order directly with a Counterparty or in relation to another Client’s Order at a price which reflects the market price and which shall not be discriminating between the Clients.

5.3.3. The Orders in respect of the shares of investment company funds that are not quoted on the regulated market the Bank transmits for execution to a corresponding investment company or through a relevant broker in accordance with the regulations of the particular investment fund.

5.3.4. Transactions with Financial Instruments or products which the Bank develops for each Client individually (e.g., development of an individual synthetic Financial Instrument linked to credit risk or a changing market parameter), if any, are subject to the conditions and price that have been agreed in negotiations with the Client. Since in such case the Bank and the Client enter into a bilateral agreement for the respective Financial Instrument, the Bank deems that it does not transmit the Order further and does not execute the Order on behalf of the Client. Therefore, this Policy does not apply to the cases mentioned in this paragraph.

6. VENUES FOR THE EXECUTION OF ORDERS

6.1. In certain cases (for example, in the case of transactions with currency derivatives), the Bank executes the Client’s Orders as a Client’s counterparty (in its own name), but in most cases the Bank accepts the Orders and submits them to the Counterparties for execution. The list of the Counterparties is available on the Bank’s website: https://www.rigensisbank.com/en/for-business/brokerage/List-of-counterparties-and-trading-platforms/

6.2. In order to ensure access to the venues for the execution of Orders, the Bank is entitled to establish direct business relationships with local and foreign stock exchanges or to use services provided by Counterparties to obtain access to other Order execution venues which are not directly accessible to the Bank.

6.3. The Bank involves Counterparties, which upon discretion of the Bank are able to execute the Orders in compliance with laws and regulations and the requirements of the Bank, to ensure the best possible results for Clients. Prior to establishing business relationships with the Counterparty, the Bank performs the process of due diligence of each Counterparty and verifies their compliance with the Bank’s internal regulations, including verifying the appropriate policies to be in force stipulating the procedure for obtaining the best possible result for the Client.

6.4. The Bank continuously monitors the quality of services provided through Counterparties and their ability to ensure the best possible result in the execution of Orders. In case the quality of the services provided via particular Counterparty deteriorates, the Bank takes decision on termination of the business relationship with particular Counterparty. When assessing the Counterparties, the following criteria are considered:

6.4.1. the Counterparty’s experience and reputation;
6.4.2. the speed and security of settlements;
6.4.3. the convenience of settlements;
6.4.4. the category of the Financial Instruments that the Counterparty is working with;

6.4.5. the pricing policy;

6.4.6. execution venues available to the Counterparty;

6.4.7. an understanding of the Clients’ needs and priorities;

6.4.8. information on the protection of investors and investments and asset recovery in case of the Counterparty’s liquidation or insolvency;

6.4.9. principles defined in the Counterparty’s order execution policy;

6.4.10. other important information on the Counterparty and services provided by the Counterparty, which can impact the Client’s interests.

6.5. For Order for a specific type of Financial Instruments, the Bank may choose that execution venue that the Bank deems to be the most suitable upon the Bank’s discretion to ensure the best possible result for the Client. When fulfilling such condition, the Bank observes the following:

6.5.1. The Bank chooses venues for Order execution according to the categories of Financial Instruments set out in Paragraph 4.1 and 5.2 of the Policy.

6.5.2. In order to determine the execution venue (including a regulated market, a multilateral trading facility (MTF), an organised trading facility (OTF)) for a specific Order, the Bank considers the following factors:

6.5.2.1. the price of the Financial Instrument;

6.5.2.2. transaction-related costs;

6.5.2.3. the security and possibility of settlements;

6.5.2.4. the availability of information;

6.5.2.5. the shortest course of the Order execution (the shortest possible access to the Order execution venue).

6.5.3. In order to identify the execution venue for a specific Order which is to be executed outside the trading venues (regulated market, a multilateral trading facility (MTF), an organised trading facility (OTF)), the Bank considers the following factors:

6.5.3.1. the price of the Financial Instrument;

6.5.3.2. transaction-related costs;

6.5.3.3. the security and possibility of settlements;

6.5.3.4. liquidity of the Counterparty.

6.5.4. The Bank can be chosen as the Order execution venue in the following cases:

6.5.4.1. the Order is executed outside the execution venues;

6.5.4.2. the offer price is not lower than the current market price;

6.5.4.3. the lowest transaction costs.

6.5.5. If an Order can be executed at the Bank, it is deemed that the Bank ensures the highest security of settlements and speed of the Order execution.

6.5.6. In case the Bank finds that the Order execution is possible in several equal venues, the Bank chooses the Order execution venue of the available Counterparty (the shortest time to respond to the request).
6.6. Some Financial Instruments may have only one Order execution venue. When executing Orders for transactions in such Financial Instruments, it is deemed that the Bank has ensured to the Client the best possible result.

6.7. The Bank regularly reviews the Order execution venues to ensure that it shall enable to achieve of the best possible result for the Clients.

6.8. When transmitting the Client’s Orders to the Counterparty, the Bank is responsible for the completeness and accuracy of the information thereby transmitted.

6.9. When the Bank transmits the Order to the Counterparty, it cannot control the entire process of execution, neither can it check the principles and conditions of performance which are indicated in the Policy. However, the Bank complies with the principles and rules laid down in the Policy by choosing such Counterparties, which in the Bank’s opinion, will carry out the execution of Orders to ensure the best possible results for the Clients.

6.10. The Bank collects and publishes on its website [https://www.rigensisbank.com/en/privatpersonam/brokerage/](https://www.rigensisbank.com/en/privatpersonam/brokerage/) each year for each category of Financial Instruments, information on the five largest execution venues and Counterparties (intermediaries) in terms of trade volume for all Orders executed or delivered as well as information on the quality of execution achieved. Reports on the five largest execution venues and the five largest Counterparties (intermediaries) to whom client orders have been sent for execution during the relevant period shall be prepared separately. The Bank shall also publish, for each category of Financial Instruments, a summary of the analysis and the conclusions it has drawn performing control of the execution quality at each of the execution venues, where the Bank executed all Orders in the previous year.

7. DISTURBANCES IN MARKET ACTIVITIES, SYSTEM DAMAGES AND OTHER DIFFICULTIES IN EXECUTION

7.1. In emergency cases when a break-down occurs in the Bank’s or systems related to the Order execution (including telephone communication) or if the market is disturbed and deviates from normal functioning, the Bank is entitled to resign from the provisions of this Policy, executing or transferring the Orders, considering its own and the Client’s interests. In such cases, the Bank implements all the necessary measures to achieve the best possible result for the Client and informs the Client individually as soon as possible, as well as places information on the website of the Bank if it shall be necessary.

7.2. If in the Bank’s opinion that an Order executed in such cases may significantly worsens the Client’s order execution result in comparison with an Order executed under normal conditions, prior to the execution of the Order the Bank contacts the Client in order to obtain a confirmation that the Client still wants to execute the Order. At the same time, the Bank publishes on its website a notice on technical disturbances, as well as on the elimination of technical disturbances and difficulties.

7.3. If the Bank has acted in good faith in execution of the Client’s Order, the completed transaction will be binding the Client even if before execution of the Order the repeated verification about the Client’s will to execute the Order has not been made.

8. DISCLOSURE OF INFORMATION

8.1. The Bank publishes the current version of the Policy and a Policy Summary specifically provided for the private Clients on its website [https://www.rigensisbank.com/en/](https://www.rigensisbank.com/en/). If the Policy is amended, it shall be published on the website at least 5 (five) business days prior to its entry into
force. The Client must get acquainted with the amendments and it may disagree with the new version of the Policy by sending a respective notice to the Bank within 5 (five) business days following the publication of the Policy through the means of communication as agreed in the concluded Agreement. In the event the Client disagrees with the Policy, the Bank shall be entitled not to accept Client's Orders.

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1. Equity securities

This category includes various shares, depository receipts, securitized financial derivatives.

Priority of the order execution factors:
(a) Price;
(b) Execution possibility;
(c) Volume;
(d) Speed;
(e) Costs;
(f) Other factors.

Ensuring best possible execution: In the majority of cases when executing the equity securities transactions, the obligation to ensure best execution is in force, especially when the Bank executes an Order in its own name on behalf of the Client (as agent) or in its own name as a riskless transaction (as riskless principal). Also, the Bank is obliged to ensure the best possible execution if the Client undertakes to execute a transaction which is not immediately executable and the execution can be booked in the Client’s account without having to re-agree with the Client on price, size or other factors. In such cases the Client authorizes the Bank to choose at its own discretion the method of execution and the specific terms and conditions of the transaction to be concluded. The Bank shall have the best execution obligation, for example, in respect of market orders and limit orders.

Partners selected by the Bank for execution of orders: AS KIT Finance Europe, PPF Bank a.s., RONIN EUROPE LIMITED, BANCA ZARATTINI & CO. SA and others.

2. Products traded on stock exchange

This category includes exchange traded funds (ETFs), exchange traded notes (ETNs), exchange traded commodities (ETCs), etc.

Priority of the order execution factors:
(a) Price;
(b) Execution possibility;
(c) Volume;
(d) Speed;
(e) Costs;
(f) Other factors.

Ensuring best possible execution: In the majority of cases when executing the equity securities transactions, the obligation to ensure best execution is in force, especially when the Bank executes an Order in its own name on behalf of the Client (as agent) or in its own name as a riskless transaction (as riskless principal). Also, the Bank is obliged to ensure the best possible execution if the Client undertakes to execute a transaction which is not immediately executable and the execution can be booked in the Client’s account without having to re-agree with the Client on price, size or other factors. In such cases the Client authorizes the Bank to choose at its own discretion the method of execution and the specific terms and conditions of the transaction to be concluded. The Bank shall have the best execution obligation, for example, in respect of market orders and limit orders.
Partners selected for execution by the Bank: RONIN EUROPE LIMITED, AS KIT Finance Europe and others.

3. Debt financial instruments

This category includes bonds, money market instruments including government bonds, debt securities with embedded derivatives, etc.
Priority of the order execution factors:
(a) Price;
(b) Execution possibility;
(c) Volume;
(d) Speed;
(e) Costs;
(f) Other factors.

Ensuring best possible execution: Usually, the Bank trades the bonds as a client counterparty (by executing transactions in its own name). In exceptional cases, for example, when dealing with large orders in relatively illiquid bonds, the Bank may execute the order as an agent. Pricing and execution of bond orders is a manual process. The market is characterized by indicative OVER-THE-COUNTER (OTC) prices.


4. Exchange traded Currency Derivatives

This category includes exchange traded currency derivatives: FX Futures and SWAP and other currency derivatives.
Most of the exchange currency transactions are executed by the Bank in its own name, however, in some cases the Bank may enter into these transactions in its own name as a riskless transaction (as riskless principal).

Priority of the order execution factors for FX Futures and SWAP in liquid financial instruments:
(a) Price;
(b) Speed;
(c) Volume;
(d) Costs;
(e) Execution possibility;
(f) Other factors.

Priority of the order execution factors for FX Futures and SWAP in illiquid financial instruments:
(a) Volume;
(b) Costs;
(c) Execution possibility;
(d) Price;
(e) Speed;
(f) Other factors.
For exchange currency transactions, the total price offered by the Bank includes transaction-related costs, i.e. the price considers, among other factors, the currency and the volume of the order, liquidity, volatility and other market conditions. The price may also include a margin set by the Bank, which is added to cover business expenses. For these reasons, prices received by two or more different Clients at the same time may differ.

The best execution price flows are weighted against external and internal reference prices, where possible, to achieve consistent best possible execution. The fair value of various exchange currency financial instruments is calculated by observing the respective exchange rate and volatility curves of the particular instrument.