



Indemo SIA
Order Execution
Policy

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1. Definitions and explanations

Accounting department	The department of the Company and those employees within the Company who keep and are responsible for the accounting records.
Agreement	Agreement between the Investor and the Company for the provision of investment services and other ancillary services.
Bank of Latvia or BOL	The competent authority supervising investment services in the Republic of Latvia (https://www.bank.lv).
Board	Company's Board of Directors.
Cash account	A separate account with the Company for holding the Investor's funds.
Customer support department	The department of the Company and its employees who perform and are responsible for the daily information and technical servicing of Clients / Investors.
Company	Indemo SIA, a limited liability company registered and operating under the laws of the Republic of Latvia, registration No 40203401432, registered office at Mazā Nometņu iela 10-2, Riga, LV-1002, Latvia; an investment brokerage company licensed by the Bank of Latvia, which provides investment services and ancillary services to Investors through the Platform.
Ensuring the Best Execution	Best Execution is the obligation of the Company to take all reasonable steps to obtain the best possible execution result for the Investor when executing an Order or sending an Order to a third party for execution.
Execution venue	A venue where Orders submitted by Investor to the Company are executed.
Financial instruments account	A separate account with the Company for the holding of Notes owned by the Investor.
Investment accounts	Financial Instruments Account and Cash Account, combined and separately.
Investor or Client	A person registered and accepted as an Investor on the Platform in accordance with the Agreement.

Investor's Cabinet	Investor's personal workplace on the Platform.
Issuer	A special purpose vehicle (SPV) issuing Notes or other legal entity issuing and offering financial instruments to Investors.
Notes	Debt financial instruments issued by an issuer in different series, each series secured by and backed by a portfolio of credit claims.
Order	An application made by or on behalf of an Investor on the Platform to (i) purchase a Note or (ii) effect any other transaction under the Agreement.
Over-the-counter market (OTC)	Execution venue other than a regulated market, multilateral trading facility (MTF) or organised trading facility (OTF).
Platform	Websites created and operated by the Company, grouped under the domain name www.indemo.eu.
Policy	This Order Execution Policy.
Prospectus	A prospectus for any Note prepared and issued in accordance with applicable laws and regulations.
Trading venue	A regulated market, multilateral trading facility (MTF) or organised trading facility (OTF).
Working day	Any day on which banks are open in Latvia, except Saturdays, Sundays and public holidays.

2. Purpose of the policy and General rules

- 2.1. This Policy sets out the main principles and requirements for Best Execution for Orders submitted by Investors.
- 2.2. The Policy is an implementing instrument for the requirements of Directive 2014/65/EU of the European Parliament and of the Council, Regulation (EU) No 600/2014 of the European Parliament and of the Council, Commission Delegated Regulation (EU) 2017/565, the Law on Investment Firms and the Financial Instrument Market Law.
- 2.3. The Policy covers the following investment services provided by the Company in connection with Investors' transactions in Notes on the Platform:
 - (a) Execution of orders on behalf of the Investor;

- (b) Managing an Investor's portfolio of financial instruments.
- 2.4. In executing an Investor's Order, the Company's primary duty is to act honestly, fairly and professionally in the best interests of the Investor.
- 2.5. The Company shall publish this Policy on the Platform's website and shall ensure that Clients are made aware of it prior to the commencement of the provision of investment services.

3. Key principles for ensuring best execution

- 3.1. Indemo acts as an agent in the execution of an Order submitted by an Investor, i.e. Indemo executes the Investor's Order on behalf and for the benefit of the Investor at an Execution Venue by entering into a transaction with a counterparty. Indemo shall comply with the Best Execution Policy.
- 3.2. Where the Company has received specific instructions from the Investor relating to all or part of a submitted Order, the Company's compliance with those specific instructions shall be deemed to have complied with the Best Execution Policy.

4. Order execution factors

- 4.1. In order to ensure the best result, the Company are taking into account the following performance factors and their importance when executing an Order:
 - 4.1.1. the Execution venues to which Indemo has access and the prices offered therein;
 - 4.1.2. the total transaction costs, including fees and settlement costs at the Execution venue;
 - 4.1.3. speed of execution;
 - 4.1.4. likelihood of execution and settlement;;
 - 4.1.5. the size and nature of the transaction;
 - 4.1.6. the risks that may arise from the execution;
 - 4.1.7. any other circumstances that Indemo considers relevant.
- 4.2. In the execution of an Order submitted by an Investor who has been granted Retail Client status in accordance with the Company's Procedures for the *Classification of Clients and the Assessment of the Suitability and Eligibility of the Investment Product and Service*, the total consideration factor for the execution of the Order, namely the price of financial instruments and execution-related costs, shall be given priority for Best Execution. Other factors may only be prioritised if they contribute to the execution of the best total reward factor.
- 4.3. In executing an Order submitted by an Investor who has been granted professional client status in accordance with the Indemo's *Client Classification and Investment Product and Service Suitability and Suitability Assessment Procedures*, Indemo may select its own Order execution factors, taking into account:

- 4.3.1. the specificities of financial instruments;
 - 4.3.2. the nature of the Investor's Order;
 - 4.3.3. the specific features and circumstances of the Execution venue;
 - 4.3.4. other circumstances that the Company considers relevant.
- 4.4. The Company may deviate from the priority of the factors set out in paragraphs 4.1 to 4.3 where the execution of an Order involves a large Order, an Order the subject of which is an illiquid financial instrument, a significant market disruption which makes the execution of the Order as such the most important, or a market impact of the execution which, taken together or separately, prevents the Company from complying with the general execution principles set out in this section.

5. Choice of execution venue

- 5.1. Taking into account the specific nature of Notes as an investment product, which means that Notes are illiquid instruments not listed on any Trading venue, the Company executes Orders on the Platform on an OTC basis, without using other Execution venues and without involving other counterparties.
- 5.2. The Company shall publish the information specified in Clause 5.1 on the Platform in fulfilment of the requirement to publish the principal Execution venues where Orders are executed.
- 5.3. When executing Orders in the OTC market, the Company shall verify the fairness of the prices offered by analysing the market data used to estimate the price of the product and, where possible, comparing it with data for equivalent investment products.

6. Disruptions in the execution venue

- 6.1. In the event of any disruption on the Platform operated by the Company, the acceptance and execution of Orders in accordance with the requirements of the Policy may become impossible. In this situation, the Company shall take all reasonable steps to otherwise achieve the best result for the Investor.

7. Consolidation or splitting of Investor Orders

- 7.1. The Company may, when executing an Order, combine it with an Order of another Investor, provided that the combination of Orders does not place the Investor at a disadvantage.
- 7.2. The cost of an executed Order that has been aggregated is allocated on the basis of the average price. If the Order that was aggregated was partially executed, the costs shall be apportioned in proportion to the volumes of the Orders concerned.
- 7.3. If the Company, when executing an Order, combines it with an Order of another Investor, it shall inform the Investor in advance that his/her/its Order will be combined with the Order of another Investor, and as a result, this may cause losses to that Investor.

8. Disclosure of the Best Execution Policy

- 8.1. The Company shall publish on the Platform website once a year a summary of the Order Execution Quality Assessment, which shall include information on:
 - 8.1.1. differences in the execution of Orders for different categories (statuses) of Investors and how this affected the execution of Orders;
 - 8.1.2. commitments, close relationships, conflicts of interest in relation to the Execution venue where the Orders were executed;
 - 8.1.3. factors such as price, cost, speed, likelihood of execution and other considerations, including quality factors, which were given priority in the execution of Orders;
 - 8.1.4. the data and tools used by the Company to contribute to the quality of execution;
 - (a) where, in executing an Order of an Investor with Retail Client status, execution factors other than execution price and cost were given preference and how the choice of these factors contributed to the best total return factor;
 - (b) other relevant information on performance as required by Commission Delegated Regulation (EU) 2017/576.

9. Policy Implementation, Control and Amendments

- 9.1. The Policy and any amendments thereto shall be approved by the Board.
- 9.2. The Board of Indemo shall monitor the implementation of the Policy and the compliance of the Order execution process with the Policy.
- 9.3. The Policy shall be reviewed at least once a year, as well as in the event of amendments to regulatory enactments (including regulatory enactments of the Bank of Latvia) or in the event of changes in the Company's operations that affect this Policy. The Board shall be responsible for reviewing this Policy.

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