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 Skanstes iela 50, Riga, LV-1013, Latvia, Latvia; an investment brokerage company licensed by the Latvijas Banka, 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	The venue where the Orders submitted by the Investor are executed, namely, the Platform managed by the Company.
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 or Note	Debt financial instruments issued by the Issuer in different series, each series linked to or being backed by 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 or Over-the-counter or 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.

2.6. The Policy applies to Clients who have been granted Retail Client or Professional Client status. The Policy does not apply to Eligible Counterparties, unless otherwise specified.

3. Key principles for ensuring best execution

3.1. When executing an Order submitted by the Investor, the Company acts as an agent, i.e. the Company executes the Order on behalf of and for the benefit of the Investor at the Execution Venue – the Platform managed by the Company – on an Over-the-Counter basis. The Company is obliged to comply with the duty of Best Execution.

3.2. If the Company has received specific instructions from the Investor relating to the entire submitted Order or part thereof, by executing such instructions the Company shall be deemed to have complied with the duty of Best Execution. In such cases, the duty of Best Execution is considered fulfilled with respect to those aspects of the transaction to which the Investor's instructions apply. For the remaining aspects of the transaction, the Company shall apply the principles set out in this 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 prices available at the Execution Venue;

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. When executing an Order submitted by an Investor who has been granted Retail Client status in accordance with the Company's *Client Classification and Investment Product and Service Suitability* and *Appropriateness Assessment Procedures*, priority in ensuring Best Execution shall be given to the total consideration factor for the execution of the Order, namely the price of the financial instruments and the

execution-related costs. Other factors may only be given priority if they contribute to achieving the best total consideration 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. market conditions and other circumstances that the Company considers relevant.

4.4. The Company may deviate from the priority of the factors set out in Clauses 4.1 – 4.3 if the execution of the Order involves a large-scale Order, an illiquid financial instrument, or if significant market disruptions have occurred that make the execution of the Order or its market impact the most important factor. In such cases, the Company shall document the justification for changing the priority of the factors.

5. Choice of execution venue

5.1. Taking into account the specific nature of Notes as an investment product, namely that they are illiquid financial instruments not listed on any Trading Venue, the Company executes Orders solely on the Platform managed by the Company on an Over-the-Counter basis, without using other Execution Venues and without involving other counterparties.

5.2. The Company shall publish on the Platform the information specified in Clause 5.1, thereby fulfilling the regulatory requirement to disclose Execution Venues. The information shall be updated in accordance with the requirements of the applicable legal acts.

5.3. When executing Orders on an Over-the-Counter basis, the Company shall verify the fairness of the prices offered by using the following methods:

5.3.1. comparison with data of equivalent financial instruments, where such data is available;

5.3.2. estimation of the product price using market data available to the Company.

6. Disruptions in the execution venue

6.1. In the event of technical or operational disruptions on the Platform managed by the Company, which may render the acceptance or execution of Orders in accordance with the requirements of this Policy impossible or limited, the Company shall take all reasonable measures to otherwise achieve the Best possible result for the Investor.

6.2. In such situations, the Company shall:

6.2.1. immediately inform Investors about the disruptions via the Platform and/or any other available communication channel;

6.2.2. assess the possibility of processing Orders manually or postponing their execution until the Platform is restored;

6.2.3. document the decisions taken and actions performed in the incident register;

6.2.4. after the restoration of the Platform, ensure the execution of Orders as soon as possible, in compliance with the principle of Best Execution.

6.3. The Company shall analyse such disruption cases and, where necessary, implement additional controls or technical solutions to reduce the risk of recurrence.

7. Consolidation or splitting of Investor Orders

7.1. When executing an Order, the Company may combine it with another Investor's Order if it is reasonable to do so and provided that the aggregation does not, overall, place any Investor at a disadvantage. The Company shall ensure that, as a result of the aggregation, all Investors are equally protected in accordance with the principle of Best Execution.

7.2. The costs of an aggregated Order shall be allocated on the basis of the average price. If the aggregated Order is executed only in part, the costs shall be apportioned in proportion to the volumes of the respective Orders.

7.3. Before aggregating Orders or transactions, the Company shall inform each Investor whose Order is to be aggregated with another Investor's Order that such aggregation may entail certain risks or losses in relation to the specific Order. The Investor has the right to refuse the aggregation of the Order.

8. Disclosure of the Best Execution Policy

8.1. Once a year, the Company shall publish on the Platform's website a summary of the Order Execution Quality Assessment in accordance with the requirements of Commission Delegated Regulation (EU) 2017/576 . The summary shall include at least the following information:

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, or conflicts of interest that may be related to the Execution Venue where the Orders were executed;

8.1.3. the factors (such as price, costs, speed, likelihood of execution, and other quality considerations) that were given priority when executing Orders;

8.1.4. the data and tools used by the Company that contributed to the quality of execution;

8.1.5. cases where, in executing an Order of an Investor with Retail Client status, priority was given to execution factors other than execution price and costs, and how the choice of these factors contributed to achieving the best total consideration factor;

8.1.6. other relevant information on execution 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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