



AS TWINO Investments

Client Order Execution Policy

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Responsible Department: Product Development Department

Responsible Officer: Anna Laiviņa

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TABLE OF CONTENTS

1. DOCUMENT DATASHEET	2
Document versions	2
Document authors	2
Terms and Abbreviations	2
2. SUMMARY	4
3. INTRODUCTION	4
What is the Policy?	4
Why was the Policy created?	4
For whom is the Policy intended?	4
When should the Policy be revised?	4
Who revises and approves the Policy?	4
4. PURPOSE	4
5. TYPES OF ORDER EXECUTION - KINDS OF ORDERS	5
6. EXECUTION OF ORDERS ON BEHALF OF CLIENTS - MANUAL ORDER EXECUTION	5
7. EXECUTION OF ORDERS ON BEHALF OF CLIENTS - AUTOMATED ORDER EXECUTION	6
8. EXECUTION OF ORDERS ACCORDING TO CATEGORY OF FINANCIAL INSTRUMENT	8
9. BEST EXECUTION PROOF OF QUALITY	9
10. MARKET OR TRADING SYSTEM DISRUPTIONS	10
11. MERGING AND SPLITTING ORDERS	10
12. ROLES AND DUTIES	10

1. DOCUMENT DATASHEET

DOCUMENT VERSIONS

	V. 1.0	V. 1.1	V. 1.2	V. 1.3	V. 2.0
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TERMS AND ABBREVIATIONS

Compliance Laws, Regulations and Standards	Regulatory enactments applicable to the operations of TWINO, standards pertaining to TWINO activities as determined by internal regulatory units, codes of professional conduct and ethics, and other standards of best practice pertaining to TWINO activities.
Over-the-Counter (OTC) Trading	Trading not taking place at an organised venue – the regulated market, an organised trading system or a multilateral trading system.
Financial Instrument	Any financial instrument mentioned in Section 3 Paragraph Two of the Financial Instrument Market Law that is available for purchase on the Platform.
Execution Venue	The venue where the Client's orders are executed.
Client	An individual or legal entity that has concluded a Financial Services Agreement with TWINO.
Best Execution	The requirement to ensure that Client orders are executed in accordance with provisions for attaining the best possible performance on the primary market for the Client.
Council	The supervisory body of TWINO.
Platform	The website having domain name www.twino.eu, where individuals and legal entities may open financial instrument accounts and conduct operations with Financial Instruments available for trading.
Policy	This Client Order Execution Policy.
Private Client	A Client not classified as a Professional Client or Eligible Counterparty in accordance with the Policy for Determining Client Status and Appropriateness of Investment Services and Ancillary Investment Services, or the Procedure for Determining Client Status and Appropriateness of Investment Services and Ancillary Investment Services.

Professional Client	A Client assigned Professional Client status in accordance with the Policy for Determining Client Status and Appropriateness of Investment Services and Ancillary Investment Services, or the Procedure for Determining Client Status and Appropriateness of Investment Services and Ancillary Investment Services.
Order Execution Tool	The Client may submit orders only electronically, via their user profile. The TWINO automated Order Execution Tool ensures successful execution of such orders if the Client's Investment Account holds sufficient funds to acquire the relevant Financial Instrument or to subscribe for (reserve) securities. The Client is informed in their Client Profile whether an order has been executed successfully. The Information Technology Department is responsible for developing the tool, and the Product Development Department is responsible for its implementation. The Legal Department and the Risk Management Department are responsible for compliance with the requirements of the Financial Instrument Market Law.
Execution of Orders on behalf of Clients	An activity performed in order to conclude an agreement to purchase or sell one or more Financial Instruments on behalf of Clients, and entailing the conclusion of agreements on the sale of issued Financial Instruments at the time of issue.
Trading Venue	Over-the-Counter trading site (OTC) twino.eu.
Regulation (EU) No 600/2014	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
Regulation (EU) No 2017/565	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.
TWINO	AS TWINO Investments, a company registered in Latvia, having unified registration number 44103143823.

2. SUMMARY

This Policy provides the reader with an overview of the execution of Client orders for transactions in Financial Instruments on behalf of the Client, and explains the procedure of executing orders pertaining to subscriptions for equity securities. The document provides sufficient overall detail to acquaint the reader with the differences among ways of executing Client orders, provisions for execution and exceptions.

3. INTRODUCTION

WHAT IS THE POLICY?

3.1. The Policy is a document describing the procedure for executing Client orders to purchase or sell Financial Instruments, or to subscribe for securities on behalf of Clients on the TWINO Platform.

WHY WAS THE POLICY CREATED?

3.2. The Policy was created in order to:

3.2.1. Fulfil requirements specified in Compliance Laws, Regulations and Standards, e.g. Regulation (EU) No 600/2014 and Regulation (EU) No 2017/565 and the TWINO Risk Management Strategy.

3.2.2. Ensure that Order execution on behalf of Clients and management of Client portfolios pertaining to transactions in all Financial Instruments which Clients may purchase, sell or subscribe for on the Platform.

FOR WHOM IS THE POLICY INTENDED?

3.3. The Policy is binding upon all TWINO employees responsible for executing Client orders related to all Financial Instruments, particularly the Product Development Department, as well as for Private Clients and Professional Clients.

3.4. The TWINO Product Development Department publishes the Policy on the TWINO website, where it is freely available to existing and potential Clients.

WHEN SHOULD THE POLICY BE REVISED?

3.5. The Policy is revised no less than once per year, or as necessary where recommendations are received from the Board, Council or Internal Audit, as well as cases where this is mandated by amendments to Compliance Laws, Regulations and Standards.

WHO REVISES AND APPROVES THE POLICY?

3.6. The Policy is revised by the TWINO Client Product Development Department.

3.7. The Policy is approved by the Board of TWINO.

4. PURPOSE

4.1. The purpose of the policy is to provide sufficiently detailed clarifications that Clients may easily understand, for how and in what manner TWINO executes Client orders:

4.1.1. On behalf of the Client for purchasing, selling, or subscribing for types of Financial Instruments (e.g. asset-backed securities or equity securities), and

4.1.2. The orders of other Clients, or the trading interests of TWINO itself.

4.2. The Policy ensures that:

4.2.1. Client orders are executed in accordance with provisions for attaining the best possible performance on the primary market for the Client, also known as Best Execution.

4.2.2. TWINO operates in a conscientious, fair, professional manner and fully observes the interests of Clients.

5. TYPES OF ORDER EXECUTION - KINDS OF ORDERS

- 5.2. TWINO provides two types of Order execution, or kinds of orders - manual and automated order execution, as detailed in Table 1.
- 5.3. The execution of manual orders on the TWINO Platform is denoted "Manual Investments" and the execution of automated orders is denoted "Auto-Invest".

		Primary Market		Secondary Market	
Financial Instruments /subscription options		Asset-backed securities	Subscription for equity securities	Asset-backed securities	Subscription for equity securities
		(Loan securities)	(Real estate securities)	(Loan securities)	(Real estate securities)
Types of order execution					
Manual Order Execution (Manual Investments)	Market order for purchasing/selling or subscribing for FIs	Yes	Yes	Yes	No
Automated Order Execution (Auto-Invest)	Client's special indications – order restrictions (including subscription)	Yes	Yes	No	No

Table 1

6. EXECUTION OF ORDERS ON BEHALF OF CLIENTS - MANUAL ORDER EXECUTION

- 6.1. Manual order execution is the execution of Client orders for Financial Instrument purchase/sale, or execution of Client orders for subscription for equity securities. To ensure that TWINO obtains the best possible performance for Clients in executing a Private Client's order for which the Client has not provided special indications, TWINO considers factors that enable best execution as expressed by total cost, including the price (nominal value) of a Financial Instrument and the expenses of executing the order. For more detailed information, please refer to the EXECUTION OF ORDERS ACCORDING TO CATEGORY OF FINANCIAL INSTRUMENT section.
- 6.2. The Client submits manual orders only electronically, via their user profile on the TWINO Platform. The Client is informed in their Client Profile whether an order has been executed successfully.
- 6.3. TWINO maintains an internal order pairing system to execute Client orders at market prices (the nominal value of a Financial Instrument, on the *primary market*), thereby regularly and systematically undertaking to pair transactions it executes, between a purchasing Client and the available price and volume of a Financial Instrument on the Platform, or between a purchasing Client and a selling Client.
- 6.4. Manual order execution to purchase Financial Instruments is possible on both the primary market and the secondary market. For more detailed information, refer to the Table 2 section.

	Primary Market	Secondary Market
Purchase and sale of asset-backed securities	<ul style="list-style-type: none"> - Yes, purchase is possible. - No, sale is not possible. - TWINO executes a Client's order as an agent, or risk-free counterparty, immediately and at market price (nominal value) as available on the Platform. 	<ul style="list-style-type: none"> - Yes, purchase and sale are possible. - The TWINO Order Execution Tool links Clients with sale and purchase interests which Clients state using the relevant section on the Trading Venue. If the purchase and sale interests of two Clients correspond, i.e. the prices stated by both parties for a given Financial Instrument are equal, the TWINO Order Execution Tool performs the following actions: <ul style="list-style-type: none"> o purchases the Financial Instrument from the Client expressing a sale interest. The transaction price is the same as stated by

	Primary Market	Secondary Market
		<p>the Client with the purchase interest and by the Client with the sale interest;</p> <ul style="list-style-type: none"> ○ sells the same Financial Instrument to the Client expressing a purchase interest. The transaction price is the same as stated by the Client with the purchase interest and by the Client with the sale interest; ○ ensures that TWINO is engaged in secondary market transactions as a risk-free counterparty.
Subscription for equity securities	<ul style="list-style-type: none"> - Yes, subscription for equity securities is possible. - The Client uses manual order execution and expresses to TWINO their desire to subscribe for equity securities by indicating the preferred number of shares, reserving available funds on the TWINO platform as necessary for purchasing the equity securities.¹ 	<ul style="list-style-type: none"> - No, subscription for equity securities is not possible.
Sale of equity securities.	<ul style="list-style-type: none"> - No, sale is not possible. 	<ul style="list-style-type: none"> - No, purchase and sale are not possible.

Table 2

7. EXECUTION OF ORDERS ON BEHALF OF CLIENTS - AUTOMATED ORDER EXECUTION

- 7.1. Automated order execution is the execution of Client orders for Financial Instrument purchase, or the Client's order for subscription for securities. This type of order execution applies to the special indications made by the Client, and TWINO will therefore execute Client orders only according to parameters approved and specified by the Client in the Investment section of the Platform, under Auto-Invest.
- 7.2. The TWINO automated Order Execution Tool ensures successful execution of such orders if the Client's Investment Account holds sufficient funds to acquire or to subscribe for the relevant Financial Instrument.
- 7.3. In accordance with the parameters approved by the Client, TWINO offers automated order execution (Auto-Invest) for the purchase of Financial Instruments or subscription for securities.
- 7.3.1. If the Client provides TWINO with specific indications on how all or part of an order submitted by the Client is to be executed, TWINO, in executing the Client's order, observes these indications, and is therefore assumed to have provided Best Execution pertaining to the relevant aspects of the activity to which the Client's specific indications apply.
- 7.3.2. If the Client's special indications do not span all aspects of a transaction, with regard to the part of the Client's order to which the specific do not apply, TWINO applies the Best Execution principles specified in the Policy.
- 7.4. If the Client has submitted specific indications pertaining to the purchase of Financial Instruments (asset-backed securities) and subscription for securities, TWINO will execute the Client's automated order of priority subscription for the securities (by reserving the securities).
- 7.4.1. Considering the special provisions bilaterally determined by the counterparties ahead of time, the execution of aforementioned orders by TWINO (subscription for securities) is more limited compared to the Client choosing only one category/type of Financial Instrument (e.g. asset-backed securities).
- 7.4.2. By providing specific indications pertaining to subscription for securities, the Client provides special references to some part or aspect of an order, which subordinates the execution obligations of TWINO pertaining to other parts or aspects of the Client's order, and the sequence thereof.

¹ The investment product will be issued if the total of subscriptions by willing investors covers the volume of the batch of shares of the relevant category

- 7.5. In executing Automated Client orders, TWINO observes the following provisions by executing comparable Client orders in order, and without delay, only if the peculiarities of the order or prevailing market conditions would not make it impossible to execute, or due for execution in some other manner considering the interests of the Client.
- 7.6. Automated order execution will not take place on the secondary market.

Selection factors		Priority, or sequence of processing automated order execution
Automated Order Execution (Auto-Invest)		
Asset-backed securities (Loan securities)	The Client creates an automated order for Loan securities pertaining to the loan securities of only one Issuer ² (on the Platform, the Client marks “Loan Securities” under Product Type and selects 1 country under Country, e.g. Poland)	<p>1) Interest rate factor. The loan securities of a single Issuer with higher interest rate are considered a higher-priority, with purchase being preferred accordingly. If various issues of loans from a single Issuer (country) are available on the Platform, the higher interest rate will take priority.</p> <p>2) FIFO (first in, first out) factor. The loan securities of a single Issuer with the earlier issue date are considered higher-priority, with purchase being preferred accordingly. If multiple batches of securities are available from a single issuer on the Platform, having been issued in different periods but at identical interest rates, Automated Order Execution will select the first issued batch of the securities placed on the Platform.</p>
	The Client creates an automated order for Loan securities pertaining to the loan securities of multiple Issuers (on the Platform, the Client marks “Loan Securities” under Product Type and selects 2 or more countries under Country, e.g. Poland and Vietnam)	<p>1) Interest rate factor. The loan securities of Issuers with higher interest rates are considered higher-priority, with purchase being preferred accordingly. If the securities (batches of loan securities) of multiple Issuers are available on the Platform, higher interest rates will take priority.</p> <p>2) Equivalent allocation factor. The loan securities of Issuers with higher interest rates will be allocated equivalently in the process of automated order execution, giving priority to the principle of equivalent allocation among different Issuers. If multiple securities are available on the Platform from various Issuers with identical interest rates, the principle of equivalence will apply, and the orders for purchase of such loan securities will be executed in equal proportions among the securities of various Issuers available on the Platform.</p> <p>3) FIFO (first in, first out) factor. The loan securities of an Issuer with the earlier issue date are considered higher-priority, with purchase being preferred accordingly. If multiple batches of securities are available from a single issuer on the Platform, i.e. having been issued in different periods but at identical interest rates, Automated Order Execution will select the earliest, i.e. first issued batch of the securities placed on the Platform.</p> <p>Example: The Client creates automated order execution for Loan Securities (called “Create Auto-Invest Portfolio” on the Platform) with an investment limit of EUR 1,000. The following Loan Securities are available on the Platform:</p> <ul style="list-style-type: none"> - Batch A of an Issuer’s Loan Securities (linked to a Loan Originator in a specific country - Poland) at an interest rate of 12% (issued 1 day ago); - Batch B of an Issuer’s Loan Securities (linked to a Loan Originator in a specific country - Poland) at an interest rate of 12% (issued 2 days ago);

² Loan securities are financial instruments backed by loans issued to a Loan Originator in a specific country, which itself issues loans to ultimate lenders such as private consumers.

Selection factors		Priority, or sequence of processing automated order execution
Automated Order Execution (Auto-Invest)		<ul style="list-style-type: none"> - Batch D of an Issuer’s Loan Securities (linked to a Loan Originator in a specific country - Vietnam) at an interest rate of 12% (issued 3 days ago); - Batch D of an Issuer’s Loan Securities (linked to a Loan Originator in a specific country - Vietnam) at an interest rate of 10% (issued 4 days ago); <p>In this example, Automated Order Execution will select the following batches of Loan Securities of these Issuers: A, B and C, because they have higher interest rates (12%). Considering that Loan Securities from 2 Issuers are available (linked to Loan Originators in different countries – Poland and Vietnam), Automated Order Execution will apply the Equivalent allocation factor, and EUR 500 of the Client’s funds will be invested in batches A and B of the loan securities of an Issuer (linked to a Loan Originator in a specific country - Poland). The remaining EUR 500 of the Client’s funds will be invested in batch C of the loan securities of an Issuer (linked to a Loan Originator in a specific country - Vietnam).</p> <p>With each subsequent batch of an Issuer’s legal entity, Automated Order Execution will apply the FIFO selection factor and invest in batch B of the loan securities of an Issuer (linked to a Loan Originator in a specific country - Poland) (before investing in batch A of the Issuer’s loan securities), and in batch C of the loan securities of an Issuer (linked to a Loan Originator in a specific country - Vietnam), considering that batch C is issued by an Issuer with a different Loan Originator – Vietnam). The remaining funds, if any, may be invested in batch B of the loan securities of an Issuer (linked to a Loan Originator in the aforementioned country of Vietnam), provided that the Client has provided such indications regarding an interest rate of 10%.</p>
Subscription for equity securities (Real Estate Securities)	The Client creates an automated order for Real Estate Securities of only one Issuer’s real estate securities (on the Platform, the Client selects “Real Estate Securities” under Product Type).	1) Automated Order Execution will execute investments according to the Client’s specific indications - “always invest available funds” or based on the investment limit specified by the Client.
Asset-backed securities (Loan securities) AND Subscription for equity securities (Real estate securities)	The Client establishes automated order execution for Loan Securities and Real Estate Securities.	1) Product type factor. Issuer products, or Financial Instrument categories, are assigned different transaction execution priorities. If various kinds of products from various Issuers are available on the Platform, Clients’ automated orders for reserving real estate securities will be considered high-priority and executed ahead of automated orders for purchasing loan securities. The interest rate, equivalent allocation and FIFO factors do not apply in this case because, considering the differences in the structure of the Financial Instruments, it would be difficult to determine and apply a single standard.

8. EXECUTION OF ORDERS ACCORDING TO CATEGORY OF FINANCIAL INSTRUMENT

8.1. TWINO provides the following information on each category of Financial Instrument in which it transacts on behalf of the Client based on the Client’s orders for transactions in Financial Instruments.

Financial Instrument Category	Asset-backed securities (Loan securities)	Equity securities (Real estate securities)
Order Execution		
Order execution venue:	Twino.eu	Twino.eu
Factors that determine the selection of trading venue for the relevant category of Financial Instrument and Best Execution	1) Client status. This refers to adherence to the Private Client or Professional Client category.	
	2) Fees. These include the price of a Financial Instrument and the distribution expenses of TWINO; 3) Other factors. These include cooperation with related companies and Loan Originators.	2) Fees. These include the price of a Financial Instrument and the distribution expenses of TWINO; 3) Other factors. These include cooperation with related companies.
Best Execution	For executing orders on behalf of a Private Client, the TWINO Order Execution Tool ensures Best Execution by considering the overall transaction cost, i.e. the price of a Financial Instrument and the costs of executing the order for each category of Financial Instrument.	
	For executing orders on behalf of a Professional Client, in determining the individual priorities of execution factors, the TWINO Order Execution Tool considers the price of Financial Instruments.	
	The obligation to accomplish the best possible performance in executing Client orders applies to all kinds of Financial Instruments. However, considering differences in the structure and kinds of Financial Instruments, it may be difficult to determine and apply a single standard and procedure for best execution.	
	For over-the-counter Financial Instruments, where the contractual relationship is specifically adapted to the circumstances of the Client and of TWINO, the best execution targets are incomparable to those of transactions where trading in Financial Instruments would take place at centralised execution venues, which TWINO does not provide.	
	TWINO has fulfilled the obligation of providing best performance (Best Execution) for the Client if TWINO has executed the order or specific aspect of the order considering the specific indications given by the Client as applicable to the order or the specific aspect of the order.	
Does TWINO place orders or forward Client orders for execution outside its Trading Venue?	No	
Can the Client place an order for a transaction in a Financial Instrument using other channels besides the Platform, such as an order relayed via phone?	No	

9. BEST EXECUTION PROOF OF QUALITY

- 9.1. The TWINO Financial Department annually publishes a summary for each category of Financial Instrument on the TWINO website, including an analysis and conclusions drawn from monitoring the quality of execution provided during the previous year.
- 9.2. TWINO ensures adherence to the duty of storing substantiating documents pertaining to transactions executed in its name, and to provision of services involving receipt, forwarding and execution of Client orders.

10. MARKET OR TRADING SYSTEM DISRUPTIONS

- 10.1. If TWINO systems sustain disruptions, such as faults or inadequate availability for technical reasons, the execution of the Client's orders in the manner specified in the Policy may prove impossible or inappropriate. In such cases, experts at the TWINO Product Development Department will take every reasonable measure to ensure the best performance for the Client in another way.

11. MERGING AND SPLITTING ORDERS

- 11.2. The TWINO Order Execution Tool will not merge two or more compatible trading interests into a single transaction, i.e. the Client's order will not be merged with the order of other Clients, or with a transaction executed in TWINO's name.
- 11.3. TWINO has the right to merge the Client's order with a transaction in its own name, or with another Client's order, only if:
- 11.3.1. the probability that the merging of orders or transactions would harm the interests of Clients whose orders are being merged is low;
 - 11.3.2. the merged order is being executed in part;
 - 11.3.3. If TWINO merges the Client's order with a transaction in its own name, and the merged transaction is executed in part, it will allocate the relevant transactions in order of priority, i.e. for the benefit of the Client first, followed by the benefit of the company.
- 11.4. TWINO does not conclude any agreements or *quid pro quo* arrangements with Clients or third parties regarding the allocation of Financial Instruments.
- 11.5. TWINO does not provide the allocation of Financial Instruments for the benefit of any Client as compensation for the Client's complaints or prior losses.
- 11.6. TWINO does not accept orders to purchase or sell a Financial Instrument on the secondary market prior to the allocation and issue of Financial Instruments.
- 11.7. TWINO does not specify the prices or volumes for Clients' purchases of Financial Instruments on the secondary market.
- 11.8. As soon as Clients subscribe to equity securities in full, the relevant Financial Instrument will not be available to other Clients. Reservation of Financial Instruments takes place on a first come, first served basis. In other words, oversubscription is not possible.

12. ROLES AND DUTIES

- 12.2. Clear allocation of roles and duties is an essential component of ensuring uniform, effective execution of Client orders.

Structural unit	ROLES	DUTIES
Board	Responsible for instituting the Policy – approves the Policy.	Ensures continuous, effective execution of Client orders.
Product Development Department	Monitors and controls execution of relevant Client orders.	Ensures that the requirements of compliance Laws, Regulations and Standards are observed during the execution of Client orders.
Financial Department	Performs the supervisory/reporting function.	Once per year, publishes a summary for each category of Financial Instrument on the TWINO website, including an analysis and conclusions drawn from monitoring the quality of execution provided during the previous year.

END OF DOCUMENT

TWINO

AS TWINO Investments
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Registered office: Terbatas iela 30, Riga, LV-1011, Latvia
Licensed and regulated investment brokerage company
Licence number: 06.06.08.720/536