Approved by TWINO Council

at the Council's meeting of 30.06.2022.

Minutes No. IBS-1-11/8/2022

AS TWINO Investments

Client Order Execution Policy

Scope

The objective of this Client Order Execution Policy is to ensure that TWINO obtains the best possible result when executing orders on behalf of its Clients.

Abbreviations and Terminology

Best Execution	The obligation to ensure that the Client's orders are executed on terms that are most favourable to the Client.
Client	A private individual or legal entity that has entered into a Financial Instrument account agreement with TWINO.
Compliance laws, regulations and standards	Any laws governing TWINO's operations, any standards associated with TWINO's operations set by self-governing structures, codes of professional conduct and ethics and other standards of good practice applicable to TWINO's operations.
Council	TWINO supervisory institution.
Eligible Counterparty	A Client, that is classified as Eligible Counterparty under the Policy Regarding Client Classification and Assessment of the Suitability and Appropriateness of Investment Products/Services.
Execution Venue	The venue where Client's orders are executed.
FCMC	Financial and Capital Market Commission.
Financial Instrument	The financial instruments specified in Article 3 (2) of the Financial Instrument Market Law.
Internal Regulations	Documents issued by TWINO that govern the operations of TWINO and individual TWINO departments or employees, e.g. policies, procedures, regulations and instructions.
Multilateral TradingFacility (MTF)	A trading facility that is organised by an investment brokerage firm, credit institution or a regulated market organiser and which, based on equivalent terms and conditions, serves the purpose of pairing third party orders for the purchase and sale of Financial Instruments, leading to a deal.
Order Execution Tool	Any Client's orders may be submitted only electronically via the user's profile. The TWINO automatic order execution tool ensures successful performance of such orders, provided the Client's investment account has sufficient funds for the purchase of the intended Financial Instrument. The Client is informed on successful performance of the order via his/her user's profile. The Information Technology Department is responsible for development of the tool whereas the Client Relations Department is responsible for its implementation. The Legal Department is in charge of ensuring compliance with the requirements of the Financial Instrument Market Law and compliance monitoring.
Over-the-Counter (OTC) Trading	Trading that is executed outside a trading venue – regulated market, organised trading facility or multilateral trading facility.
Platform	The website with the domain name www.twino.eu, where private individuals and legal entities can open Financial Instrument accounts and carry out operations with Financial Instruments placed on trading.
Policy	This Client Order Execution Policy.
Professional Client	A Client to whom the status of a Professional Client has been awarded under the

	Policy Regarding Client Classification and Assessment of the Suitability and Appropriateness of Investment Services and Auxiliary Services and the Procedure for Client Classification and Assessment of the Suitability and Appropriateness of Investment Services and Auxiliary Services.
Retail Client	A Client that is not a Professional Client or an Eligible Counterparty within the meaning of the Policy Regarding Client Classification and Assessment of the Suitability and Appropriateness of Investment Services and Auxiliary Services and the Procedure for Client Classification and Assessment of the Suitability and Appropriateness of Investment Services and Auxiliary Services.
Trading Venue	Over-the-Counter (OTC) trading site www.twino.eu.
TWINO	AS TWINO Investments.

General Provisions

1. This Policy is binding to all TWINO employees in charge of execution of Client orders regarding Financial Instruments.
2. When taking up employment with TWINO all employees are informed on this Policy by the Human Resources Specialist, and the Legal Department ensures unrestricted access to the Policy to all TWINO employees.
3. The Policy is equally attributable to Retail Clients and Professional Clients.
4. The Policy is elaborated in accordance with:

4.1. Financial Instruments Market Law;

4.2. 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;

4.3. 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.

5. TWINO Legal Department shall instruct the responsible Information Technology specialist to publish the Policy on TWINO's website, where it should be freely accessible to all existing and potential Clients.

Special Provisions

6. **Investment services and Financial Instruments covered by this Policy**

6.1. This Policy covers the following investment services offered by TWINO:

6.1.1. Execution of orders on behalf of the Client;

6.1.2. Client Portfolio management service;

6.2. The Policy is attributable to transactions in all Financial Instruments that can be purchased or sold on the Platform, namely, Asset-backed securities.

6.3. When dealing with the Clients, TWINO shall act honestly, fairly and professionally, in accordance with the best interests of its Clients, irrespective of whether this Policy is attributable to the execution of the particular Order.

7. "Best Execution" Obligation

7.1. When executing Clients' orders, TWINO will take all sufficient steps to obtain the best possible result or ensure the best execution to its Clients.

8. Client's specific instructions

8.1. Where the Client provides any specific instructions to TWINO regarding execution of the Client's order or any part of it, in executing the Client's order TWINO shall respect such specific instructions received from the Client and such compliance with the instructions will be treated as the satisfaction of the Best Execution obligation as regards the specific aspects covered by the Client' s instructions.

8.2. Where the specific instructions provided by the Client do not cover all transaction aspects, the principle of Best Execution set out in the Policy shall be applied to the part of the Client's order not covered by the special instructions.

9. Execution factors and their relative importance

9.1. All orders are executed by automated means. To ensure the best possible execution of Clients' orders, TWINO Order Execution Tool considers the following execution factors and their relative importance:

9.1.1. Price;

9.1.2. Transaction costs, including transaction charges and settlement fees applied by the Execution Venue;

9.1.3. Execution speed;

9.1.4. Effect of market liquidity on the likelihood of execution and settlement;

9.1.5. Transaction size and nature;

9.1.6. Any other considerations that are deemed relevant by TWINO.

9.2. When executing an order on behalf of a Retail Client, the TWINO Order Execution Tool determines the best possible execution, by taking into account the total transaction costs, namely the price of the Financial Instrument and the order execution costs. Other factors, apart from the direct price and cost considerations, might be given a higher relevance only insofar as such are of critical importance for ensuring the best possible execution, based on factors of importance for the Retail Client.

9.3. When executing an order on behalf of a Professional Clients, for determining the priority of individual executionfactors, TWINO Order Execution Tool considers the following criteria:

9.3.1. Characteristics of the Client's order;

9.3.2. Characteristics of the Financial Instrument;

9.3.3. Characteristics of the Execution Venues to which the order can be routed;

9.3.4. Oher circumstances which are found important by TWINO.

9.4. There might be cases when the Client's order may be executed manually and TWINO Client Relations Specialist may opt to deviate from the commonly applied priority of execution factors. Such circumstances may involve, e.g., cases when the Client submits large orders or orders regarding non-liquid Financial Instruments where relevance is given to such factors as e.g. certainty regarding likelihood of execution of the order and its market impact, or in cases when certain market circumstances e.g., serious market disorders do not allow TWINO to satisfy the provisions of the Policy.

9.5. When executing Clients' orders on the secondary market, TWINO Order Execution Tool brings together Clients with buying and selling interests accordingly specified by them in the respective section of the Trading Venue. Where the buying and selling interests of two Clients match, namely, the prices offered by both of them for a specific Financial Instrument are equal, TWINO Order Execution Tool performs the following actions:

9.5.1. Purchases the Financial Instrument from the Client with selling interest. The price of the transaction is the same as indicated by the Client with buying interest and by the Client with selling interest;

9.5.2. Sells the Financial Instrument to the Client with buying interest. The price of the transaction is the same as indicated by the Client with buying interest and by the Client with selling interest;

9.5.3. Ensures that TWINO participates in any secondary market transactions as a riskless counterparty.

10. Execution Venue

10.1. TWINO executes Clients' orders OTC.

10.2. When executing orders OTC, TWINO Order Execution Tool checks the fairness of the price proposed to the Client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

11. Market or trading system disruptions

11.1. In case of any disruptions of the market or TWINO systems e.g., technical breakdown or malfunction of TWINO systems, what makes execution of any Clients' orders in accordance with the procedure set out in the Policy impossible or inappropriate, TWINO Client Relations Specialists carry out all reasonably possible measures in order to obtain the best execution result for the Client otherwise.

12. Combining and splitting of Orders

12.1. TWINO Order Execution Tool may combine the order placed by one Client with orders of other Clients or TWINO dealing on its own account, in the absence of any indications that such combining oforders or transactions could be disadvantageous to any Client whose order is subject to such combination.

12.2. The Financial Instruments/cash acquired as the result of execution of the order shall be automatically divided among the Clients subject to such combination of orders, by considering the weighted average price of the specific Financial Instrument.

12.3. In case such combined order is executed only partially, the division of the Financial Instruments is determined pro rata the relative size of each order. Any orders placed on the secondary market cannot be executed partially.

12.4. Where the Client's order is combined with a transaction performed by TWINO on its own account and the combined transaction is executed only partially, the distribution shall be primarily carried out for the benefit of the Client.

13. Order Execution according to category of Financial Instruments

13.1. *Debt instruments – Asset-backed securities*

13.1.1. TWINO mostly executes Client orders in debt instruments as a riskless counterparty.

13.1.2. TWINO shall ensure the Best Execution obligation, in case:

13.1.2.1. The Client has committed to execute a transaction that cannot be executed immediately, by authorizing TWINO to choose the form of executing the order and specific provisions of the transaction at one's own discretion, by registering the transaction in the Client's account without any necessity to repeatedly approve with the Client the price, size, and other factors;

13.1.2.2. TWINO shall execute the order as an agent or riskless counterparty.

13.1.3. The priority of execution factors depends on the liquidity of the debt instrument:

Liquid instruments:	Non-liquid instruments:
a) price;	a) price;
b) size;	b) size;
c) speed;	c) speed;
d) likelihood of execution;	d) likelihood of execution;
e) costs;	e) costs;
f) other considerations.	f) other considerations.

13.2. Where possible, to ensure compliance with the Best Execution obligation on a regular basis, the Order Execution Tool compares the prices with external and internal references prices. The fair price of a Financial Instrument is determined automatically based on the prices of equal Financial Instruments, e.g. in terms of risk and maturity.

14. **Quality Proof of Best Execution**

14.1. Once a year TWINO Finance Department shall publish on the TWINO website a summary analysis and conclusions drawn by it when monitoring the execution quality ensured during the previous year.

15. **Allocation of Financial Instruments**

15.1. This section defines the principles that are respected by TWINO Order Execution Tool for the allocation of Financial Instruments at primary issue.

15.2. When allocating Financial Instruments, TWINO Order Execution Tool shall always act in the interests ofthe issuer and primarily follow the instructions provided by the issuer for the allocation of Financial Instruments.

15.3. When allocating Financial Instruments at primary issue, TWINO manages all potential conflicts of interest in accordance with the Conflict-of-Interest Management Policy and Procedure.

15.4. TWINO does not enter into any type of contracts or *quid pro quo* agreements with investors regarding allocation of Financial Instruments.

15.5. When allocating Financial Instruments, TWINO respects the following principles:

15.5.1. No contracts of any type are entered into with any investors regarding the potential routing of transactions to TWINO;

15.5.2. TWINO does not allocate a Financial Instrument in favour of any investor as a compensation for any Client's complaint or earlier losses;

15.5.3. TWINO does not accept any orders regarding sale or purchase of a financial instrument on the secondary market prior to allocation and issue of such financial instrument;

15.5.4. TWINO does not enter into any agreements with the Client regarding any potential consideration of that Client for the allocation of a future Financial Instrument in exchange for subscription to any current financial instrument issue;

15.5.5. TWINO does not determine the prices and the amounts of Financial Instruments that can be acquired by Clients in the secondary market;

15.5.6. As soon as Clients subscribe to a future Financial Instrument in full, the Financial Instrument is no longer available to other Clients. Any subscription to a Financial Instrument is carried out on first come, first served basis and no oversubscription is possible.

Follow-up and Monitoring

16. The Council is responsible for approving the Policy and any future amendments.

17. The Board is responsible for the implementation of the Policy.

18. TWINO Internal Audit Department shall periodically control the implementation of the Policy, in accordance with the Internal Audit plan approved by the Council.

19. TWINO Client Relations Department shall revise the Policy in case of any changes in the Compliance laws, regulations and standards that affect the procedure described in the Policy, however at least once every 12 (twelve) months and, if necessary, amend the Policy accordingly.