

**APPROVED**

by the Decision of the Board

of MACTE INVEST FM AB No. 20200915,

15th of September, 2020

**MACTE INVEST FM AB**  
**ORDER EXECUTION POLICY**

**1. GENERAL PROVISIONS**

- 1.1. This Macte Invest FM AB (hereinafter - the Broker), which has been granted a category B financial brokerage firm license, this Order Execution Policy (hereinafter - the Policy) seeks to establish general principles for the execution of Clients' orders in order to ensure the Client's best execution results.
- 1.2. The Policy has been prepared in accordance with the Commission Delegated Regulation (EU) 2017/576, as well as the Law on Markets in Financial Instruments of the Republic of Lithuania, the Resolution of the Board of the Bank of Lithuania "On Approval of Rules for Organizing Financial Brokerage Firms
- 1.3. By concluding transactions with the Broker or by giving an instruction for concluding a transaction on the Client's behalf, the Client agrees to the execution of the order on the terms and conditions set out in this Policy. There is no guarantee that the Broker will achieve best execution for every order, however, the order will be executed at the best price that can be reasonably expected having regard to information available to the Broker as of the moment of execution of the order. A failure to fulfil any requirement set out in this Policy does not provide grounds for any person to take action against the Broker or the Broker's employees.
- 1.4. In executing the Client's order the Broker must act in such a way as to achieve the best possible results for the Client. The requirement for carrying out transactions on best terms for the Client is applied to transactions of various types that are related to financial instruments such as shares, bonds, securities of undertakings of collective investment etc. specified in Article 3(15) of the Republic of Lithuania Law on Markets in Financial Instruments.
- 1.5. This Policy applies to both non-professional and professional Clients. The Policy does not apply to eligible counterparties that conclude transactions with the Broker unless an agreement on best execution has been reached with the counterparty. The Client concluding transactions with the Broker will be informed about the Client/investor category assigned to him.
- 1.6. This Policy applies to the provision of investment services by the Broker, i.e. execution of orders on behalf of Clients and provision of the financial instrument

portfolio management services when the Broker executes respective orders for financial instruments at his own discretion.

- 1.7. If the Client does not provide information or provides insufficient information on his or her knowledge and experience in the field of investment, the Broker shall issue a warning in writing to the Client or potential Client that the Broker is not in a position to determine whether the service or product envisaged is appropriate for them.. Such a warning may also be provided in a standardized form.

## **2. DEFINITIONS**

- 2.1. **Multilateral trading facility** shall mean a multilateral trading facility operated by a financial brokerage firm or a regulated market operator which, in accordance with non-discretionary rules, reconciles the intentions of third parties to buy and sell financial instruments leading to transactions in financial instruments.
- 2.2. **Financial instrument (s)** shall mean financial instruments as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania.
- 2.3. **Client** shall mean a natural or legal person who submits orders to the Broker or uses other investment services of the Broker.
- 2.4. **Regulated market** shall mean a permanently operating multilateral licensed system operated and / or administered by a market operator which facilitates the harmonization or coordination of the intentions of third parties to buy or sell financial instruments that give rise to transactions in financial instruments admitted to trading in this system and / or traded in accordance with the rules of the system.
- 2.5. **Joint order** shall mean an order that is formed by merging orders submitted to the account of several Clients and is executed as a single order.
- 2.6. **Passive order** shall mean an order entered into the order book that provided liquidity;
- 2.7. **Aggressive order** shall mean an order entered into the order book that took liquidity;
- 2.8. **Directed order** shall mean an order where a specific execution venue was specified by a Client prior to the execution of the order;
- 2.9. Other terms used in this Policy shall be understood as defined in the legal acts referred to in Clause 1.2 of the Policy.

## **3. CLIENT ORDER FORM AND METHODS OF SUBMISSION TO THE BROKER**

- 3.1. The Broker may accept orders personally from the Client or duly authorized representative in written form, via Client cabinet on MIWM (Macte Invest Wealth Management) platform, or verified e-mail of the Client. Clients may place orders via phone by calling from an authorized phone number during Broker's working hours,

but the Broker reserve the right to redirect the Client to other ways of placing orders (via Client cabinet or verified e-mail). Client's phone and e-mail shall be considered to be verified in case verification was done via Ondato software, and/or indicated in renewed KYC questionnaire and/or if phone and e-mail are present in Investment Service Provision Contract (hereinafter – Contract) signed by both Client and Broker.

- 3.2. In case the Clients' phone and e-mail were not identified via Ondato software, the Clients' phone and e-mail shall be identified via Broker's Registration platform, where Clients' phone and e-mail shall be confirmed by double confirmation system (identification passwords shall be sent by SMS to Clients' phone).
- 3.3. In case the Client's representative is not an executive according to the company's articles of association and approved by the Broker accordingly, the Client is obliged to fill an Annex to Contract or KYC questionnaire about each such representative. Additionally, Client needs to submit a Power of Attorney acceptable to the Broker, in case a Client's representative is not it's employee.
- 3.4. When the Client places orders via e-mail, and (or) phone, the Broker shall identify the Client according to the Client's name, surname and portfolio number, or Client identification code. Client's e-mail address which can be used for the submission of orders shall be provided in the Investment Services Provision Contract or additional e-mails that is indicated and verified in KYC questionnaire provided the Client places orders electronically. Client's name, surname and number of the Client's portfolio, or Client identification code must be specified in the e-mail. In case the Broker has agreed on accepting the order over the phone, it can be done only when the Client's name, surname, and number of the portfolio, or Client's identification code are identified. The Broker may request the Client to provide the Client's personal code, address, e-mail address, and other details for the additional identification.
- 3.5. Client places order through MIWM (Macte Invest Wealth Management) he identifies himself with the login credentials and is additionally verified while signing the order. In this case Broker does not need to additionally verify the Client.
- 3.6. The Broker shall assign the Client's portfolio number and identification code to the Client upon signature of the Contract.
- 3.7. Client portfolio number and identification code assigned to the Client shall have the same legal value as the signature(s) of the Client or its authorized person.
- 3.8. The client is aware and agrees that all calls of the Client by placing orders over the phone and other calls relating to the submission and execution of the orders with representatives of the Broker will be recorded and such records can be used to prove the fact of placing an order and content of the order.
- 3.9. The Client undertakes to ensure that the Client portfolio number and the identification code shall be known only to the Client and neither the Client nor his authorized persons will transfer them to third parties. In the event of a threat that third parties

may know the Client portfolio number (or) the identification code and it has become known to third parties, the Client undertakes to immediately notify the Broker about this in writing and arrive to the office of the Broker and submit a written request to change the number of the Client's portfolio and (or) identification number. The Broker upon receipt of this request shall cancel the number of the Client's portfolio and (or) identification code and provide with new ones. The Client having violated obligations laid down in this Article shall be responsible for all consequences thereof.

- 3.10. In the event of a threat that third parties may know the Client's portfolio number (or) the identification code and it has become known to third parties, the Client may submit a request to the Broker do not accept orders using the number of the Client's portfolio and (or) identification code. The request may be made orally (by calling a special recording phone number of the Broker) or on arrival at the Broker's office in writing. If the Broker receives a verbal request of the Client, the Client must, at the earliest opportunity, arrive to the office of the Broker and submit a request in writing. If the Client wants to resume the placing of orders to the Broker over the phone, the Broker shall assign to the Client a new number of the Client's portfolio and (or) identification code.
- 3.11. The Client must indicate to the Broker in the order:
  - 3.11.1. date and time of the order or investment decision (hours and minutes);
  - 3.11.2. the Client identification data;
  - 3.11.3. data identifying the Financial Instruments with which the transaction is entrusted;
  - 3.11.4. the content of the transaction (purchase, sale, exchange, tax-free transfer, etc.).

#### **4. CLIENT ORDER REGISTRATION AND CONFIRMATION**

- 4.1. All orders transferred by the Client to the Broker are registered in the Broker Order Registration Journal (Annex No. 1) (hereinafter – Journal).
- 4.2. The Journal is completed and processed in electronic form.
- 4.3. From the registered Client's order or investment decision to perform a transaction with the Client's Portfolio of Financial Instruments must be entered in the Journal:
  - 4.3.1. the date and time (hours and minutes) of making the order or investment decision;
  - 4.3.2. the Client identification data;
  - 4.3.3. data identifying the Financial Instruments with which the transaction is ordered;

- 4.3.4. the content of the transaction (purchase, sale, exchange, tax-free transfer, etc.);
  - 4.3.5. the employee of the Broker who registered the Client's order - a financial broker - must identify himself.
- 4.4. The Client orders are registered in the Journal in chronological order immediately, but not later than by the end of the business day.
- 4.5. Upon accepting Client's order to perform transactions with financial instruments, the Broker shall provide confirmation to the Client that the order has been accepted, allowing the Client to verify the details of the order (including the fact of ordering, moment of acceptance and other essential conditions of the order).
- 4.6. When accepting a spouse's order, it must comply with the following requirements:
  - 4.6.1. an order for Financial Instruments that are jointly owned by the spouses may be submitted only by both spouses, unless one of the spouses presents a power of attorney issued by the other spouse;
  - 4.6.2. the power of attorney of the spouse to enter into transactions or to transfer the rights to financial instruments admitted to trading on a regulated market and / or an Multilateral trading facility may be issued in a simple written form;
  - 4.6.3. the power of attorney of the spouse to conclude transactions regarding the transfer of other financial instruments or the restriction of rights to them must be certified by a notary;
  - 4.6.4. an order for Financial Instruments that are the personal property of the spouse may be submitted to the Broker only together with written evidence confirming the fact of personal ownership, except for the exceptions established by law.
- 4.7. List of authorized persons is provided in relevant annex to the Contract or KYC questionnaire. In case the Client wants to change and (or) expand the list of authorized persons to place orders on behalf of the Client, a new list of authorized persons together with authorization documents, has to be provided to the Broker.

## **5. CHANGES TO THE TERMS AND CONDITIONS OF THE CLIENT'S ORDER AND CANCELLATION OF THE ORDER**

- 5.1. The Client has the right to cancel his order given to the Broker before the Broker starts to execute the order or until a later time specified in the agreement with the Client.
- 5.2. The Client's order shall be cancelled by submitting a notification to the Broker, which allows to identify the cancelled order.

- 5.3. The Client's order shall be deemed cancelled from the moment of receipt of the notice on the cancellation of the Client's order by the Broker Company. Broker may reject the Client's cancellation of the order in case Broker has already started the execution of the order.
- 5.4. If the Client wishes to change the terms of the order, he must cancel the previous order and submit a new order in accordance with the general procedure established in the Policy.

## **6. EXECUTION OF ORDERS FOR THE BEST RESULT FOR THE CLIENT AND PLACE OF EXECUTION OF ORDERS**

- 6.1. When executing the Client's order and taking all sufficient actions to achieve the best result for the Client, the Broker shall take into account the following criteria:
  - 6.1.1. Client-specific characteristics, including the category of Clients to which it is assigned;
  - 6.1.2. Client order features;
  - 6.1.3. The characteristics of the financial instruments for which the transfer is made;
  - 6.1.4. The characteristics of the order execution venues for which the Client's order may be executed.
- 6.2. In executing the Client's order, the Broker will take account of both specific instructions given by the client and the following circumstances:
  - 6.2.1. prices for financial instruments in the markets and at trading venues where the Broker operates;
  - 6.2.2. costs of execution of the order including execution fees and settlement costs;
  - 6.2.3. speed of execution;
  - 6.2.4. likelihood of execution and settlements;
  - 6.2.5. size and type of the order;
  - 6.2.6. potential impact of the order on market prices;
  - 6.2.7. execution, counterparty and market risks;
  - 6.2.8. Client category;
  - 6.2.9. other considerations that are important in the Broker's or the Client's view.
- 6.3. The Broker normally executes orders in the following markets and venues, using the following methods:

- 6.3.1. regulated markets and trading venues outside the European Economic Area (EEA) that are equivalent to them;
  - 6.3.2. multilateral trading facilities and trading facilities outside the EEA that are equivalent to them;
  - 6.3.3. organised trading facilities and trading facilities outside the EEA that are equivalent to them;
  - 6.3.4. financial brokerage firms engaged in systemic trading and financial brokerage firms outside the EEA that are equivalent to them;
  - 6.3.5. alternative trading systems and electronic trading platforms;
  - 6.3.6. as part of execution of orders received from other Clients of the Broker;
  - 6.3.7. as part of conclusion of transactions with other financial intermediaries.
- 6.4. For the purposes of execution of clients' orders the Broker, acting in accordance with this Policy, selects trading methods, markets and venues which, in the Broker's opinion, allow achieving best possible results for the Client. Orders placed by the Clients can also be executed beyond the boundaries of a trading venue, i. e. outside regulated markets, multilateral trading facilities or organised trading facilities, provided that the Client had given an explicit prior consent to or an instruction for executing orders for certain financial instruments in this way. The Client may instruct the Broker to execute the order at a specific trading venue or not to execute the order at specific venues.
- 6.5. The Broker does not have the right to set or charge commission in a way that discriminates against certain execution venues.

## **7. EXECUTION OF ORDERS FOR VARIOUS CLIENT CATEGORIES**

- 7.1. Where the Broker executes an order for the benefit of a non-professional Client, the best execution is determined having regard to the total amount payable which consists of the price of the financial instrument and the costs related to the execution of the order or conclusion of the transaction, which costs include all the expenses that are incurred by the Client and are directly related to the execution of the order including any fees applied by the order execution venues, clearing and settlement charges and other fees/charges payable to third parties taking part in the execution of the order.
- 7.2. By default, non-professional Clients can trade with a 1:1 leverage only. During order execution the Broker is obliged to inform non-professional Client in a recorded written or oral form about all risks associated with the financial instrument Client is willing to trade, including the risk to lose the whole capital without obligation of Broker to compensate any losses to the Client.

- 7.3. In order to properly execute Clients orders and achieve best execution in cases when there are two or more competing trading venues at which the order may be executed, the Broker must assess and compare the results that would be achieved at each of these trading venues included in the Policy, having regard to the commission payable to the Broker and the execution costs incurred at each trading venue.
- 7.4. The best execution of orders placed by professional Clients is ensured when the Broker provides portfolio management and consulting services to the Client as well as when this is stipulated in the agreement concluded by and between the Broker and the Client. In executing professional Client's orders so as to achieve best execution, the Broker takes account of all the circumstances referred to in this Policy and seeks to execute the order at a trading venue at best possible price for the Client. In individual cases, other important circumstances may be taken into consideration (in addition to the price of the financial instrument) such as maintaining of confidentiality, impact of a high-value transaction on market prices in illiquid markets, intent to execute the order as soon as possible in rapidly changing market conditions etc. Where possible the Broker will assess the effects of all these factors in order to achieve the best execution for the Client in relevant circumstances.
- 7.5. The best execution is always achieved when the Broker provides the portfolio management services and executes orders for financial instruments. Where the Broker transfers such orders to other financial brokers for execution, the Broker will request that achievement of the best execution is ensured by such other financial brokers.
- 7.6. The best execution requirement will not be applied if the Client is looking for a competitive price and has opportunities for searching for alternative market prices; the Client will specify the price and the transaction will be carried out at the Client's risk.

## **8. ORDER EXECUTION CASES**

- 8.1. Where the Client instructs the Broker on how the order or any part thereof must be executed, the order will be executed according to the Client's instructions. In such a case it will be deemed that the best execution has been achieved. The Client's instructions may be related to the timing or the price of execution of the order. Any conditions not specified by the Client will be governed by this Policy. Orders that are placed for execution at a market price or at best price will be executed in a way so as to achieve best execution, except for cases where such execution is not possible due to current circumstances. In such situations the Broker will make every reasonable effort to notify the Client.
- 8.2. Unless the Broker and the Client have agreed otherwise, the Broker may split any order and execute it in parts either consecutively or simultaneously at various trading

venues. Where the best execution requirement is applied, such requirement will apply to the execution of each part or the order as a whole.

- 8.3. The Broker executes Clients' orders that are otherwise similar in the order of priority in which they were received, except for cases where this is not possible due to certain specified conditions of the order, market situation, or for other reasons.
- 8.4. If the Client has not indicated the term of validity of the order, unless the Broker and the Client have agreed otherwise at the time of order placement, such order will be valid until the end of the day of its placement. If an order was placed after the end of trading in a certain market, unless the Broker and the Client have agreed otherwise, such order will be valid until the end of the next day of trading in that market.
- 8.5. The Broker is not obliged to achieve the best execution for the Client if the price for a derivative financial instrument has been specified to the Client at the latter's request, or in other similar cases, or having regard to a trading relations test.
- 8.6. In order to achieve best execution for the Client, the Broker selects trading venues and third parties at his own discretion, having regard to technical feasibility of the venue/third party, prices for financial instruments, speed of order execution, fees applied by the execution venue, liquidity, terms of settlement, and information published by the venue or public information on transactions carried out with the third party (a list of trading venues is provided in the Annex to the Policy).

## **9. ORDER EXECUTION: SPECIFIC FINANCIAL INSTRUMENTS**

- 9.1. Shares (equity securities). The best execution requirement applies to the majority of shares-related orders. The Broker is also bound by the obligation of best execution when the Client places an order that cannot be executed immediately and which can be executed on the Client's account without requiring a re-confirmation of price, size or any other criterion from the Client. In such cases the execution method and specific conditions of the transaction are selected by the Broker at his own discretion. Order of execution priorities: price, likelihood of execution, size, speed, costs, other important considerations.
- 9.2. Non-equity securities (bonds, money market financial instruments). The Broker applies the best execution requirement in cases when the Client's order cannot be executed immediately, the Broker may select the execution method and specific conditions of the transaction at his own discretion, and the order can be executed on the Client's account without requiring a re-confirmation of price, size or any other criterion from the Client; or when the Broker is executing the order on behalf of the Client. Order of execution priorities for liquid non-equity securities: price, size, speed, likelihood of execution, costs, other considerations. Order of execution priorities for illiquid non-equity securities: size, price, likelihood of execution, speed, costs, other considerations.

- 9.3. Structured financial products. These are securities linked to financial instruments that are traded on an exchange; non-equity securities linked to financial instruments that are either listed or unlisted; other structured financial instruments. The best execution requirement applies in cases when the Client's order cannot be executed immediately and the order can be executed on the Clients' account without requiring a re-confirmation of price, size or any other criterion from the Client. In such cases the execution method and specific conditions of the transaction are selected by the Broker at his own discretion. Order of execution priorities: price, size, speed, costs, likelihood of execution, other considerations.

## **10. REPORTING TOP FIVE EXECUTION VENUES**

- 10.1. In order to enable the public and investors to evaluate the quality of the Broker's execution practices, the Broker shall annually publish the report on top five execution venues in terms of trading volumes for all executed Client orders per class of financial instruments. Relevant information shall be published in the format set out in Annex No. 3.
- 10.2. Information on the top five execution venues shall be provided separately for retail Clients and for professional Clients.
- 10.3. To prevent potentially market sensitive disclosures on the volume of business being conducted by the Broker, the volume of execution and the number of executed orders shall be expressed as a percentage of the Broker's total execution volumes and total number of executed orders in that class of financial instrument.
- 10.4. The report shall also include a summary of the analysis from detailed monitoring of the quality of execution obtained on the execution venues for each class of financial instruments. The summary shall include the following:
- 10.4.1. an explanation of the relative importance the Broker gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
  - 10.4.2. a description of any close links, conflicts of interests, and common ownership with respect to any execution venues used to execute orders;
  - 10.4.3. a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
  - 10.4.4. an explanation of the factors that led to a change in the list of execution venues listed in the Policy, if such a change occurred;

- 10.4.5. an explanation of how order execution differs according to client categorisation, where the Broker treats categories of Clients differently and where it may affect the order execution arrangements;
- 10.4.6. an explanation of whether other criteria were given precedence over immediate price and cost when executing retail Client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the Client;
- 10.4.7. an explanation of how the Broker has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
- 10.4.8. where applicable, an explanation of how the Broker has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

## **11. POLICY REVIEW**

- 11.1. This Policy is approved by the Board of the Broker. This Policy shall enter into force on the date of its approval, unless another date of entry into force is specified. This Policy may be revoked, amended and / or supplemented only by a decision of the Board of the Broker and shall enter into force on the day following the adoption of such amendments and / or additions.
- 11.2. The Broker reviews the Policy and the efficiency of measures securing its implementation on an annual basis. If any deficiencies are found, they are corrected immediately as far as possible. The review and the implementation measures must also be reviewed in cases of essential changes affecting the Broker's ability to achieve the best result for the Client.
- 11.3. At least once in a year, the Broker makes a review aimed at verifying that the order execution venues provided for in this Policy allow the Broker to achieve best execution for Clients and checking whether the order execution means require improvement.