

AN EXCERPT FROM JSC “RIETUMU ASSET MANGEMENT” IMC DEAL EXECUTION POLICY

Approved by the Board of JSC “Rietumu Asset Management” IMC, Minutes No.15, 20.11.2020

1. Basic terms and definitions

Business partner – a person who is entitled to provide investment services in accordance with “Financial Instrument Market Law” of the Republic of Latvia (Finanšu instrumentu tirgus likums) and to whom the Company submits orders for transactions.

Receiver of management services – an investment fund which is managed by the Company.

Trading Venue – the place of execution of client's orders.

2. Aims and objectives

- 2.1. With the aim to provide for the receivers of management services the execution of the Company's transactions on the financial markets ensuring the best possible result for the client *JSC “Rietumu Asset Management” IMC Deal Execution Policy* (further – the Policy) is developed.
- 2.2. In order to achieve the aim, the Company performs the following tasks:
 - defines the order of execution of deals, which are related to assets of receivers of management services;
 - regulates the obligations of the Company when executing orders of receivers of management services;
 - defines the conditions of best execution;
 - defines the regulations regarding trading venues;
 - defines the duties and responsibility of the relevant Company’s employees related to the implementation of this policy.

3. Terms of execution of orders

- 3.1. Orders on behalf of a Receiver of management services are executed immediately and precisely registered in the order register developed by the Company.
- 3.2. Orders of Receivers of management services are executed immediately in their submission order, if the particularities of the submitted order, the market conditions or the interests of the receivers of management services do not require different actions.
- 3.3. Cash or financial instruments, resulting from a deal are immediately in full amount transferred to the cash account or financial instruments account of the Receiver of management services.
- 3.4. The Company and persons related to the Company are directly liable for maintaining of confidentiality of client information at its disposal in accordance with the procedure prescribed in the internal laws of the European Union, the Republic of Latvia and the Company.

4. Aggregation of orders

- 4.1. The Company is entitled to aggregate client's order with other client's order or with the Company's own order for transaction. Orders can be aggregated only if there is no indication that aggregation of orders could have a negative impact on the interests of those clients on whose behalf these orders are aggregated.
- 4.2. If the Company executes a client order in aggregation with a transaction on own account, after the respective order has been executed the Company undertakes to ensure the fair allocation of the resulting assets in a way, which will not be detrimental to the client's interests.
- 4.3. If the Company aggregates a client's or several client's orders with a deal on own account and the aggregated order is only partially executed, the Company allocates the resulting assets primarily taking into account the

interests of the client. However, if without such aggregation the Company would not have been able to carry out the client order on such terms, or would not have been able to execute it at all, the result of the transaction is allocated proportionally.

- 4.4. If the order which is submitted on behalf of several clients is partly executed, then the Company allocates income between them proportionally, taking into account the interests of the clients.

5. Best execution

- 5.1. The obligation to deliver the best possible result to a receiver of management services applies in accordance with the requirements of legislation and taking into consideration the content and particularities of each transaction. The principle of obtaining the best possible result is not applicable in the following cases:
- if the client is not a receiver of management services;
 - in Spot FX transactions;
 - in transactions executed after the trading venues or the respective market has been closed.
- 5.2. In order to deliver the best possible result to a receiver of management services the Company takes into account the following factors:
- price of transaction;
 - amount of transaction;
 - speed of execution of the order;
 - likelihood and settlement of execution of the order;
 - size and specific of the transaction;
 - other factors related to the execution of the order.
- 5.3. When determining, which execution factors will have higher priority, the Company analyzes the potential transaction based on experience and the information available to the Company about the market situation, taking into account the following criteria:
- the type of the order;
 - the type of financial instruments involved;
 - the aim of the investments stipulated in the prospectus or management by-laws, risks and investment policy;
 - execution venues.
- 5.4. For the purposes of ensuring the best possible result for the receiver of management services, the Company defines the order of application of the factors of best execution for each individual Receiver of management services as the Company considers best for the respective receiver of management services and taking into account the prospectus and the requirements of legislation.
- 5.5. The Company assesses whether the principle of obtaining the best possible result has been satisfied with regard to a series of orders rather than with regard to each individual order.
- 5.6. If the Company transfers the client order for execution by a third party, the Company takes all reasonable steps to ensure the best possible result by taking into consideration the execution factors.

6. Rules of execution venues

- 6.1. Orders can be executed in and outside multilateral trading facility, and in and outside regulated markets. *JSC "Rietumu Asset Management" IMC List of Trading venues and Business partners for deals with financial instruments* is approved by the Board of the Company and it is published on the home page <https://www.rietumu.com/documents/english/ram/RAM-List.pdf>.
- 6.2. For particular financial instruments the Company can use one trading venues, and in such circumstance the Company will believe that best execution is delivered.