

POLICY FOR EXECUTION OF ORDERS IN TRANSACTIONS WITH FINANCIAL INSTRUMENTS

1. PURPOSE

- 1.1. AS "Industra Bank" has established a policy on how it executes Client Orders related to financial instruments (such as shares or bonds). This policy (also referred to as the Policy) helps ensure that Orders are executed with quality and with the best possible outcome for the Client. It also helps the Client understand how the Bank acts when providing investment services in accordance with the concluded agreement.
- 1.2. This Policy explains how the Bank executes Client Orders related to financial transactions, or how it forwards these Orders to other financial institutions for execution.
- 1.3. This Policy applies to both retail and professional Clients, but does not apply to Eligible Counterparties.
- 1.4. This Policy is binding for all Bank employees who serve Clients and conduct transactions involving financial instruments.

2. TERMS AND ABBREVIATIONS

Transaction	It is an agreement between two parties, where one party is the Client (or a person acting on behalf of the Client), and the other is any other involved party. This agreement may concern the purchase, sale, exchange, transfer, ordering, or redemption of a financial instrument, such as shares or bonds. A transaction may also involve any other activity with financial instruments related to the services provided by the Bank.
Financial Instruments, FI	These are various securities and contracts that can be traded. For example, they may include: • Shares - parts of a company that can be bought and sold; • Bonds - loans that companies or governments borrow from investors; • Investment fund units - certify that you have invested money in a collective fund; • Money market instruments - short-term financial assets with low risk; • Derivative financial instruments - contracts whose value depends on the price of other assets (e.g., shares or currencies).
Investment services	These are services that the Bank provides to the Client in connection with financial instruments. They may include: • Receiving and transmitting Client orders, such as to buy or sell financial instruments; • Executing these orders on behalf of the Bank, using the Client's funds; • Carrying out transactions on behalf of the Bank with the aim of buying or selling financial instruments;

	Other investment services as separately agreed upon between the Client and the Bank.
Client status	This is the Bank's method for assessing the Client's knowledge, experience, and understanding of transactions involving financial instruments. Based on this assessment, the Bank assigns the Client one of three statuses: Retail Client - a client with less experience or knowledge; Professional Client - a client with greater experience and understanding of financial markets; Eligible Counterparty - a special status that applies to certain professional market participants. This status is determined according to a policy developed by the Bank to ensure the provision of appropriate investment services.
Client	It is a natural person (an individual) or a legal person (e.g., a company) to whom the Bank provides or plans to provide investment services and/or related ancillary services.
Law	<i>Financial Instrument Market Law</i> of the Republic of Latvia
Retail Client	This is a Client who does not have sufficient knowledge, experience, or skills to make well-informed investment decisions independently or to fully understand the risks involved. Such a Client is neither a Professional Client nor an Eligible Counterparty.
Professional Client	The Client having the respective experience, knowledge and competence in order to take an investment decision independently and properly evaluate risks to be undertaken.
Order	Expression of will of the Client or its accordingly authorised person in relation to FI (to purchase, sell, transfer to another account, de-register, pledge), based on which the Bank initiates the execution of the Transaction
Cooperation Partner, partner	A legal entity that is authorized to provide intermediary services for transactions involving financial instruments and has been engaged by the Bank for the custody of financial instruments and/or for the execution of Client Orders related to transactions with financial instruments, such as depositories, brokers, credit institutions, investment companies, and similar entities.
Trade place	It is a place or system where trading of financial instruments takes place. It may include: - Regulated market - for example, a stock exchange; - Multilateral trading facility (MTF) - a platform where multiple buyers and sellers meet; - Systematic internaliser - a financial institution that regularly conducts transactions with clients outside of an exchange; - Market maker or liquidity provider - a participant that helps ensure there is always an opportunity to buy or sell financial instruments in the market.

Eligible Counterparty	This may include: • Investment brokerage firm, • Bank or other credit institution, • Insurance company, • Investment management company or investment fund • Pension fund and its manager, • Other financial institution operating under the laws of the European Union or the European Economic Area, • Government institutions managing public debt, • Central bank, • And other entities that have been granted Eligible Counterparty status under the law. This definition applies to professional market participants who hold a special status and do not require the same level of protection as Retail Clients.
Direct transaction	It is an agreement between the Bank and the Client for the purchase or sale of a financial instrument, where both parties agree directly. The Client accepts the price (quotation) and other terms offered by the Bank. Such a transaction is executed directly within the Bank.

3. GENERAL PROVISIONS

- 3.1. The Policy has been developed based on the Latvian Financial Instruments Market Law, as well as the European Union regulations – the MiFID II Directive (2014/65/EU) and the MiFIR Regulation (No. 600/2014). These legal acts set out how investment services must be provided and transactions with financial instruments must be carried out to ensure transparency, client protection, and fair market conduct.
- 3.2. The Bank is obliged to always act honestly, fairly, and professionally, with the Client's interests in mind. When executing the Client's Orders, the Bank must take all necessary steps to achieve the best possible outcome for the Client in each transaction.
- 3.3. When executing Client Orders, the Bank observes the following key principles:
 - 3.3.1. Public availability of the Policy on the website of the Bank <https://industria.finance>;
 - 3.3.2. The Bank monitors where Client Orders are executed (e.g., exchanges or other trading venues) and oversees the activities of its cooperation partners to ensure the provision of high-quality services;
 - 3.3.3. The Bank assesses whether the transactions are appropriate for the specific Client. If the transactions are not appropriate, the Bank sends a written warning to the Client;
 - 3.3.4. The Bank strives to ensure the best possible outcome for the Client in transactions with financial instruments. This is done by balancing the Client's benefits and costs, and in accordance with the requirements set out in the laws;
 - 3.3.5. The Bank ensures that data is processed, stored, and transmitted securely. This is done in accordance with Latvian laws, European Commission

- regulations (including the General Data Protection Regulation – GDPR), and the Bank’s internal rules;
- 3.3.6. Regular update of the Policy.
- 3.4. The Policy applies to the following investment services and related ancillary services:
- 3.4.1. when the Bank executes Orders on behalf of the Client;
- 3.4.2. when the Bank receives the Client’s Order and forwards it for execution to its Cooperation Partner;
- 3.4.3. when performing Direct transactions with the Client.
- 3.5. When the Bank receives the Client’s Order, it executes it in accordance with this Policy, unless the Client has provided specific instructions on how exactly the Order should be executed.
- 3.6. The Bank applies this Policy when executing Client Orders in transactions involving the following financial instruments:
- 3.6.1. Equities – shares, depositary receipts (ADR/GDR) and other securities, where the right to acquire or alienate transferable securities are corroborated.
- 3.6.2. Debt instruments – bonds and monetary market instruments;
- 3.6.3. Derivative financial instruments – financial contracts for difference, options, standard forwards sold at the trade venues, swaps, interest rate forwards and any other derivatives related to securities, currencies, interest rates or profitability, emission allowances or other derivatives, financial indices or financial ratios that can be settled by physical delivery or in cash.
- 3.7. The Bank accepts a Client’s Order for execution only if the Client has familiarized themselves with this Policy, agreed to it, and confirmed their agreement by concluding an Investment Services Agreement with the Bank.
- 3.8. When executing an Order, the Bank strives to achieve the best possible execution. This means that the Bank makes every effort to ensure the Client obtains the most favourable outcome. This process may vary, as the Bank considers various factors, such as the Client’s needs, the type of Order, and the market conditions in which the Bank operates.
- 3.9. . If the Bank has a reasonable basis to believe that the execution of a Client Order may result in non-compliance with applicable laws and regulations or market practices, or that there is insufficient liquidity in the market, the Bank may postpone the execution of the Order, informing the Client of the reasons for such postponement.
- 3.10. The Bank informs Clients of all significant changes to the Policy by posting the updated version on its website at www.industra.finance. This information is also available at all locations where the Bank provides investment and related services.

4. TYPES, CRITERIA, PLACES OF EXECUTION AND PROCEDURE FOR EXECUTION OF TRANSACTIONS

- 4.1. The Client may give the following Orders to the Bank:
- 4.1.1. Market Order – an instruction to buy or sell at the best price currently

available on the market. Such an Order is usually executed immediately or as soon as possible. The Bank executes this Order regardless of any price changes;

- 4.1.2. Limit Order – the Client’s instruction to carry out a transaction for a specified amount, but only at the price specified by the Client (e.g., a Stop Loss or Limit Order), or at a better price.

The Client may determine limited deadlines – i.e., to submit the Order, which is valid until the end of the trade day, when it was submitted (or until the end of the next business day, if the Order was accepted during weekend or during non-working hours of the Bank). the Order, which is valid until the date set by the Client. The Order, which is valid for an indefinite period of time or until cancellation thereof (which is determined by the Client). When the price of the financial instrument reaches the Client’s specified price, the Limit Order becomes a Market Order and is executed as an ordinary Market Order. When executing Market and Limit Orders, the Bank considers the following criteria:

- a. Price – market price or price specified in the Order, for which the Order is executed;
- b. Speed of execution – how quickly the Order is executed;
- c. costs – any costs that may arise from executing the Order in a particular way. If costs vary depending on the execution venue, the Bank will explain this so the Client understands the advantages and disadvantages;
- d. possibility of completing the transaction and settlement in full and on time;
- e. order size and type – e.g., if it is a non-standard transaction;
- f. Other factors – such as the Order’s potential impact on the market.

- 4.2. The Bank provides the Client with access to multiple venues for conducting transactions with financial instruments. A list of these venues is available on the Bank’s website: <https://industra.finance/en/investments/information-for-investors>. If the Bank does not have direct access to one of these venues, it uses the services of Cooperation Partners to ensure access.

- 4.3. When executing the Client’s Order, the Bank selects the trading venue from its Cooperation Partners that, in the Bank’s opinion, will provide the best possible outcome for the Client. The Bank may execute the Order outside a regulated market or multilateral trading facility, unless the Client explicitly indicates in the Order that they do not wish this.

- 4.4. If only one trading venue is available for a financial instrument, using this venue is considered the best possible solution for executing the Client’s Order.

- 4.5. The Bank executes Client Orders immediately and in the order they are received, unless the nature of the Order or market conditions prevent this, or if the Client’s interests require a different approach.

- 4.6. The Bank does not aggregate multiple Clients’ Orders into a single transaction. However, the Bank may aggregate a Client’s Order with its own Order if the following conditions are met:

- 4.6.1. Orders may only be aggregated if there is a very low likelihood that it will harm the Client whose Order is being aggregated;

- 4.6.2. before aggregation, the Bank informs the Client that such aggregation may cause losses in relation to the specific Order;
- 4.6.3. if the Bank aggregates its own transaction with the Client's Order, it allocates the transaction in a way that does not disadvantage the Client;
- 4.6.4. if the aggregated Order is only partially executed, the transaction is first allocated to the Client and only then to the Bank. If the Bank can reasonably demonstrate that, without aggregation, the Order could not have been executed as favourably or at all, it may distribute the proceeds proportionally.
- 4.7. If the Client submits an Order for shares traded on a regulated market and this Order is not executed immediately, then – unless the Client has indicated otherwise – the Bank takes necessary steps to execute the Order as soon as possible. This may include passing information to the market or submitting the Order to another trading venue.
- 4.8. If the Client specifies in their Order that the Bank itself is the venue where the Order must be executed, this is considered a specific instruction, meaning the Client has chosen a particular execution venue.
- 4.9. The Bank may conclude Direct Transactions or execute Orders against its own Portfolio only with Clients who have been granted Professional Client status.
- 4.10. When concluding a Direct Transaction with a Client, the Bank may offer a price and transaction terms if requested by the Client, or on its own initiative – provided the Client agrees to both the price and the terms.
- 4.11. When executing Orders involving derivative financial instruments, the Bank offers Clients who are legal entities the option to entrust the Bank with the obligation to report to the trade repository on the Client's behalf. This is done in accordance with the requirements of Regulation (EU) No 648/2012 (EMIR) of the European Parliament and the Council.

5. ENSURING THE BEST RESULT FOR THE CLIENT

- 5.1. When the Bank accepts and forwards Orders for execution involving financial instruments, it strives to ensure the best possible result for the Client. The Bank considers factors such as transaction price, costs, speed of execution, the possibility of completing the transaction and settlement, transaction volume, specifics, and other relevant considerations that may affect the execution of the Order.
- 5.2. The Bank is not obliged to ensure the best possible result for Clients who have Professional Client status.
- 5.3. When deciding how to execute a Client's Order, the Bank considers the following criteria:
 - 5.3.1. the Client's characteristics, including whether they are a Retail or Professional Client;
 - 5.3.2. the type and characteristics of the Order – for example, whether it could impact the market;
 - 5.3.3. the type of financial instrument – e.g., how easily it can be sold or purchased (liquidity);
 - 5.3.4. the characteristics of the venue where the Order can be executed – for example, whether it is a regulated market, a multilateral trading facility, a

market maker, or another venue.

- 5.4. The most important factors the Bank usually considers when executing a transaction are the transaction price and the associated costs. However, there are situations in which other factors may take precedence over price and costs – for example, where market liquidity or a very large transaction volume must be taken into account.
- 5.5. When the Bank executes Orders on behalf of a Retail Client, it determines the best possible execution based on the total consideration. The total consideration includes the price of the financial instrument and all costs related to the execution of the Order, such as costs for the execution venue, settlement costs, and other fees payable to third parties involved in the transaction. When assessing whether best execution has been achieved, the Bank does not take into account its standard fees that the Client must pay regardless of how the Order is executed.
- 5.6. When the Bank executes an Order, it makes reasonable decisions, especially when acting on behalf of a Professional Client. In making these decisions, the Bank evaluates various execution factors based on the criteria described in section 5.3.
- 5.7. To ensure the best possible result for the Client, if an Order can be executed on multiple trading venues specified in the Policy, the Bank compares the potential outcomes at each of them. In this assessment, the Bank also considers its commission and the costs associated with each trading venue. When determining these fees, the Bank must not unfairly favour or restrict any particular trading venue.
- 5.8. If a transaction is executed in steps, the Bank must ensure the best possible result for the Client at each step. However, if it is a repurchase transaction (repo) – i.e., a loan for the purchase of financial instruments – the assessment of best execution applies to the entire transaction scheme as a whole, not to each individual step separately.
- 5.9. The Bank is not responsible for ensuring the best result if the Client has given specific instructions on how transactions with financial instruments should be executed. This also applies if the Client specifies where to place the Order, how to manage their financial instruments, or to whom to forward the Order for execution. In such cases, the Bank follows the Client's specific instructions directly.

6. ORDERS FOR TRANSACTIONS WITH FINANCIAL INSTRUMENTS, WHICH ARE TRADED IN REGULATED MARKET IN MULTILATERAL TRADING SYSTEMS

The Bank conducts transactions with financial instruments that are listed on regulated markets and multilateral trading facilities. Client Orders are executed at market price, striving to ensure the best possible result for the Client. If the Client has provided specific instructions in their Order, the Bank executes the Order in accordance with the principles of this Policy.

7. ORDERS FOR TRANSACTIONS WITH FINANCIAL INSTRUMENTS, WHICH ARE TRADED OUTSIDE THE REGULATED MARKET

- 7.1. How orders for financial instruments traded only outside regulated markets are executed:
 - 7.1.1. The Bank may execute the Client's order by entering into a direct transaction with the Client. This means the Bank buys or sells financial instruments from its own portfolio, in accordance with the rules described in this Policy;
 - 7.1.2. The Bank may also forward the Client's order to its cooperation partners. The list of these partners is available here:
<https://industria.finance/en/investments/information-for-investors>.
- 7.2. If a financial instrument is actively traded both on a regulated market (e.g., an exchange) and outside it, the Client's order may only be executed outside the regulated market if it ensures the best possible result for the Client.
- 7.3. The Bank may execute the Client's order outside an exchange either on its own behalf or with one of its trading partners (Cooperation Partners).
- 7.4. When executing orders outside an exchange, the Bank verifies that the price offered to the Client is fair. To do this, the Bank collects market data, assesses the price of the financial instrument, and, if possible, compares it to similar or comparable financial instruments.
- 7.5. The Bank informs the Client that participating in over-the-counter (OTC) transactions involves certain risks, which the Client must be aware of:
 - 7.5.1. Counterparty risk – there is a possibility that the counterparty may be unable to fully or partially fulfil its obligations;
 - 7.5.2. Price discrepancy risk – the transaction may be executed at a price significantly different from the quoted price or the last known price at the time the order was submitted. Partial execution of the order or execution of a large order in multiple trades at different prices is also possible;
 - 7.5.3. Execution delay risk – the execution of the transaction may be delayed while the Bank searches for a suitable cooperation partner;
 - 7.5.4. Opening price risk – the opening price of the transaction may differ significantly from the previous day's closing price;
 - 7.5.5. Other risks.
- 7.6. The Bank submits transactions with investment fund units directly or through intermediaries to the respective investment management company managing the specific fund. This is done in accordance with the rules of the relevant fund. Information on fund unit prices, redemption, and other matters is available from the specific fund manager.
- 7.7. In transactions with financial instruments, the terms and price agreed upon by the Bank and the Client apply. In such cases, the transaction is not executed in accordance with this Policy but is based on the agreement with the specific Client, and it is considered a transaction that ensures the best possible result for the Client.

8. EVALUATION OF PARTNERS AND DELIVERY OF ORDERS OF CLIENTS FOR EXECUTION TO THE PARTNERS

- 8.1. The Bank regularly, as needed but at least once a year, reviews its Cooperation Partners who execute Client orders. The Bank assesses whether the specific partner can ensure the execution of orders in accordance with the Bank's policy and whether the partner has a good reputation in the financial market.
- 8.2. During the evaluation, the Bank considers the following factors:
 - 8.2.1. Information available to the Bank about the Cooperation Partner, especially any that confirms the partner's reputation;
 - 8.2.2. The Cooperation Partner's order execution policy principles and their understanding of the Bank's Clients' needs and priorities;
 - 8.2.3. The trading venues used by the Cooperation Partner.
- 8.3. When selecting suitable order execution venues and Cooperation Partners, the Bank takes into account both qualitative and quantitative indicators characterizing the Cooperation Partners:
 - 8.3.1. Liquidity – how easily and quickly a transaction with the specific financial instrument can be executed;
 - 8.3.2. Costs applied by the specific execution venue;
 - 8.3.3. The possibility of successfully executing the transaction and completing settlement;
 - 8.3.4. other important factors.

9. SEPARATE STORAGE OF RESOURCES OF THE CLIENT AND THE BANK

- 9.1. The Bank records the funds owned by the Client on its balance sheet. In accordance with legal requirements, the Bank is permitted not to hold the Client's funds separately from its own funds.
- 9.2. The Bank ensures that the financial instruments owned by the Client are held separately from the Bank's own financial instruments.
- 9.3. The Bank may use the Client's financial instruments in transactions (both on behalf of the Client and on behalf of another client, for example, in securities financing transactions) only if the Client has provided written consent or has submitted an order with specific conditions.

10. BEHAVIOUR OF THE BANK IN THE CASE OF SYSTEM DAMAGES AND INTERRUPTIONS IN MARKET OPERATIONS

In the event of system failures and/or market disruptions, the Bank has the right to deviate from the requirements of this Policy when executing and transmitting Orders, taking into account the interests of both the Bank and its Clients.

If system failures or market disruptions occur, the Bank may be unable to execute the Client's order in accordance with this Policy. In such cases, the Bank will inform the Client individually or publish a notice on its website: <https://industria.finance/>, in accordance with the requirements of Regulation (EU) 2022/2554 of the European Parliament and of the Council (DORA) on digital operational resilience in the financial sector.

In such situations, the Bank may deviate from the provisions of this Policy and execute orders considering the interests of both the Bank and its Clients.