



Order execution policy

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Definitions and abbreviations

Transaction	A transaction closed as a result of the execution of the Order. The types of transaction are possible both as a one-off Order to buy the Notes (<i>Manual Investment</i>) or the Order to commence acquisition of the Notes in an automated process for a specified period of time and in a specified amount pursuant to the Order (<i>Auto-Invest</i>)
Issuer	A person who has issued the Notes with respect to which the Order can be submitted on the Platform
Client	A natural person or a legal entity which has entered into the Agreement with Nectaro
Website	Nectaro's website the address of which is https://www.nectaro.eu
MIFID status	One of the following statuses: "retail client", "professional client", "eligible counterparty"
Inexperienced Investor	The Client who is not the Experienced Investor
Experienced Investor	The Client who has one of the following MIFID Statuses allocated: "professional client", "eligible counterparty", or the person recognized by Nectaro as such pursuant to the requirements of Regulation 2020/1503
Platform	The publicly available online-based information system which is the main channel for communication between the Client and Nectaro, submission of the Orders, and closing of the Transactions
Policy	The present Order Execution Policy
Order	An assignment of the Client to Nectaro to enter into the Transaction with the Notes at the expense of the Client
Order execution process	A process which begins from the moment when the Order has been submitted to Nectaro and ends at the moment when settlement of accounts has been completed with respect to the Transaction specified in



	the Order, and respective accounting records are made on the Client's securities account, or at the time when the Order is annulled
Order execution place	The place where the Transactions is closed. For the purpose of the Policy, it shall occur on the market off stock exchange on the Platform
Nectaro	SIA Nectaro (registration number 40203016025)
Note	A note issued by the Issuer. The note cannot be transferred to another investment service provider

* Other definitions used in the present Policy while not separately defined shall be construed in the meaning of the Financial Instruments Market Act

1. Document purpose

- 1.1. Ensure quality Order Execution Process for the purpose of achieving a better outcome in execution of the Orders, and predictability and certainty in the relationship between Nectaro and the Client.
- 1.2. Mitigate as much as possible adverse consequences that might occur with regard to the Order Execution Process.

2. Laws governing the Policy

- 2.1. [European Commission Regulation No 2017/565](#);
- 2.2. [European Commission Regulation No 2020/1503](#);
- 2.3. [Financial Instruments Market Act](#).

3. Fundamental principles to ensure the better outcome of execution

- 3.1. Commensurability between gains and expenses for the Client within the scope of the requirements set out in the law.
- 3.2. Frequent updating of the Policy.
- 3.3. Public availability of the Policy on the Website.
- 3.4. Monitoring of the Order Execution Places.

4. Application of the Policy

SIA Nectaro (registration nr. 40203016025; legal address: Jeruzalemes 1, Riga, LV-1010, Latvia; phone: +371 67783589) is an authorized investment platform with an IBF license Nr. 27-55/2023/3 supervised by Bank of Latvia (address: K. Valdemara 2A, Riga, LV-1050, Latvia; phone: +371 67022300)



- 4.1. The Policy shall be applicable to the relationship between Nectaro and the Client who has the status of the retail client and the professional client allocated according to MIFID.
- 4.2. The Policy shall not be applicable to the relationship between Nectaro and the Client which has the status of the eligible counterparty allocated according to MIFIF, unless a different agreement is reached with the Client.

5. Publication of the Polciy

- 5.1. The Policy shall be publicly available to all, including Clients and Nectaro employees.
- 5.2. Before registration on the Website, Nectaro introduces the Client with the current version of the Policy.

6. Approval of the Policy by the Client

- 6.1. Nectaro provides investment services and ancillary services to the Client only if the Client has agreed to the Policy and other related documents to start cooperation.
- 6.2. It is acknowledged that the Client has expressly agreed to the Policy, including amendments to the Policy, if the Client submits the Order after the effective date of the respective modifications.

7. Types of Orders

- 7.1. The Client can submit the Orders for Nectaro on the Platform only.
- 7.2. The Client can submit the following Orders:
 - 7.2.1. *“Manual Investment”* - acquire specified quantities of the Financial Instruments at a certain price;
 - 7.2.2. *“Auto Invest”* - the Client’s authorization to conduct acquisition of the Notes in an automated process for a specified period of time and for a specified amount.
- 7.3. The Client is entitled to include special instructions in the Order, whereas Nectaro warns the Client that the special instructions may delay or prevent from execution of the Order so that in accordance with the Policy it would



achieve the best outcome for the Client in the execution of the Order with regard to the elements included in these instructions.

8. Submission of Orders

8.1. The Client may submit the Order for Nectaro on the Platform.

9. Combining and splitting of Orders

9.1. Nectaro does not combine or split the Orders.

9.2. Partial execution of the Order is not considered to be splitting of the Order.

10. Execution of Orders

10.1. Nectaro shall promptly, quickly and accurately, subject to provisions of the Policy, ensure execution of the Client's Orders by executing them on its own.

10.2. Upon ensuring the execution of the Client's Orders, Nectaro shall act on behalf of the Client.

10.3. Upon execution of the Orders, Nectaro does not enter into the Transactions against the Orders of other Clients.

10.4. The Order shall be executed at the Issuer by delivering the Order to the Issuer or the Issuer's authorised agent in accordance with the terms of the respective issue and/or according to special instructions of the Client.

11. Best possible outcome

11.1. Nectaro shall carry out all necessary measures in order to achieve the best possible outcome for the Client in the execution of the Orders.

11.2. The Orders are executed within the timeline of the validity of the Order and according to the priority of receipt thereof; however, the execution of the Order shall not be conducted until the Order can be executed, fully or partially, at the price specified in the Order or a better price.

12. Factors of execution of Orders and significance thereof

12.1. Upon ensuring the execution of the Orders, Nectaro shall usually consider one or more of the following factors in the following order of priority:

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- 12.1.1. **price** – it is the price for which the Transactions with the Notes has been closed;
 - 12.1.2. **costs** – they include indirect costs (such as possible market effect), direct external costs (such as commissions for conversion and other), and direct internal costs which are the commissions of Nectaro itself if applicable;
 - 12.1.3. **possibility of execution and settlement of accounts** – possibility that Nectaro will be able to effect the execution of the Order and settlement of accounts for the Transaction;
 - 12.1.4. **amount** – the quantity of the Notes specified in the Order taking into account how it affects the price;
 - 12.1.5. **speed** – the time required for the execution of the Order;
 - 12.1.6. **type of the Order and other factors** – since the specific parameters of the Client's Order may affect performance of the execution, as well as taking into account the impact on the market, efficiency of execution of the Order, consistency and continuity of the Order Execution Process.
- 12.2. In order to establish the significance of the abovementioned factors in the execution of the Orders, Nectaro shall additionally evaluate the criteria outlined below, taking into account that none of these factors is a decisive one, and Nectaro evaluates impact of each factor on the execution of the Order in the relevant actual circumstances:
- 12.2.1. Characteristics of the Client, including the MIFID Status of the Client – retail client or professional client, investor status of the Client: Experienced or Inexperienced Investor;
 - 12.2.2. Characteristics and Amount of the Client's Order;
 - 12.2.3. Characteristics of the Note that is the subject matter of the Order;
 - 12.2.4. Characteristics of the Place of Execution of the Client's Order.
- 12.3. Nectaro does not use an intermediary in the execution of the Orders.

13. Places of execution of Orders and categories of Notes

- 13.1. The Place of Execution of the Orders shall always be the Issuer, which means that the Order is always executed outside a trading venue.



- 13.2. Nectaro executes the Orders only with respect to the Notes specified in the Platform.
- 13.3. Nectaro executes the Orders only with respect to the financial instruments that are available on the Platform

14. Difficulties in the process of execution of Orders. Information on outstanding Orders

- 14.1. The submission and execution of the Orders is ensured in such a form as they are. The submission and execution of any Order as well as the Order Execution Process is exposed to several risks and associated with various factors which may interfere with or render both the execution of the Order and completion of the Order Execution Process impossible, or create adverse consequences subsequently either.
- 14.2. Such factors or risks, which can be disclosed by both Nectaro and the Client, among other, shall include factors and risks which are associated with special market conditions, as well as liquidity, and also settlement of accounts, and occurrence of events, also errors of Nectaro, as well as communication means, and the decision passed by Nectaro to disconnect the Issuer from the Platform for the sake of protection of the Client's interests, as well as due to communication breakdowns or damages, etc.
- 14.3. Nectaro shall inform the Client of any significant difficulties in the execution of the Order within a reasonable time.
- 14.4. In cases and under the procedures stipulated by law, Nectaro is entitled not to publicly disclose the restrictive Order which is an order of major volume in comparison with a regular market volume.

15. Procedure for processing of Orders

- 15.1. Upon accepting the Orders of the Clients, Nectaro records any communication with the Client associated with the submission, execution or annulment of the Orders, and uses these recordings to substantiate the submitted Order or Transaction.



- 15.2. Nectaro ensures storage of the communication recordings for at least 5 or 7 years, if it is stipulated by the competent authority, from the time the record has been made. Upon expiry of the storage period, the recordings shall be irreversibly destroyed (data are deleted).
- 15.3. The Clients have a right to request the recordings from Nectaro. Nectaro may charge a reasonable fee for preparation and issuance of the recordings.

16. Monitoring of implementation of the Policy

- 16.1. Nectaro shall verify compliance of the Policy with the actual situation on regular basis, its effectiveness, as well as conformity of the execution of the Orders of the Clients with the Policy.
- 16.2. Nectaro shall revise the present Policy on regular basis (at least once a year) or in the event that material changes occur which may affect the achievement of the best outcome in the Order Execution Process.
- 16.3. Any modifications of the Policy are available on the website: www.nectaro.eu thirty (30) calendar days before their effective date. The Client is entitled not to agree to the modifications of the Policy by notifying Nectaro thereof in writing by the deadline specified in the present paragraph.

17. Other terms

- 17.1. The Policy is prepared in Latvian and English. In case of linguistic or interpretation disputes or disagreements, the English text of the Policy shall be legally binding.
- 17.2. Any disagreements are resolved through mutual negotiations. If the dispute cannot be resolved through negotiations, it shall be resolved in the courts of the Republic of Latvia in accordance with applicable laws and regulations.

