ORDER EXECUTION POLICY OF INVESTMENT COMPANY FINVEO JSC PODGORICA

Ver 3, 2022

Decembar, 2022

Finveo
The Capital Plaza, Cetinjska 11
81000 Podgorica, Montenegro
T +382 20 436 698
info@finveo.mn • www.finveo.com

Contents

GENERAL PROVISIONS

Article 1

The Order Execution Policy of the Investment Company Finveo JSC Podgorica (hereinafter: the Policy) defines the procedures and measures that Finveo JSC (hereinafter: the Company) applies when executing or receiving and transferring clients orders for purchase and sale of financial instruments in order to achieve the most favourable outcome for the clients.

The Policy defines in more detail the elements that the Company takes into account when executing, i.e. receiving and transferring orders to another authorized company, places where orders are executed and factors influencing the choice of individual places of order execution, and joining and allocating clients orders. Clients are warned that the Policy does not guarantee that the most favourable outcome will be achieved during the execution of each individual order, but defines the criteria according to which in the most possible cases the most favourable outcome for clients should be achieved.

The Company is obliged to obtain the client's Consent to this Policy before receiving the order, and therefore clients are advised to determine whether it is acceptable to them.

POLICY APPLICATION

Article 2

This Policy applies to all clients of the Company except to Qualified Investors, as defined by the Capital Market Act.

ACHIEVING THE BEST OUTCOME

Article 3

When executing the order, the Company will take all reasonable steps to achieve the most favourable outcome for the Client, taking into account the following elements relevant to the execution of the order:

- the price of the financial instrument,
- costs, speed, probability of order execution,
- costs, speed, probability of settlement,
- the size and type of the order and all other circumstances relevant to the execution of the order.

The following criteria are also taken into account when executing a client's order:

- characteristics of the client, including his classification as a small professional or qualified investor,
- client account properties,
- the characteristics of the financial instrument to which the order relates,
- the properties of the trading venue where the order can be executed.

From the aspect of order execution, the Company will take all necessary steps to get the best possible result when executing client orders. The Company believes that the best possible result is the one that provides the best possible total price for clients (including costs) in the shortest possible time.

At the time of submitting an order to buy or sell Contract for Differences (CFD) through the trading platform of the Company, clients trade with the Company as a counterparty to the contract.

The Company is always the other side of every trade, so it does not act on behalf of its clients but acts as a relevant place of execution of client orders, which will be executed on an Over-the-Counter market.

EXECUTION OF ORDERS OF RETAIL INVESTORS

Article 4

The most favourable outcome in relation to the execution of orders of retail investor is determined in relation to the total transaction costs, which includes the price of the financial instrument, trading venue commission, settlement cost and other costs that may arise related to the transaction, such as third party fees. Other criteria, such as speed and probability of realization, speed and probability of settlement, size and type of order, the Company will take into account, but are of less importance than the total cost of the transaction.

EXECUTION OF TASKS ORDERS OF PROFESSIONAL AND QUALIFIED INVESTORS

Article 5

For professional and qualified investors, the most favourable outcome is conditioned by the size of the order, and the speed and probability of realization and settlement, while other elements are of less importance. Exception - if the Company estimates that the Client will achieve a more favourable outcome taking into account other elements than those above, given by the size and the nature of the order, the characteristics of the financial instrument and the characteristics of the place of execution, the Company also reserves the right to take into account and another element (for example, a financial instrument is listed in two different markets, the Company may give preference to the probability of settlement).

EXPLICIT CLIENT INSTRUCTION

Article 6

When the Company receives an order with the explicit instruction of the Client, which for example refers to the execution of orders in a certain market, i.e. on a regulated market or multilateral trading platform (MTP) or outside a regulated market or MTP and/or in a certain way, the Company is obliged to execute the order based on the instruction, but orders can be rejected or partialy fill under market conditions of the Client in the part to which the instruction refers, which means that the Company is not able to act according to the rules stated under Article 3 of this Policy.

If the Company follows the explicit instruction of the Client, it will be considered that it has fulfilled the obligation to achieve the most favourable outcome. An order placed through an Internet trading application shall be deemed to have been given with explicit instructions from the Client regarding the manner and place of execution.

Orders for trading financial instruments on foreign markets are accepted exclusively as orders with explicit instructions regarding the place of execution.

PLACE AND MANNER OF EXECUTION OF ORDERS

Article 7

The places of execution of the Company's orders are the entities to which the orders are delivered for execution. For the purposes of executing orders submitted by the Client to the Company, the Company acts as the main counterparty to the CFD contracts on behalf of the clients at all times. In situations where the Company executes orders as a market maker or transfers execution orders to third parties to provide liquidity, the Company remains the sole counterparty to the CFD contracts in client's trading. Therefore, the Company is the only place to execute clients orders.

Based on the Article 277 of the Law on Capital Market, the place of execution is a regulated market, MTP, OTP, system internalizer, market maker or an entity that performs similar activities in a third country, provided that it has fulfilled the necessary preconditions for execution of orders in such markets.

If the Client's order can be executed only at one trading venue included in the list of trading venues where the Company executes orders, it will be considered that the Company has achieved the most favourable outcome for the Client by executing such an order.

The Client confirms and is aware that the orders sent to the Company are not taken over or executed on a regulated market or multilateral trading system (MTP), but are executed directly ("OTC") through the trading platform available to the Company and, accordingly, the Client may be exposed tohigher risks. The Company may not be able to execute the order or will change the opening/closing price of the order in case of a technical malfunction of the trading platform.

When providing the service of execution and/or receipt and transfer of orders on behalf and for the account of the Client, the Company will choose the place of execution that enables the permanent achievement of the most favourable possible outcome for the Client. In accordance with this Information, the Company will execute the Client's orders exclusively on regulated markets, i.e. MTPs where it is a direct member. Exceptionally, at the request and/or with the express consent of the Client, the Company may execute the order outside the regulated market or MTP. The Client may give consent in connection with the execution of orders outside the regulated market, i.e. MTP, for all or for each individual transaction, in the Client Agreement or on the basis of a special consent separate from the Client Agreement.

EXECUTION OF ORDERS OUTSIDE THE REGULATED MARKET OR MTP

Article 8

The Company may execute the order outside the regulated market or MTP with the prior consent of the Client, whereby the Cient's order may be executed by merging the Client's order with another Client's order, the Company's order or a third party order.

Note: The Client can confirm in the Questionnaire that he agrees to the execution of orders outside the regulated market or MTP. Such consent is valid for all future transactions of the Client and the Company will not request a special consent with an individual order.

Under certain market conditions, especially during, but not limited to, market-related announcements, weekends, out-of-hours trading, market turmoil, low liquidity and rapid market movements, the price at which orders are executed may differ from that specified by the Client, and there may be a delay.

For example, when markets are volatile (e.g., week opening, news announcements, significant events), instrument prices can shift by 50 points or more in just one jump, which can greatly affect order execution. For example, if the price jumps from 100.10 to 100.50 (in just one move of 40 points), and the stop-loss of the short position of the Client was 100.20, his position would be closed at the current market price of 100.50, which is 30 points worse than the stop-loss level of the Client.

On the other hand, if the Client's exit target for a long position was 100.20, its position would be closed again at the current market price of 100.50, which is 30 points better than the Client's exit target level.

The Company is committed to providing its clients with the best possible outcome in these cases and takes all reasonable steps to reduce any delays that may occur.

TYPES OF ORDERS

Article 9

The company accepts the following types of orders with regard to the method of determining the price:

- Limited order – an order to buy or sell a certain number of financial instruments at the price specified in the order or at a price that is more favourable for the clients. If the limited order is executed only partially, in the part where the order is not executed, it remains exposed on the market until revoked.

- Market orders (purchase and sale) - orders that are placed on the stock exchange system after fulfilling the conditions (reaching the last market price on the order).

  Note: The market order is executed at the best price available under market conditions sale price in case of purchase, or at the first purchase price in case of sale. The duration of each order is determined by the rules of the trading venue, with the Company retaining the possibility to prescribe shorter deadlines in the General Business Rules or the Client Agreement.

In the case of trading financial contracts on differences, several types of orders can be offered to the client, as follows:

- Market order: sales/purchase order in relation to the purchase/sale price;
- Limit order: a sales/purchase order in relation to the purchase/sale price until the price reaches the appropriate limit. These orders can be defined for a definite period of time, or for an indefinite period of time /“valid until revoked”/;
- Stop loss order or Take profit order: a market order in which a position is closed (via market order) by a stop loss order that is triggered when the market price reaches a certain level defined by the Client (“stop loss level”) or by a take profit order that is triggered when the market price reaches a certain level (“take profit level”), which is determined in relation to the price at which the order was given;
- Trailing Stop-loss order: a stop-loss order in which the level at which a position closes increases, if the position becomes more profitable; and
- Guaranteed stop order is a stop loss order in which the position is guaranteed to be closed at the level of the order so that there is no "slippage" (in a regular stop loss order, the position is closed via a market order, but the next price may be worse than the stop loss level).

PRICES AND FORM OF FORMATION

Article 10

The Company displays a two-way price for each CFD it offers. This two-way price consists of the bid price and the ask price. The difference between the bid price and the ask price for each CFD offered is called the “spread”. The Company's objective is to offer competitive bid and ask prices, including margin service costs.

The Company's margin may vary depending on market conditions and available liquidity. Margins represent the best bid and ask prices that can be obtained from liquidity providers, underlying asset markets or other data providers.

SPREAD AND COMMISSION

Article 11

Spread is the Client's cost for opening a new position or setting up a new trading order. It is visible on the trading platform at any time for a particular CFD.

SWAP

Article 12

In addition to the fees defined by the Client Agreement, the Client is obliged to pay a daily roller fee for an open position held overnight. The method of calculating the overnight fees varies depending on the type of fixed asset or financial instrument to which the CFD applies. Also, the amount of the overnight fees is different for different instruments depending on the interest rate associated with a particular instrument or currency and the additional fees the Company determines.

JOINING AND ALLOCATION OF ACCOUNTS

Article 13

Orders for purchase or sale of financial instruments of the same issuer with the same conditions (price, type of order) may be jointly presented by the Company as one order, if such exposure in terms of quantity does not reduce the possibility of executing orders. If the orders are exhibited together at the same price, and the quantity of financial instruments is not sufficient for the execution of all orders, the order of the Client received earlier is executed first. Within the financial instruments portfolio management service, the Company allocates partially realized orders proportionally according to the size of the Client's portfolio and the average trading price.

POLICY ASSESSMENT AND CHANGE

Article 14

Once a year, the Company will evaluate the effectiveness of its own order execution policy, assessing whether the places of order execution included in this Policy ensure the achievement of the most favourable outcome for the client. If the Company determines that there is a need to change the essential elements of this Policy, it will inform the clients about the new policy and request consent.

EXECUTION OF ORDERS THROUGH A THIRD PARTY

Article 15

In certain cases, when the order should be executed on a regulated market or MTP where the Company is not a member, the Company forwards the order to third parties who are authorized to provide the same services and regulated by the same regulations and have the obligation to execute clients orders under the most favourable conditions.

For trading in countries that are not members of the EU or have not implemented the same regulations, the Company will, at its own discretion, select authorized third parties through which orders are executed. The Company will review this Policy once a year and determine whether third parties to whom it forwards execution orders act in the manner that is most favourable to clients. The Order execution policy applies to all financial instruments to which the Company's operating license relates. The Order Execution Policy and the Addendum to the Policy, as well as all their changes are available at the Company's business premises and/or on the official website.

METHOD OF ACCEPTANCE OF POLICY

Article 16

Before providing financial instruments trading services, the Company is obliged to obtain the Consent of its clients to apply this Policy. Consent is given in one of the ways that ensures a permanent record, i.e: 1. in writing, through signing Agreement, 2. by telephone, maning, with the implementation of undisputed identification.

This Policy applies from the date of issuing the approval to the Investment Services Company.