

SLÁVIA CAPITAL, a.s., obchodník s cennými papiermi, having its registered office at Mostová 2, Bratislava 811 02, ID: 31395554, incorporated with the Companies Register maintained District Court Bratislava I, section Sa, file No. 837/B, ("Dealer")

## ORDER EXECUTION STRATEGY

In accordance with the provision of Art. 73p(1) of Act No. 566/2001 Coll. on securities and investment services and on amendments and supplements of certain laws (Securities Act) as amended ("**Securities Act**") and in accordance with Article 64 et seq. of the Commission Delegated Regulation (EU) 2017/565, the following rules are laid down for the purposes of the best execution and transmission of orders of Dealer's professional and non-professional clients for the specified financial instruments ("**Strategy**").

The Strategy is supposed to ensure that the Dealer reach the best possible outcome for clients in executing clients' orders. Dealer lays down joint Strategy both for professional and non-professional clients. Based on the nature of client's order and the type of financial instrument, the Strategy sets out the list of criteria decisive for the establishment of the best possible outcome of the execution of client's order, method of assessment and establishment of the significance thereof, and the procedure in conjunction thereto for the decision concerning the execution venue to which the order may be transmitted.

### Article I - Factors in Best Execution of Instruction

In executing client's order, Dealer will take action in a manner ensuring the best possible outcome for clients taking into consideration the price, costs, promptness, and probability of order execution, transaction settlement, size and nature, or other criteria relating to the execution of an order. Dealer will act similarly in the event that, when providing the investment service of portfolio management, Dealer transmits orders for execution to a third person, which orders result from the decision to trade with financial instruments on account of Dealer's client or in the event that the orders are transmitted to a third person for the execution thereof when providing investment service in accordance with Art. 6(1)(a) of the Securities Act.

If client gives a specific instruction relating to the order or its specific feature, Dealer will execute the order in accordance with such specific instruction, and such conduct will be considered to constitute fulfilment of the obligation to pursue the best possible outcome for the client. **Client acknowledges that any specific instructions may prevent the Dealer from acting in accordance with this Strategy aimed at pursuing the best possible outcome for client from execution of such order to the extent of such specific elements which are subject to client's instructions.**

### Article II - Weight of Individual Factors

At executing orders, Dealer takes into consideration particularly the following circumstances when ascribing weight to the criteria above:

- a) attributes of a client including client classification as a non-professional or professional client:
  - as regards the **non-professional clients**, the best possible outcome will be established from the perspective of overall performance representing the price of the financial instrument and the costs connected with execution of the instrument which were incurred by the client and which are directly connected with execution of the order, including the fees for the execution venues, fees for clearance and settlement, and any fees paid to third persons involved in the execution of the order.
- b) attributes of the client's order including in the event that the order includes a transaction of funding by way of securities:
  - for normal orders (financial instrument purchase/sale), the greatest weight is ascribed to the price and costs factors which are followed by other factors, such as the promptness and probability of transaction execution, transaction settlement. In the case of orders only aiming at settlement of transaction, the greatest weight is ascribed to the promptness of settlement. The order of factors may vary for specific orders; nevertheless, Dealer acts at all times with professional care and in accordance with the best interests of the client.
- c) attributes of financial instruments covered by the relevant order:
  - for liquid financial instruments, the greatest weight is ascribed to the price and costs factors which are followed by other factors, such as the promptness and probability of transaction execution, transaction settlement. As regards specific financial instruments which are, for instance, characteristic for poor liquidity, the order of factors may vary e.g. so that the greatest weight would be ascribed to the promptness and probability of the transaction. Nevertheless, Dealer acts at all times with professional care and in accordance with the best interests of the client
- d) attributes of the execution venues to which said order may be redirected.
  - The order of factors may vary for specific execution venues (e.g. if there is a risk of poor promptness and probability of execution of the transaction, settlement of the transaction in the execution venue offering the best prices and costs). Dealer may decide that if the conditions of transaction settlement constitute a substantial risk in relation to the rights of clients, particularly the issues with settlement (deadlines and conditions of settlement) are evident, and the relevant custodian (execution venue) does not abide by the standards and requirements under legal regulations of the European Union, Dealer may apply the probability of transaction settlement as the priority criterion. Dealer acts at all times in accordance with the best interests of the client
  - If there exists more than just one competitive venue of order execution for the financial instrument, the commissions and costs of Dealer in each execution venue listed in the Strategy and available for execution of said order will be taken into consideration in reviewing the options of the best possible outcome for the client.

### Article III - Execution Venues

The execution venue means the regulated market, multilateral trading facility, organised trading facility, systematic internaliser, market maker, or other liquidity provider, or other person carrying out similar activities in a non-European Union state.

Systematic internaliser in the paragraph above means a securities dealer which engages in trading on an organised, repeated, frequent, systematic, and significant basis on their own account by executing client's orders outside the regulated market, MTF or OTF without operating a multilateral system.

Place of service provision (or broken down to its market segments)	Type of orders	Client category	Entities forwarded the orders	Summary of costs	Data about order execution quality
Bratislava Stock Exchange ("BCPB")	domestic financial instruments traded in the local market	Professional Non-professional	Poštová banka, a.s.	Fee paid to Dealer containing the costs of market, depository, entity which is transmitted the order, and Dealer's commission under price lists	www.bsse.sk
	foreign financial instruments (other than the Czech financial instruments)	Professional Non-professional	Československá obchodná banka, a.s.	Fee paid to Dealer containing the costs of market, depository, entity which is transmitted the order, and Dealer's commission under price lists	www.csob.sk/pravne-informacie#mifid

If justifiably in client's interest, Dealer may in a specific case also use other execution venues or order transmission. At client's justified request, Dealer will provide clients or prospective clients with the information about the entities to which the orders for execution have been transmitted or placed.

Dealer will not determine or charge Dealer's commissions in a manner discriminatory against any of the execution venues. Dealer will not accept any remuneration, discount, or non-monetary benefit for transmitting client's orders to a specific execution venue, which would be in conflict with the requirements of the conflict of interests management or the acceptance and payment of fees, commissions, or non-monetary benefits.

After executing the order or the transaction on account of the client, Dealer will inform the client of where the order was executed.

#### Choice of execution venue based on types of financial instruments - general principles:

- 1) Acceptance, transmission, or execution of an order in relation to a quoted transferable financial instrument**  
As regards the quoted transferable financial instrument, Dealer makes use of those execution venues in which such financial instruments are quoted. As regards limited orders of clients relating to the stock admitted to trading in a regulated market or traded at a trading point which are not executed immediately under prevailing market conditions, Dealer will take measures to enable the earliest possible execution of such order by immediate publication of such client's limited order in a manner allowing easy access for other participants in the market, unless client expressly gives other instructions. Dealer may meet such obligation by transmitting the client's limited order to a trading point.
- 2) Acceptance, transmission, or execution of an order in relation to a transferable financial instrument traded in a non-regulated (unquoted) market**  
As regards this transferable financial instrument, individual execution venues where orders could be executed on a regular basis cannot be actually listed. In such event, Dealer discusses the appropriate execution venue individually with the client.  
In *ad hoc* cases, Dealer may execute client's orders which are on opposite sides (match orders) if this method of instruction execution ensures the best possible outcome compared to the execution venues. Dealer will act similarly in the event of executing client's order against Dealer's account.
- 3) Acceptance, transmission, or execution of an order in relation to an investment certificate and other financial instruments of collective investment entities**  
As regards these financial instruments, Dealer executes, in accordance with the market standards, the orders in the primary market, i.e. directly with the issuers of such financial instruments.

**4) Acceptance, transmission, or execution of an order in relation to the instruments of a monetary market**

As regards these financial instruments, Dealer executes, in accordance with the market standards, the orders in the primary market, i.e. directly with the issuers of such financial instruments.

As regards the secondary market, this includes such transactions as the purchase, sale, and repo transactions. In the event of the secondary market of bills of exchange where the relevant regulated market or regular execution venues do not exist, Dealer will execute the relevant orders in accordance with the market standards against Dealer's own account or will match the corresponding orders of clients.

**5) Placement of financial instruments**

Dealer executes these orders directly with the issuers of these financial instruments. In the event of services for issuers, Dealer approaches prospective buyers from among Dealer's clients.

**6) Large-scale orders**

In exceptional cases of such orders, specific procedure for instruction execution may be decided based on agreement with the client.

If there exists more than one competitive execution venue for the financial instrument, Dealer also takes into consideration other factors in choosing the execution venue with regard to the specific financial instrument and the size of the order. Factors applied to the choice of the execution venue and their relative weight are as follows: 33% quality and scope of services provided in relation to specific financial instrument, 33% amount of fees, commissions, and costs of Dealer with regard to execution of the order at each execution venue, 33% promptness and probability of instruction execution.

Should Dealer charge different fees depending on the execution venue, Dealer will inform client in detail of these differences to help client understand the pros and cons of the selection of the specific execution venue.

**Order execution outside the regulated market**

Where this Strategy allows to execute client's orders outside the regulated market or the multilateral trading facility, i.e. in OTC markets, Dealer is obliged to inform client of such option. Dealer may only execute client's orders in the OTC market if Dealer obtained client's prior express consent to such method of order execution; such consent may be granted to the Dealer in the form of general consent covering all client's transactions or in the form of individual consent to individual transactions. Unless client expressly provides otherwise, giving consent to this Strategy client also gives consent to the execution of an order in OTC markets.

The probability of execution and settlement of client's order will constitute a priority criterion used at the execution of an order in the OTC market. Dealer thereby makes sure that the price offered to client be fair by collecting market data used to estimate the price of such product and, where possible, by comparing such price to similar or comparable products. Client may be exposed to higher risk, e.g. risk of counterparty, as a consequence of executing the order in the OTC market. At client's request, Dealer will provide additional information about consequences of this method of order execution.

**Article IV - Order Allocation Strategy**

Dealer may consolidate orders of clients between each other and orders of clients with orders on Dealer's account (disposal of Dealer's assets). The order allocation strategy is, in the event of partially satisfied consolidated order, as follows:

- orders on account of the client are given preference to the orders entered into on Dealer's account (disposal of Dealer's account);
- orders of clients are satisfied based on time priority of the orders accepted, i.e. first accepted first satisfied;
- if it is not possible to satisfy all orders which were accepted at the same moment, such orders will be satisfied proportionately, i.e. the remaining portion of the financial instruments will be allocated between such orders proportionately to the number of units (pieces) of the financial instrument under individual orders;
- if it is not possible to split the financial instrument proportionately to the units of the financial instrument without leaving a remainder, the number of units of the financial instrument pertaining to individual clients will be rounded in accordance with mathematical rules, i.e. 1-4 rounded down; 5-9 rounded up;
- each client whose order is to be consolidated is informed of the fact that the effect of consolidation in relation to a specific order may be unfavourable for such client.

**Article V - Monitoring**

At client's request, Dealer will prove to the client that client's orders were executed in accordance with this Strategy. The comparison of outcomes reached in using the principles resulting from this Strategy against the outcomes which could be

attained for the client by other financial institution based on application of the order execution strategy of such company or based on other structure of fees and commissions will not be decisive in assessing the correctness of Dealer's procedures to achieve the best possible outcome.

Dealer is requested to monitor both the efficiency of the order execution mechanisms and the quality of order execution by third persons which are transmitted the orders for execution in order to be able to detect, and if need be, remove any deficiencies. Dealer applies procedures and processes for order execution quality analysis and monitors and checks whether the best outcomes were attained for clients.

To that end, Dealer revises, regularly on an annual basis, the efficiency of this Strategy, particularly whether the order execution venues and the order transmission venues set forth hereunder provide for the best possible outcome for the client or whether changes need to be made in the Dealer's execution mechanisms. To assess the quality of the order execution venue, information which must be made accessible by each execution venue to the public in a relevant place is being used at least once a year. Regular reports include detailed data about the price, costs, promptness, and probability of order execution for individual financial instruments.

Dealer also updates the Strategy in the event of substantial changes which have an impact on Dealer's ability to reach the best possible outcome for Dealer's clients in executing the order.

Dealer will inform the client of all material changes relating to the mechanisms or order execution or this Strategy.

Further, Dealer also prepares and publishes, on an annual basis, for each type of financial instruments the summary information from the five best execution venues from the perspective of trading volumes on an annual basis in which client orders were executed in the previous year and the data about the quality of orders executed achieved.

#### **Article VI - Summary**

When executing client orders, Dealer acts in accordance with this Strategy so as to achieve the best possible outcome for the client. This particularly, without limitation, means the best price of a financial instrument and the lowest costs of investment service including fees for execution venues, fees for clearance and settlement, and any fees paid to third persons engaged in the execution of the order (summary overview of the costs for individual execution venues is available in Art. III - Execution Venues). However, Dealer also takes into account other criteria and factors with regard to the circumstances of a specific order so as to always act in the best interest of the client.

Dealer, in order to attain the best possible outcome for the client, will execute or transmit the order to the execution venues listed hereunder, whereby Dealer chooses the venue and method of order execution taking into consideration the attainment of the best possible outcome for the client. Dealer may also execute the order outside the regulated market or multilateral trading facility, however only with client's consent.

Dealer makes use of the procedures and processes of order execution quality analysis, while to assess the quality of the order execution venue, information which must be made accessible by each execution venue to the public in a relevant place is being used at least once a year. Execution of a specific client instruction is deemed compliance with the obligation to attain the best possible outcome for the client.

This Strategy will become effective as of November 29, 2021.