

# PATRIA

Patria Finance, a.s., Jungmannova 745/24, 110 00 Prague 1, Czech Republic, ID No. 60197226  
Registered with the Commercial Register, Section B, File No. 2583  
Maintained by the Municipal Court in Prague  
Tel.: (+420) 221 424 111, Fax: (+420) 221 424 222

## Information on the order execution policy of Patria Finance for professional clients

### 1. Scope of best execution

In accordance with the Markets in Financial Instruments Directive (MIFID) Patria Finance has established and implemented arrangements, including an order execution policy, designed to deliver best execution.

The present document provides the client with information on the order execution policy of Patria Finance. The order execution policy will apply as from 1 November 2007 to clients that have been classified as professional clients of Patria Finance and to financial instruments in scope of MIFID.

When executing an order on behalf of our professional client in respect of financial instruments covered by MIFID, Patria Finance will, subject to any specific instruction, take all reasonable steps to obtain the best possible execution result in accordance with our order execution policy, taking into account the factors identified below.

### 2. Approach to best execution

#### 2.1. Execution factors

Various factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, may affect the order execution.

In order to determine the relative importance of the different factors, Patria Finance takes into account the following criteria:

- the characteristics of the client, i.e. the categorisation of the client as a professional client;
- the characteristics and nature of the order, including whether any specific instructions are given;
- the characteristics of the financial instruments that are subject of that order;
- the characteristics of the execution venues to which that order can be directed.

Although in most instances price and costs will merit a high relative importance in obtaining the best possible result, there can be circumstances where other factors such as impact on market, prices, speed, likelihood of execution, size and nature of the order or any other consideration relevant to the execution of the order may be more important in determining the best possible execution result.

Patria Finance may, at its own discretion, prioritise such other factors in certain circumstances, for certain client orders, financial instruments or markets for example where there is insufficient immediately available liquidity on the relevant execution venue to execute the order in full, where the client gives an order above standard market size or in illiquid instruments. Thus Patria Finance may appropriately determine that obtaining the best immediately available price may not be the best possible result for its client.

# PATRIA

## *2.2. Execution venues and methods*

The order execution policy includes, in respect of each class of instruments, information on the different venues where Patria Finance executes its client orders and the factors affecting the choice of execution venue. The policy includes at least those venues that Patria Finance enable to obtain on a consistent basis the best possible result for the execution of client orders.

In meeting our obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of client orders, Patria Finance may use one or more of the following venue types when executing an order on behalf of its client:

- regulated markets;
- multilateral trading facilities (MTF);
- systematic internalisers;
- Patria Finance' own account (including Patria Finance dealing as principal);
- third party investment firms, brokers, transfer agents and/or affiliates acting as market maker or other liquidity providers;
- non EU entities performing similar functions.

Although it is our policy to apply the same standards with respect to best execution across the different markets and financial instruments, the diversity of those markets and instruments will however need us to take into account different factors when assessing our execution policy in the context of those different markets and financial instruments. For example the fact of execution may itself constitute best execution in markets with low liquidity. For certain financial instruments our choice of venue may be limited to only one platform/market.

Subject to any specific instruction that Patria Finance may receive from a client, Patria Finance will execute the order in accordance with its execution policy by using one (or a combination) of the following methods:

(1) The order execution policy provides for the possibility that a client order may be executed outside a regulated market or an MTF, for example by Patria Finance acting as execution venue itself, where Patria Finance believes to obtain the best possible result for execution of that order. However in order to be able to execute the order outside a regulated market or an MTF, Patria Finance has to obtain the prior express consent of the client.

(2) The order can be executed directly on the regulated market or MTF or, where Patria Finance is not a direct member of the relevant market or MTF, Patria Finance can transmit the order to a third party market participant, with whom Patria Finance will have arrangements in place for handling orders for that regulated market or MTF.

(3) The order can be transmitted to another broker or dealer for execution, in which case Patria Finance will either determine the ultimate execution venue and instruct the other broker or dealer accordingly or satisfy itself that the broker or dealer has arrangements in place that enables Patria Finance to comply with its own execution policy.

(4) The order can, in case of units in collective investment undertakings, be transmitted to a transfer agent.

## **3. Specific instruction**

To the extent that the client gives a specific instruction in relation to an order or any aspect of an order, including the selection of a particular execution venue, in executing the order in accordance with these specific instructions, Patria Finance will be deemed to have taken all

# PATRIA

reasonable steps to provide the best possible result in respect of that order or any aspect of that order.

Where the client gives specific instructions for example via an electronic order routing system, Patria Finance will execute that order in accordance with those specific instructions.

Any specific instruction from a client may prevent Patria Finance from taking the steps that it has designed and implemented in its order execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by such instruction.

## 4. Monitoring and Review

Patria Finance will monitor the effectiveness of its order execution arrangements and its execution policy in order to identify and, where appropriate, correct any deficiencies.

In particular, Patria Finance will assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for the client, or whether changes to the execution arrangements need to be made.

Patria Finance will review its order execution arrangements and order execution policy at least annually. Patria Finance shall notify its clients of any material changes to its order execution arrangements or execution policy.

## 5. Order Supplements

Patria Finance offers its clients the following order supplements:

Market Order	A market order is an order to buy (sell) a financial instrument as soon as possible at the best possible price.
Limit Order	A buy (sell) limit order is an order to buy (sell) a financial instrument at a specific price. Buy (sell) orders above (below) the defined limit will not be executed.
Stop Market Order	A stop market order is an order to sell (buy) a financial instrument at market as soon as the price moves below (above) the stop-price. The actual price received by the client may diverge significantly from the chosen stop-price.
Stop Limit Order	A stop limit order is an order to sell (buy) a financial instrument up to a defined price limit, as soon as the price moves below (above) the stop-price. A consequence of this order supplement is that partial executions may occur.
Order with Time Limit	The validity of the order is restricted by adding a time limit: Good-for-Day: The order is valid for the current trading day. Good-till-Date: The order is valid until a specified date. Good-till-Cancelled: The order lasts until the order is completed or cancelled.
All or None (AON) Order	A condition used on a buy or sell order to instruct the broker to execute the order completely or not at all.
Fill or Kill (FOK) Order	A condition used on a buy or sell order to instruct the broker to execute the order immediately and completely. If immediate and full execution is not possible, the order is cancelled.
VWAP Order	Volume-Weighted Average Price is the ratio of the value traded

# PATRIA

	to total volume traded over a defined time period. With a VWAP order, the client provides a specific instruction as to the execution price of the order.
Volume Order	With a 1/3 (respectively 1/2, 1/4) volume order, the client instructs the broker to buy or sell one third (respectively one half, one quarter) of the total traded volume over a defined period, on a defined execution venue.
Market on Close (MOC) Order	Order to buy or sell a financial instrument as near as possible to when the market closes for the day.
Market on Open (MOO) Order	Order to buy or sell a financial instrument as near as possible to when the market opens for the day.

Clients of Patria Finance should be aware that the use of order supplements may constitute a specific instruction (see Article 3 above).