



BEST EXECUTION POLICY
INTERCAPITAL securities Ltd.

December, 2020

Definitions

Professional Client means a client who possesses the experience, knowledge and expertise to be able to appropriately assess the risks associated with its own investment decisions.

Retail Client means a client who is not a Professional Client.

Eligible Counterparties Eligible Counterparties are investment firms; credit institutions; insurance companies; UCITS fund and their management companies; pension funds and their management companies; other financial institutions authorized or regulated under the European Union; national governments and their corresponding public bodies that deal with public debt; central banks; and supranational organizations.

Company, INTERCAPITAL means the investment company INTERCAPITAL securities Ltd.

Regulated Market means a multilateral system operated and/or managed by a Market Operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly.

Multilateral Trading Facility (MTF) means a multilateral system, operated by an Investment Firm or a Market Operator, which brings together multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract.

Organized Trading Facility (OTF) means a multilateral system which is not a Regulated Market or an MTF, and in which multiple third party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract.

Systematic Internalizer (SI) means an Investment Firm which, on an organized, frequent systematic and substantial basis, deals in principal capacity when executing Client Orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.

Execution Venue means any Regulated Market, MTF, OTF, SI, Market Maker or other liquidity providers or any third country subject that performs similar functions as defined under MiFID II.

Trading Venue means any Regulated Market, MTF, OTF.

Market Maker means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person.

Web page is the Company inter.capital.

EEA (European Economic Area) The countries of the European Union member states including Norway, Lichtenstein and Iceland

Financial Instruments Instruments set out in Section C of Annex I to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II)

Client Limit Order means an order to buy or sell a financial instrument at its specified price limit or better and for a specified size.

Capital Market Act means the Croatian Capital Market Act published in the Official Gazette no. 65/2018

This Best Execution Policy (“Policy”) sets forth information relating to how INTERCAPITAL seeks to provide best execution when either executing or transmitting orders on behalf of clients.

DUTY OF BEST EXECUTION

BEST EXECUTION FACTORS

In order to fulfil its duty of best execution, INTERCAPITAL takes all sufficient steps to obtain, when executing orders, the best possible result for the client. In this regard, INTERCAPITAL takes into account the Best Execution factors as follows:

- 1) price of the Financial Instruments (the price mostly depends on the price quality on the Execution Venue and it is assessed taking into account the liquidity of the Financial instrument on the Execution Venue, order book depth and similar)
- 2) costs related to the execution of the order (this includes all costs, commission and expenses related to the transaction, including exchange or clearing fees)
- 3) speed and likelihood of execution (speed means time it takes for reception of the order to its execution on a Execution Venue while likelihood of execution means short-term probability of execution at a Execution Venue)
- 4) speed and likelihood of settlement (speed and probability of settlement relate to the settlement risk present at a Execution Venue, which may make more difficult the delivery of Financial instruments)
- 5) size and type of the order and any other consideration relating to the execution of the order

In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.

PERFORMANCE CRITERIA

In order to determine the relative importance of the above-mentioned factors, INTERCAPITAL also considers the following criteria:

- (a) the characteristics of the client, including the categorisation of the client as retail, professional or eligible counterparty;
- (b) the characteristics of the client order;
- (c) the characteristics of financial instruments in question;
- (d) the characteristics of the Execution venues to which such order could be directed to.

SPECIFIC CLIENT INSTRUCTIONS

Specific client instructions may prevent INTERCAPITAL from taking steps designed to obtain the best possible result as set out in the Policy, as the best execution obligation is considered satisfied when INTERCAPITAL follows the specific client instruction for that part of the order. Therefore, to the extent that the client gives INTERCAPITAL a specific instruction, this instruction overrides the best execution obligation in respect of the elements covered by those instructions.

RETAIL CLIENT ORDER EXECUTION

When executing orders for Retail Clients, INTERCAPITAL the best possible result will be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution.

Costs related to the execution of the order includes all cost in relation to the order execution, including exchange and clearing fees as well as all commission and expenses related to the transaction. For clients that have a separate custody account, the custody costs are calculated and delivered to the client by the custodian.

Retail investors are hereby warned that specific instructions from the client may prevent INTERCAPITAL from taking the steps designed in this Policy to obtain the best possible result for the execution of clients orders in respect of the elements covered by those instructions.

PROFESSIONAL CLIENT ORDER EXECUTION

The requirements for achieving best execution of client orders in accordance with Article 121. of the Capital Market Act shall apply to transactions of Professional Clients. For Professional Clients, the decisive factor when executing an order is the relative importance of the criteria for executing of an order (not just the price of the Financial instrument and transaction costs as for Retail investors, but also the speed and probability of execution and settlement, order size, etc.).

ELIGIBLE COUNTERPARTY ORDER EXECUTION

In respect of the clients that are categorized as Eligible counterparties, INTERCAPITAL may provide execution services and transfer of orders, without establishing the processes and policies designed to achieve the best execution of client orders.

EXECUTION VENUES AND THIRD PARTY BROKERS

INTERCAPITAL executed client's orders either directly at the Execution venue or by transmitting them other entities (third party brokers).

When selecting Execution Venues and the entities to whom orders are transmitted, INTERCAPITAL chooses those that ensure that the best possible results are obtained for clients in a consistent manner.

Criteria for the selection of Execution Venues are, with equal importance, the technical requirements and the ability of the Company to become a member at the Execution Venue, the reliability of the technical trading solution, the reliability of the settlement system, the costs, probability of execution, liquidity, depth of the order book.

The foreign markets on which INTERCAPITAL transmits orders for execution is divided to: the Developing Markets (Hungary, Slovenia, Serbia, Romania, Bulgaria, Bosnia and Herzegovina, Czech Republic, Poland and other markets in the region) and Developed Markets.

Criteria for selecting entities to which INTERCAPITAL transmit orders for execution on Developing Markets are with equal importance, the broker's reputation, reliability in executing and settling transactions, knowledge of the local market, and rank on the list of brokerage houses on a particular market (measured by market share).

Criteria for selection of third party brokers on Developed markets are, with equal importance, the brokers reputation, reliability in executing and settling transactions and reliability of technical solutions. INTERCAPITAL will provide the best possible result for the client by giving instructions to third parties, i.e. entities to which INTERCAPITAL transmits orders for execution, in the manner that will ensure the best execution or it will make sure that they have established such mechanisms. INTERCAPITAL will conduct the appropriate third-party checks to which it transfers orders outside the EEA to make sure that they execute orders in accordance with the best execution requirements.

The Execution Venues and entities (third party brokers) to which INTERCAPITAL transmits orders are listed in Annex I of this Policy.

The Best Execution Factors that INTERCAPITAL takes into account in order to achieve the best outcome for the client for each type of financial instruments are listed in Annex 2 of this Policy.

For each class of financial instruments, the INTERCAPITAL aggregates and annually publishes (on the Company's web site) the five best investment companies (brokers, thirds parties) and execution venues in terms of trading volume information to which it transmit or place clients' orders along with the performance information.

EXECUTING ORDERS OUTSIDE THE TRADING VENUE

INTERCAPITAL may execute client orders outside the Trading Venue. When INTERCAPITAL executes orders outside the trading venue, certain risks may arise, such as the risk of the other counterparty, resulting from execution outside the trading venue.

CLIENT LIMIT ORDER

If the Client Limit Order to buy or sell shares admitted to trading on a regulated market or traded on a regulated market and these orders are not immediately executed under prevailing market conditions, INTERCAPITAL might make such Client Limit Order public.

INTERCAPITAL might transmit such orders to a regulated market or MTF or make them public. This arrangement does not apply if explicitly instructed by the client.

AGGREGATION AND ALLOCATION OF ORDERS AND TRANSACTIONS

INTERCAPITAL may carry out a client order or a transaction for own account in aggregation with another client order if following conditions are met:

- (a) it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- (b) it is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- (c) an order allocation policy is established and effectively implemented, providing for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Orders to buy or sell a financial instrument of the same issuer under equal conditions (price, type of order) INTERCAPITAL might aggregate, if in terms of volume, such aggregation does not diminish the possibility of order execution.

INTERCAPITAL will execute orders by their priority in the order book.

Where aggregated orders are executed at the same price, and the quantity is not sufficient for execution of all orders, or aggregated orders are executed under different prices, the priority of execution is afforded to the client according to the priority in the order book (the order that was previously placed) in accordance with the rules of the relevant Execution Venue on which the order was placed.

With regards to the order book priority, INTERCAPITAL's own order is equal to client's orders (in accordance to INTERCAPITAL's conflict of interest internal policies). Where client accepted order aggregated with INTERCAPITAL's own orders is only partially fulfilled, INTERCAPITAL shall allocate the related trades to the client in priority to INTERCAPITAL.

NOTICE OF CONFIRMATION / REJECTION OF ORDER

INTERCAPITAL's authorized person shall notify the client about every order that it has received. Such notice will be communicated orally via telephone and / or via e-mail and / or via "Bloomberg" and via the SEE Link IT platform where applicable. The archives of the above notices are either conducted through recorded audio tracks, e-mails / Bloomberg / SEE Link systems that are archived.

For all orders received, the authorized person must notify the client that the given order has been received. The notice to clients is communicated orally via the telephone and / or via e-mail and / or via "Bloomberg" and via the SEE Link IT platform where applicable. The archives of the above notices are either conducted through recorded audio tracks, e-mails / Bloomberg / SEE Link systems that are archived.

If the Company does not accept the client's order, INTERCAPITAL shall notify the client immediately

upon receipt of such order, and no later than the next working day. The notice must state the reason for the rejection of the order.

INTERCAPITAL hereby informs the client that the conversations and communications relating to the reception, transmission and execution of orders are being recorded and that a copy of the recording of such conversations with the client and communications with the client will be available on request for a period of five years and, where requested by the competent authority, for a period of up to seven years.

EXTRAORDINARY CIRCUMSTANCES

Due to extraordinary circumstances, such as significant intraday price fluctuations, system crashes, lack of liquidity etc., the Company may fail to comply with the rules prescribed by this Policy. In such cases the Company will all due skill, care and diligence, taking the best interests of the client.

MONITORING AND AUDIT

The Company is required to monitor the performance and regularly assess whether the execution venues and brokers achieve the best possible result for the client.

The Company will review the effectiveness of this Policy at least annually. Such a review shall also be carried out whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for their clients.

A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Based on such review, the Company shall consider making changes to the relative importance of the best execution factors in meeting the overarching best execution requirement.

The Company shall, on a permanent medium on the Company's official Web page, notify clients with whom it has a continuous business relationship about any significant changes in its measures and / or the Policy.

At the client's request, the Company will present the data showing that the order was executed in accordance with this Policy.

Annex I

Trading venues for each class of Financial instruments in relation to Retail Clients:

Financial instrument	Country	Trading venue	Access	Brokers
Transferable securities and ETF (exchange traded funds)	Hong Kong	Hong Kong Stock Exchange	intermediary	KBC Group N.V.
	Singapore	Singapore Stock Exchange	intermediary	KBC Group N.V.
	Australia	Australian Securities Exchange	intermediary	KBC Group N.V.
	Japan	Tokyo Stock Exchange	intermediary	KBC Group N.V.
	Netherlands	Euronext Amsterdam	intermediary	KBC Group N.V.
	Greece	Athens Stock Exchange	intermediary	KBC Group N.V.
	Belgium	Euronext – Brussels	intermediary	KBC Group N.V.
	Denmark	NASDAQ OMX – Copenhagen	intermediary	KBC Group N.V.
	Ireland	Irish Stock Exchange	intermediary	KBC Group N.V.
	Germany	Xetra Frankfurt	intermediary	KBC Group N.V.
	Germany	Börse Frankfurt	intermediary	KBC Group N.V.
	Finland	NASDAQ OMX – Helsinki	intermediary	KBC Group N.V.
	Portugal	NYSE Euronext – Lisbon	intermediary	KBC Group N.V.
	United Kingdom	London Stock Exchange	intermediary	KBC Group N.V.
	Luxembourg	Borse de Luxembourg	intermediary	KBC Group N.V.
	Spain	Bolsa de Madrid	intermediary	KBC Group N.V.
	Italy	Borsa Italiana	intermediary	KBC Group N.V.
	Norway	Oslo Bors	intermediary	KBC Group N.V.
	France	NYSE Euronext – Paris	intermediary	KBC Group N.V.
	Sweden	Nasdaq Stockholm	intermediary	KBC Group N.V.
	Austria	Vienna Stock Exchange	intermediary	KBC Group N.V.
	Serbia	Belgrade Stock Exchange	intermediary	Momentum Securities ad
	Romania	Bucharest Stock Exchange	intermediary	KBC Group N.V.
	Hungary	Budapest Stock Exchange	intermediary	KBC Group N.V.
	Turkey	Istanbul Stock Exchange	intermediary	KBC Group N.V.
	SAR	Johannesburg Stock Exchange	intermediary	KBC Group N.V.
	Ukraine	Kiev Stock Exchange	intermediary	KBC Group N.V.
Poland	Warsaw Stock Exchange	intermediary	KBC Group N.V.	
Bosnia and Herzegovina	Banja Luka Exchange	intermediary	ADVANTIS BROKER a.d.	
Bosnia and Herzegovina	Sarajevo Luka Exchange	intermediary	VGT BROKER d.o.o.	
Russia	Moscow Exchange	intermediary	KBC Group N.V.	
Czech Republic	Prague Stock Exchange	intermediary	KBC Group N.V.	
Latvia	NASDAQ OMX – Riga	intermediary	KBC Group N.V.	

	Bulgaria	Sofia Stock Exchange	intermediary	KBC Group N.V.
	Estonia	NASDAQ OMX – Tallinn	intermediary	KBC Group N.V.
	Lithuania	NASDAQ OMX – Vilnius	intermediary	KBC Group N.V.
	Slovenia	Ljubljana Stock Exchange	own access	
	Croatia	Zagreb Stock Exchange	own access	
	USA	NASDAQ	intermediary	KBC Group N.V.
	USA	New York Stock Exchange	intermediary	KBC Group N.V.
	Canada	Toronto Stock Exchange	intermediary	KBC Group N.V.
Bonds	Netherlands	Euronext Amsterdam	intermediary	KBC Group N.V.
	Belgium	Euronext – Brussels	intermediary	KBC Group N.V.
	Ireland	Irish Stock Exchange	intermediary	KBC Group N.V.
	France	NYSE Euronext – Paris	intermediary	KBC Group N.V.
	Slovenia	Ljubljana Stock Exchange	own access	
	Croatia	Zagreb Stock Exchange	own access	
	Portugal	NYSE Euronext – Lisbon	intermediary	KBC Group N.V.
	Germany	Xetra Frankfurt	intermediary	KBC Group N.V.
Unlisted bonds		OTC	intermediary	KBC Group N.V.
Exchange traded derivatives	Germany	EUREX	own access	
Emmission allowances		OTC	intermediary	Advantag Services GMBH

Trading venues for each class of Financial instruments in relation to Professional Clients:

Financial instrument	Country	Trading venue	Access	Brokers
Equities and ETF (exchange traded funds)	Hong Kong	Hong Kong Stock Exchange	intermediary	Cowen Inc.
	Singapore	Singapore Stock Exchange	intermediary	Cowen Inc.
	Australia	Australian Securities Exchange	intermediary	Cowen Inc.
	Japan	Tokyo Stock Exchange	intermediary	Cowen Inc.
	Netherlands	Euronext Amsterdam	intermediary	Cowen Inc.
	Greece	Athens Stock Exchange	intermediary	Cowen Inc. Raiffeisen Bank International AG
	Belgium	Euronext – Brussels	intermediary	Cowen Inc.
	Denmark	NASDAQ OMX – Copenhagen	intermediary	Cowen Inc.
	Ireland	Irish Stock Exchange	intermediary	Cowen Inc.
	Germany	Xetra Frankfurt	intermediary	Cowen Inc.
	Germany	Börse Frankfurt	intermediary	Cowen Inc.
	Finland	NASDAQ OMX – Helsinki	intermediary	Cowen Inc.
	Portugal	NYSE Euronext – Lisbon	intermediary	Cowen Inc.
	United Kingdom	London Stock Exchange	intermediary	Cowen Inc.
	Luxembourg	Borse de Luxembourg	intermediary	Cowen Inc.
	Spain	Bolsa de Madrid	intermediary	Cowen Inc.
	Italy	Borsa Italiana	intermediary	Cowen Inc.
	Norway	Oslo Bors	intermediary	Cowen Inc.
	France	NYSE Euronext – Paris	intermediary	Cowen Inc.
	Sweden	Nasdaq Stockholm	intermediary	Cowen Inc.
Austria	Vienna Stock Exchange	intermediary	Cowen Inc., Raiffeisen Bank International AG	
Serbia	Belgrade Stock Exchange	intermediary	Momentum Securities ad	
Romania	Bucharest Stock Exchange	intermediary	S.A.I. Swiss Capital Asset Management S.A., BT Capital Partners, Raiffeisen Bank International AG	
Hungary	Budapest Stock Exchange	intermediary	Cowen Inc., Momentum Securities ad	
Turkey	Istanbul Stock Exchange	intermediary	Cowen Inc.	
SAR	Johannesburg Stock Exchange	intermediary	Cowen Inc.	
Ukraine	Kiev Stock Exchange	intermediary	Cowen Inc.	
Poland	Warsaw Stock Exchange	intermediary	Cowen Inc., Momentum Securities ad	

	Bosnia and Herzegovina	Banja Luka Exchange	intermediary	ADVANTIS BROKER a.d.
	Bosnia and Herzegovina	Sarajevo Luka Exchange	intermediary	VGT BROKER d.o.o.
	Russia	Moscow Exchange	intermediary	Cowen Inc.
	Czech Republic	Prague Stock Exchange	intermediary	Cowen Inc.
	Latvia	NASDAQ OMX – Riga	intermediary	Cowen Inc.
	Bulgaria	Sofia Stock Exchange	intermediary	ELANA Trading & First Financial Brokerage House
	Estonia	NASDAQ OMX – Tallinn	intermediary	Cowen Inc.
	Lithuania	NASDAQ OMX – Vilnius	intermediary	Cowen Inc.
	Slovenia	Ljubljana Stock Exchange	own access	
	Croatia	Zagreb Stock Exchnge	own access	
	USA	NASDAQ	intermediary	Cowen Inc.
	USA	New York Stock Exchange	intermediary	Cowen Inc.
	Canada	Toronto Stock Exchange	intermediary	Cowen Inc.
Bonds	Netherlands	Euronext Amsterdam	intermediary	KBC Group N.V.
	Belgium	Euronext – Brussels	intermediary	KBC Group N.V.
	Ireland	Irish Stock Exchange	intermediary	KBC Group N.V.
	France	NYSE Euronext – Paris	intermediary	KBC Group N.V.
	Slovenia	Ljubljana Stock Exchange	own access	
	Croatia	Zagreb Stock Exchange	own access	
	Portugal	NYSE Euronext – Lisbon	intermediary	KBC Group N.V.
	Germany	Xetra Frankfurt	intermediary	KBC Group N.V.
Unlisted bonds		OTC	intermediary	KBC Group N.V.
Exchange traded derivatives	Germany	EUREX	own access	
	SAD	CBOE	intermediary	Interactive Brokers
	SAD	Boston Options Exchange	intermediary	Interactive Brokers
	SAD	Amex	intermediary	Interactive Brokers
	SAD	CME	intermediary	Interactive Brokers
Emmission allowances	EU	OTC	intermediary	Advantag Services GMBH

Annex 2

Best execution factors

	Elementi izvršenja	Opis
Equities and ETF (exchange traded funds)	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Debt instruments	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Interest rates derivatives	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Credit derivatives	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Currency derivatives	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Structured finance instruments	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Equity Derivatives	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Commodities derivatives and emission allowances Derivatives	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.

Emission allowances	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.
Other financial instruments	price of the Financial instrument, costs related to the execution of the order, speed and likelihood of execution, speed and likelihood of settlement, size and type of the order	In carrying out its duty of best execution, INTERCAPITAL generally gives the factors of price and costs (both equally) a higher relative importance compared to the other execution factors: speed and likelihood of execution and settlement, size and type of the order, that are each given equal importance.