

# Best Execution Policy

## 1. Introduction

Pluto.markets Fondsmæglerselskab A/S (the "Company") is a regulated investment firm with the Danish Financial Supervisory Authority, authorised to transmit and execute orders on behalf of clients.

This policy applies to the Company's execution of orders for equities and crypto assets (collectively the "assets") on the Platform. The Company only offers its customers self-directed trading via an app powered by a proprietary core system, collectively referred to as the "**Platform**".

This policy is available upon request and can always be accessed both within the app and on the Company's website.

## 2. Legal basis

The best execution policy and related procedures have been prepared in accordance with the following regulation, which has been amended from time to time:

- Executive Order on Organisational Requirements for Securities Dealers, Executive Order no. 921 of 26 June 2017,
- Executive Order on the execution of orders by securities traders, Executive Order no. 917 of 25 June 2017.
- Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council about organisational requirements and operating conditions for investment firms and definitions of terms for the purposes of that Directive, including the

technical standards defined in RTS 28.

- Act on Investment Firms and Investment Services and Activities, Act no. 1155 of 8 June 2021.
- Markets in Crypto-Assets Regulation (EU) 2023/1114 (MiCA), which establishes a regulatory framework for crypto-assets, their issuers, and service providers within the EU, ensuring market integrity and investor protection in trading crypto-assets.

### **3. General**

The Company has agreements with:

- Brokers/Execution Partners for securities (providing order execution and custody services)
- Crypto Custodian Partners or Execution Partners (providing crypto asset execution and/or custody services)

Client orders are passed to these third parties for execution based on liquidity, costs, and market conditions. The Company ensures best execution for crypto assets in accordance with MiCA and MiFID II.

The Company has entered into an agreement with an American broker-dealer (a US-based Broker/Execution Partner), regarding order execution and custody services related to US securities. The reason for this is that the Company cannot execute trades in US shares directly outside of Denmark and that US shares cannot be held in custody elsewhere than within the US.

Once an order instruction has been received from a client via the platform, the Company will pass on the order to Alpaca for the purpose of order execution and custody. The Company is obliged to take all sufficient steps to achieve the best possible outcome for its customers as regulated by MiFID II.

Once an order has been received from a client via the platform, the Company will pass on the order to one of the crypto third parties for execution, depending on the available liquidity, costs and market conditions. The Company ensures that

sufficient steps are taken to secure the best execution for crypto-assets, in line with MiFID II and Markets in Crypto-Assets Regulation (MiCA), net of the fee charged by the Company.

#### **4. Client Consent on Execution Policy**

Prior to executing an order, the Company will ensure that clients consent to the execution policy and other relevant terms as part of the final transaction confirmation. Furthermore, the latest version of the best execution policy will always be available on the company's website.

#### **5. Group of people**

The policy applies to all employees of the Company. Responsibility for the fulfilment of best execution is borne by the CEO with regular reports to the Board of Directors.

#### **6. Focus on retail customers**

The company only accepts customers who are Danish retail clients. All of these are categorized as retail customers and thus receive maximum investor protection, unless they pass relevant suitability tests to upgrade their status.

#### **7. Best Execution**

When an order is placed by the customer via the Platform, such an order is received as a specific instruction from the customer to the Company to execute the order on their behalf. Unless an order is placed up to 5 minutes before an opening auction, the client will be able to cancel an order again at any time unless the order has been executed in full or in part before the cancellation has been acknowledged by the Company. The Company routes all orders received from a customer via the Platform to one of its partners for execution.

#### **8. Trading Platforms for Crypto-Assets & Selection Criteria**

The Company executes crypto-asset orders via its Crypto Custodian Partners or Execution Partners.

Selection criteria include:

- Liquidity of the trading platform
- Pricing mechanisms & spreads
- Execution speed and reliability
- Custody arrangements & security
- Regulatory status of the platform

The Company does not receive any form of remuneration, discount, or non-monetary benefit in return for routing orders to a particular trading platform.

## **9. Execution Factors & Best Execution Considerations**

The Company considers the following factors to ensure best execution:

- Price
- Execution costs (e.g., clearing, settlement, third-party fees)
- Speed of execution
- Likelihood of execution and settlement
- Size and nature of the order
- Custody arrangements of the crypto assets

**Prioritization:** Given the nature of crypto-asset trading, the Company places primary emphasis on liquidity, price, and execution speed when routing orders.

## **10. Execution Outside a Trading Platform**

In some cases, orders may be executed outside a regulated trading platform. In such scenarios:

- Clients are informed hereof as part of the transaction confirmation.
- The Company obtains consent before executing orders off-platform.
- Additional risks (e.g., counterparty risk) are disclosed.

## **11. Impact of Client-Specific Instructions**

If a client provides specific instructions on how an order should be executed, this may prevent the Company from obtaining the best possible result for that order. The Company will disclose these limitations to the client as part of the transaction confirmation.

## **12. Exclusion from the Platform - market abuse or insider trading**

If the Company suspects market abuse or insider trading, the Company is entitled to exclude the involved customer from the Platform. In this case, the customer is not entitled to have the order executed, and the customer will be informed of this via e-mail/notification on the Platform.

## **13. Monitoring, selection and reporting**

- The CEO continuously monitors execution quality. If a third party is found to underperform, alternative execution venues are considered.
- Quarterly performance reviews are conducted, with reports submitted to the Board of Directors.

When a third party is regulated by an authority either within or outside the EU, the company may incorporate these best-execution reports into its analysis. However, it remains the company's sole responsibility to ensure compliance with EU best execution requirements when working with partners that are not regulated within the EU.

## **14. Prevention of Order Information Misuse**

The Company ensures that employees do not misuse sensitive client order information through:

- Restricted access to execution-related data
- Monitoring & internal controls on order handling
- Strict confidentiality policies & staff training

## **15. Control and audit**

The policy is reviewed by the Company's CEO at regular intervals and at least once a year to adapt the policy to the Company's development.

Every time this policy is updated, the latest version will be made available on the Company's website and in the App within one calendar month.

All customers will be notified of any material changes to the Company's Best Execution Policy.

The date on this Policy refers to the date of the most recent changes. If a review of the Execution and Transmission of Orders Policy does not result in changes, the date on the policy will not change.

To comply with Article 78 of MiCA, the Company:

- Maintains execution quality reports & trading logs
- Provides execution data upon request from regulatory authorities
- Regularly audits execution practices to ensure compliance

## **Supervision**

Pluto is authorized as an investment firm. The authorization is granted by:

The Danish Financial Supervisory Authority

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## **Contact Information**

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Location: Copenhagen

Date: April 22, 2025

Chairperson: Claus Nielsen

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Member: Mogens Dalhoff

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Member: Morten Lilleøre

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Member: Anne Marie Kindberg

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#### DATE AND DESCRIPTION OF CHANGES

| Date           | Description of changes | Version |
|----------------|------------------------|---------|
| April 22, 2025 | The policy is approved | (v01)   |
|                |                        |         |