

Investment Services Information

Orders and Order
Execution Policy

Introduction

In the Investment Services Information, DEGIRO provides the details of the contractual relation that DEGIRO has entered into with you in the Client Agreement and a more detailed explanation of its services and contracts. In this reference work, you can also read about the general and specific risks associated with investing in Financial Instruments. We recommend that you read the Investment Services Information and prepare well for investing, so that you can do this in a responsible manner.

The Investment Services Information is part of the Client Agreement. In the Investment Services Information, capitalised terms have the meaning as defined in the Client Agreement or as defined in the Investment Services Information.

If you have any questions, comments and/or suggestions, please contact the DEGIRO Customer Service Desk. You can find the contact details and availability of the Customer Service Desk on the Website.

Documents

The Investment Services Information consists of the following documents:

- WebTrader
- Profiles
- Investment Funds
- Investment services
- **Orders and Order Execution Policy (this document)**
- Corporate actions, expirations and administrative actions
- Fees
- Characteristics and risks of Financial Instruments
- Security Value, Risk, Debit Money and Debit Securities
- Market Data



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

2/910

Orders and Order Execution Policy

1. Orders

DEGIRO supports different types of Orders, which can all lead to execution in a different way. Different fees and conditions apply for the Order types per type of Financial Instrument, as shown in the document Fees in the Investment Services Information.

Note: not all Order types are available for all Financial Instruments. When you select a Financial Instrument in WebTrader, you can see which Order types are available for that Financial Instrument.

1.1 Transmission of Orders

WebTrader

The standard way to send Orders to DEGIRO is via the WebTrader. With your Access Code you can enter the WebTrader on your Personal Page.

If it is not possible to place your Order via the WebTrader because you want to trade on a market or with a counterparty that is not accessible electronically or in case of a failure of the WebTrader, you can place your Order by email or, if email is not available, by telephone.

Email

Order

If for any reason you cannot place your Orders via the WebTrader, you can make use of the email Order. The email address of the Order Desk can be found on the Website. DEGIRO will process the Order if:

- the Order has been received in the email inbox of the Order Desk as stated on the Website;
- the Order contains all information that is necessary for DEGIRO to be able to execute the Order (such as username, ISIN code or Bloomberg code of the Financial Instrument, the option series or another description that is sufficiently clear, the number of Financial Instruments, the Order type, the limit and whether it is a 'buy' or a 'sell');
- your Balance is sufficient at the moment of receipt of the Order; and
- DEGIRO has opened this product for (retail) trading.

The email Order will be executed for the bid price (for a sell) or the ask price (for a buy) that applies on the first moment that execution on the reference exchange is possible after the email Order is correctly received by the Order Desk of DEGIRO. Because the email order will not be immediately executed, the price of the position at the moment of execution might be different from the price at the moment the email Order was received by the Order Desk. Please note that for this purpose the price for which the Order has been executed must be corrected with a separate booking. This ensures that you will always receive or pay the price of receipt of the order. Please note also that there is a counterparty risk on DEGIRO for the timeframe in which the order is correctly received but not yet executed.

Please note that not all Order types are available as email Order and that it is only possible to submit email Orders with an order term of one Trading Day. This means that your email Order will only be valid during the Trading Day on which you send the Order. If your Order is not executed that day, a new Order has to be submitted in order for it to be valid on the next Trading Day.

A maximum Order value is set for email Orders and a surcharge is levied for email Orders. You can find the maximum Order value and surcharge in the Fee Schedule.

Telephone Order

Exceptionally, only in the event that it is not possible to provide your Order through the WebTrader or email, you can provide your Order by telephone to the Order Desk. This is possible between 8:00 and 22:00 hours (CE(S)T). You can reach the Order Desk by calling the Help Desk. The employees of the Help Desk can connect you with the Order Desk. You can find the phone number of the Help Desk on the Website.

Please note that Telephone Orders always have a maximum Order validity of one Trading Day and not all Order types can be executed by DEGIRO if instructed by telephone. The working language of the Order Desk is English. When placing an Order via telephone, additional fees are charged. This surcharge is shown in the Fee Schedule.



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

3/910

Execution, Balance

When you have submitted your Order through WebTrader, DEGIRO will provide you with confirmation of execution of the Order.. Normally, the transaction will be processed in your Balance, immediately after execution. In case of technical or administrative issues at DEGIRO or for example at an exchange, it may happen that Orders or Transactions are not correctly processed. In such situations DEGIRO is entitled to undo Orders and / or Transactions where DEGIRO deems such necessary for the protection of DEGIRO or its clients. DEGIRO will in such situation inform you as timely as possible.

When the Order is submitted via email or telephone, it is possible that there is a delay in the processing of the confirmation and of the resulting transaction in the Balance. In rare cases the transaction might not be visible until the next Trading Day. If this is the case, you can contact DEGIRO via email or telephone to see if your Order has led to execution. If that is indeed the case, it will be possible to enter into new transactions with regard to the new position. Buying or selling positions which have not yet been booked can only be done via email or telephone Order.

1.2 Order term

Depending upon the market, the Financial Instrument and the Order type, you may be able to specify the term that you wish your Order to remain active. The following terms may be possible.

Day Order

A day Order stays open until it is executed during the Trading Day or until the market close on the trading day of the respective market. At the end of the Trading Day, the Order will be automatically deleted. If you place an Order after market close, your Order will be valid for the next Trading Day.

Good-to-cancel Order

Good-to-cancel Orders are Orders that remain active until they are executed or cancelled by you. DEGIRO cannot in any way guarantee that the Order will not be cancelled due to other causes. As such, for this Order it is important that you regularly check whether the status of the Order is active. If you have placed a Good-to-cancel Order, and DEGIRO notices that the Order has been deactivated without your instructions, DEGIRO will on a best effort basis place the Order again or DEGIRO will notify you that the relevant Order has been deactivated. DEGIRO never reimburses any losses or lost earnings arising because such an Order has not been executed. You acknowledge and accept that Orders not being executed, due to a root cause that can not be attributed to (in)action of DEGIRO is a risk that is inextricably linked with the use of an online investment platform such as DEGIRO

Sometimes DEGIRO has to use a process called 'simulation' to achieve the same result as a Good-to-cancel Order. With simulation, a Day Order will be sent each day to the place of execution until you cancel your Order or the Order gets executed. DEGIRO always does this in case an exchange does not support Good-to-cancel Orders. DEGIRO can also choose to use simulation instead of a Good-to-cancel Order in the following cases REASONS NEEDED. Both DEGIRO and third party brokers use simulation. Simulation of Good-to-cancel Orders can lead to a different priority on the exchange than in the situation in which a Good-to-cancel Order would be placed as such on the exchange.

1.3 Order types

Through the WebTrader you can use several different Order types. Please note that not all Order types are available for all Financial Instruments. When you select a Financial Instrument in the WebTrader, you can see which Order types are available for that Financial Instrument.

Default Order

If you do not specify an Order type, the default Order type for the relevant market or product will be used. In most situations this will mean that your Order will be executed as a Limit Order.

Limit Order

With this Order type, you set a minimum price (in case of a sell) or maximum price (in case of a buy) for which you want to execute your Order. If the price that you have stated is not attainable at that time, your Order will be sent to the place of execution at which the best-price execution is expected. Your Order will never be executed at a worse price than your limit price.



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

4/910

Market (At Best) Order

You place an Order to execute your transaction at the best possible price. This may be necessary if you want your Order to be executed in any event. However, certainly with less liquid products, you may receive a worse price than what you anticipated. We therefore strongly advise you to use this Order type with care.

Stop Loss (Market) Order

The Stop Loss Order is an Order which is designed to limit your loss if the price of Security that you hold goes down or if the price of a Security in which you have a debit position goes up. As soon as the price of a Security reaches your 'stop loss' level, a predefined Market Order is sent by DEGIRO to the place of execution. Dependent on the place of execution, the stop-loss is offered by the exchange or by the IT systems of DEGIRO through simulation if the exchange does not support a Stop Loss Order. In the latter case, this is offered by DEGIRO on a best-effort basis.

If you wish to limit your loss on a position in Securities that you hold, you have to place a sell Stop Loss Order. A sell Stop Loss Order will be generated as soon as the price of your Security falls below the stop loss limit specified by you. If you wish to limit your loss on a debit position in Securities, you need to place a buy Stop Loss Order. A buy Order will be generated as soon as the price of your Security will exceed the stop loss price specified by you and your debit position will be closed. In most situations the last price is used as a trigger for the Stop Loss Order, but the bid price and ask price can also be used.

It might be possible that for some product segments there are no market maker quotes in the market or such are not visible. To avoid executions at unfavourable prices, in such cases the stop loss will not be released.

Stop Limit Order

A Stop Limit Order is a Stop Loss Order (see above) that instead of a Market Order generates a Limit Order when your chosen 'stop loss' level is reached. The advantage is that the buy or sell transaction cannot take place against a worse price than your chosen limit. The risk of course is that due to the limit, no transaction will take place at all. For the rest the same applies as for the Stop Loss Order.

Trailing Stop (Market) Order - only available for transactions on Xetra and Frankfurt

The Trailing Stop Order is a Market Order with a dynamic stop loss level. With the Trailing Stop Order, you can limit the loss that you incur on your long or short position in a Security with a stop loss level that follows the price of the Security if that price moves in your favour. The stop loss level for a sell Trailing Stop Order (to limit the loss on a long position) will follow the price of the Security when it goes up and will stay at its place when the price of the Security goes down; the stop loss level of a buy Trailing Stop Order (to limit the loss on a short position) will follow the price of the Security when it goes down and will stay at its place when the price of the Security goes up.

When you place the Trailing Stop Order, you have to choose the initial stop loss level (like with a standard Stop Loss (Market) Order) and you have to specify a difference in the form of an absolute amount or in the form of a percentage. If the specified difference is closer to the current price than the entered stop loss level, the entered stop loss level is not taken into account. When the price of the Security moves in your favour, the stop loss level will move with the price once the specified difference has been reached. This way the Order either keeps the specified distance in euro or the distance in the specified percentage.

When the price of the Security moves against you, the stop loss level won't move and the Trailing Stop Order will generate a Market Order once the stop loss level is reached.

An example of a Trailing Stop Order that is used to limit the loss on a long position:

An investor has a share X with a current price of EUR 10,-. The investor wishes to limit the potential loss on this position. The investor gives a Trailing Stop Order with a first stop loss level of EUR 8,- (2 euro below the price of X at the moment the Trailing Stop Order is given).

(1) The investor specifies a difference of 3 euro.

If the price of X goes up, the stop loss level will start to move up once the price of X is 3 euro above the chosen stop loss level and will then 'trail' 3 euro below the highest price reached by X. So: until the price of X reaches EUR 11,-, the stop loss level will remain at EUR 8,-. If the price of X goes up to EUR 12,-, the stop loss level will be EUR 9,-. If the price of X then falls to EUR 11,50, the stop



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

5/910

loss level will remain at EUR 9,-. If the price of X goes down to EUR 9,-, then a Market Order for the sale of X will be generated.

2) The investor specifies a difference of 25%.

If the price of X goes up, the stop loss level will start to move up once the price of X is 25% higher than the chosen stop loss level and will then 'trail' 25% below the highest price reached by X.

So: until the price of X reaches EUR 10,66,-, the stop loss level will remain at EUR 8,-. If the price of X goes up to EUR 12,-, the stop loss level will be EUR 9,-. If the price of X then falls to EUR 11,50, the stop loss level will remain at EUR 9,-. If the price of X goes down to EUR 9,-, then a Market Order for the sale of X will be generated.

Block Order (not yet available)

This Order type is intended for asset managers. With this Order type, Orders for multiple clients can be combined into a single net Order. This saves costs. The fixed costs are charged only once. The asset manager does pay a processing fee for passing on the transactions to several clients, but the costs of this are considerably lower than those for the execution of separate Orders.

1.4 Auto FX

Clients that use Auto FX will get an automatic exchange of any Foreign Currency towards the Base Currency of the Personal Page and vice versa. For any such Auto FX exchange triggered by a transaction that is initiated via the WebTrader and executed automatically, the exchange rate will be determined at the moment of the execution of the trade. In any other situation, such as corporate actions, coupon payments, notional payments, email or telephone Orders, the exchange rate will be determined, at the moment that the systems of DEGIRO detect the currency exposure. DEGIRO aims to carry this out as soon as possible, but delays are possible.

2. Best execution

As an investment firm, DEGIRO has a legal obligation to ensure that Orders are executed on the basis of best execution. For this purpose, DEGIRO makes use of its below described Order Execution Policy or the order execution policy of third party brokers.

On the Website DEGIRO shows for which exchanges Orders are sent 'Direct to market'. Orders in relation to Financial Instruments for which such exchange is the reference exchange, will be sent to that exchange. DEGIRO will send such Orders directly, using its own membership of the exchange or the membership of another broker, or send these Orders to another broker with the instruction to execute the Orders on the specified exchange. Orders that are sent 'Direct to market', will be executed by DEGIRO in accordance with the DEGIRO Order Execution Policy.

DEGIRO can also send Orders to a third party broker, to be executed under the order execution policy of that third party broker. DEGIRO will in such case require from such third party broker, that the order execution policy of the third party broker, complies with the best execution requirements that apply to DEGIRO. DEGIRO will on a regular basis check the order execution policy of the third party and compliance therewith by the third party broker. DEGIRO will also on a regular basis monitor the quality of execution by the third party broker and disclose the results hereof on the Website. On a yearly basis, DEGIRO will reconsider its policy with regard to the use of third party brokers as here described.

The third party brokers will make their own selection of execution venues, based upon their own preferences and selection criteria. DEGIRO will on a regularly basis monitor the execution venues used by the third party brokers. Usually, a third party broker will make use of various places of execution, such as regulated markets, MTFs, OTFs, SIs, market makers, liquidity providers, investment institutions and others.

You agree and expressly instruct that the third party brokers may execute orders outside the trading venues regulated market, MTF and OTF.

For a short description of the consequences hereof, you are referred to the Order Execution Policy below.



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

6/910

DEGIRO will not receive third party payments in any form from the third party brokers that it makes use of.

At this moment, DEGIRO uses Morgan Stanley as third party broker as described above. On the Website, DEGIRO shows for which exchanges, Orders are sent to 'Morgan Stanley SOR'. DEGIRO will send Orders in relation to Financial Instruments for which such exchange is the reference exchange, to Morgan Stanley, to be executed by Morgan Stanley using the order execution policy of Morgan Stanley. DEGIRO has ensured that the order execution policy of Morgan Stanley, enables DEGIRO to comply with the best execution requirements applicable to DEGIRO. DEGIRO will regularly monitor the order execution policy of Morgan Stanley. DEGIRO will on an annual basis, for each class of Financial Instruments for which Orders are executed in this way, investigate the quality of execution obtained from Morgan Stanley. The applicable information will be available on the Website.

3. Order Execution Policy

3.1 General

In the Order Execution Policy DEGIRO describes how Orders placed via the WebTrader are executed by DEGIRO and according to which criteria DEGIRO arrives at optimal execution. The execution method depends on the type of client, the type of Order and the type of Financial Instrument. In signing the Investment Services Agreement, you state that you have read and understood this Order Execution Policy and that you consent to it. The Order Execution Policy only applies to clients who are assigned to the professional client or retail client categories. This Order Execution Policy does not apply to clients that DEGIRO classifies as eligible counterparties.

3.2 Criteria for best execution

DEGIRO takes sufficient measures to realise the best possible result for its clients' Orders. DEGIRO takes account of the price, costs, speed, likelihood of execution and settlement, size, nature and all other aspects relevant for the execution of the Order. The combination of price and the likelihood of execution is the most important. The primary rule of the Order Execution Policy of DEGIRO is that Orders are executed at the best price that is available with sufficient liquidity on the trading venues that are used by DEGIRO.

3.3 Exclusion of Order Execution Policy

In certain situations, it may be possible for clients to deviate from the Order Execution Policy by making own choices for the execution of Orders. DEGIRO's Order Execution Policy does not apply to (the part of) an Order for which a client has issued specific instructions. A client can issue specific instructions in relation to (for example):

- the execution location;
- the execution method;
- the execution time.

PLEASE NOTE: Clients must be aware that in case they issue specific instructions it is no longer DEGIRO's responsibility to execute the Order in accordance with its Order Execution Policy.

PLEASE NOTE: Some Financial Instruments can be traded on more than one place of execution. If Client wishes to choose the place of execution, Client should be aware that the same Financial Instrument may be listed on different markets in a different currency, meaning that additional costs for the exchange of the Foreign Currency may apply.

3.4 Places of execution

Depending upon the product for which you want to enter into a transaction, your Order can be executed at different places of execution. Orders can be executed on one of the following exchanges:

- The 'national' exchanges for Securities.
- The 'national' exchanges for Derivatives.
- Alternative exchanges for Securities and/or Derivatives such as Chi-x.

In general DEGIRO uses the 'national' exchanges as reference exchange to determine the price of a particular Financial Instrument (in the Order window in the WebTrader you can see which exchange is the reference exchange for your chosen Financial Instrument).



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

7/910

Orders can also be executed outside an exchange. Often that is referred to as 'OTC'. Here as well, several options are available. DEGIRO can execute Orders amongst others with:

- Systematic Internalisers. Systematic Internalisers are parties that outside the exchange provide quotes for which they are willing to enter into transactions in Financial Instruments.
- Issuers. Some orders, such as orders for CFDs and investment funds can be executed directly with the issuer or an agent of the issuer.

Some products are traded directly OTC with a particular counterparty but through the use of a (communication) platform that does not act as an exchange. An example is Fundsettle. Fundsettle is not an exchange, but a platform that receives orders in relation to investment funds and simply transmits these orders to the managers of the relevant investment funds. An example of an equivalent platform that is not an exchange, but only receives and transmits orders, is Cats.

Differences exist between the places of execution. For example in the costs, the liquidity and the way in which transactions that have been entered into such a place of execution are cleared and/or settled. The latter may be done indirectly through a Central Counterparty and clearing members or directly between market parties. Also between the different ways of clearing and settlement, differences exist, such as differences in costs, speed, likelihood of settlement and risk. These differences are taken into account under the Order Execution Policy.

You agree and expressly instruct that DEGIRO may make use of all the places of execution mentioned in this document.

3.5 Publication and evaluation of places of execution

DEGIRO regularly reviews the places of execution that DEGIRO makes use of. DEGIRO includes new places of execution as it sees fit, to the extent that these comply with the legal criteria, or can remove existing places of execution if it deems such fit. Places of execution will be published on the Website. DEGIRO is responsible for the evaluation and selection of the places of execution. DEGIRO thereby takes in consideration the costs related to the new place of execution (including connection costs for the place of execution and the connected clearing and settlement infrastructure, execution fees, fees related to the submission, modification or cancellation of Orders, clearing and settlement fees and any other fees involved), the opening hours of the new place of execution and the connected clearing and settlement infrastructure, the additional liquidity that the new place of execution provides and the beneficial effect that such additional liquidity may offer for the execution of Orders. The new place of execution is added when the cumulative effect of these factors (with an emphasis on costs and liquidity) is assessed to be beneficial for the clients of DEGIRO.

DEGIRO will on an annual basis, for each class of Financial Instruments in relation to which Orders are executed in accordance with this Order Execution Policy, calculate the top five places of execution in terms of trading volumes where it executed client Orders in the preceding year and investigate the quality of execution obtained. This information will be available on the Website.

3.6 Execution method

Client chooses the Order type. Accepted Orders always run through the system via a single sequential process. This means that there is always a sequence in the execution of the Orders. Orders are processed in order of receipt, in accordance with the following steps.

- For Orders of the same Order type the 'first in, first out' (FIFO) order of priority applies.
- Orders will be sent directly upon receipt, unless an exception applies, such as that the Order must only be sent when a condition is fulfilled (like a Stop Loss Order), that the market for that Order is not open, or that the Financial Instrument to which the Order sees, is not continuously traded.

PLEASE NOTE: Orders that DEGIRO sends to an exchange will in that way be made public so the Orders can be accessed by other market participants. Sometimes, for example when the limit set in the Order is very passive or very aggressive, DEGIRO or the executing broker may prefer to make such Order not immediately public, but only at a later time. You agree and expressly instruct that Limit Orders (including the Limit Orders that are part of another Order type) which cannot immediately be executed, do not immediately have to be made public. Where such Orders have already been made public, you agree and expressly instruct that they may be pulled back to the systems of DEGIRO or of such executing broker.



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).

8/910

PLEASE NOTE: Orders that DEGIRO receives outside the trading hours of the relevant exchange, may be sent at different moments per market. E.g. immediately upon receipt, half an hour before opening of the market or at the opening of the market. This depends upon the organisation of the market and the connection that is available to DEGIRO for such market.

Per external place of execution, DEGIRO will judge what the best way is to execute the Order. At some places of execution for example it may be better to split bigger Orders into a number of smaller Orders, or to execute an Order by first sending a request for a quote.

3.7 Investment institutions (investment funds and investment companies)

Open end investment institutions other than Units

Orders for open end investment institutions are not executed in the same way as Orders for other Financial Instruments. As the price of an open end investment institution is not formed by supply and demand in relation to the units in the investment institution itself, but is equal to the 'net asset value', the value of the underlying investments of the investment institution, entry to and withdrawal from the open end investment institution normally is only possible at moments that are specified for that purpose by the manager of the investment institution. For this reason, DEGIRO collects the Orders from its clients and sends them on a daily basis on a fixed moment to the relevant place of execution (which may be in the form of a combined or 'block' order). Normally, Orders relating to open end investment institutions are executed with the investment institutions themselves or by the administrator (fund administrator) deployed by the relevant investment institution. With the exception of Units, the investments are contracted in the name of SPV.

Units

DEGIRO does not execute Orders concerning Units (as defined in the document [Units](#) in the Investment Services Information) in the name of SPV. DEGIRO transmits Orders relating to Units directly in the name of the client to the relevant investment institution. The client directly acquires a Unit in the relevant investment institution itself in this case.



Investment Services Information

DEGIRO B.V. is registered as an investment firm with the Netherlands Authority for the Financial Markets (AFM).