



ORDER EXECUTION POLICY

your best interests and is required to take all sufficient steps to obtain the best possible result when executing or placing Orders for you.

This Order Execution Policy (the “**Policy**”) is issued pursuant to, and in compliance with, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II) and the UK legislation implementing MiFID II (the “**FCA Rules**”) that apply to us. This Policy provides an overview and summary of how we execute Orders on behalf of clients, the factors that can affect the timing of execution and the way in which market volatility plays a role in handling Orders when buying or selling a financial instrument.

This Policy applies to our execution of Orders on behalf of Retail Clients and Professional Clients according to the FCA Rules and applies to all clients who trade in Instruments with us which includes over-the-counter products, such as foreign exchange, foreign exchange options, foreign exchange forwards, futures, contracts for difference, spread bets, bullion and any other over-the-counter product offered by us from time to time.

The definition of best possible result will vary as we must take into account a range of execution factors and determine their relative importance based on the characteristics of our clients, the Orders that we receive and the markets in which we operate. These factors are further described in this Policy.

Each of our clients are required to consent to this Policy and if you proceed to place an Order with us, we will take that as your consent to our execution of that Order in accordance with this Policy. This Policy may be amended from time to time. Any amendment to this Policy shall be deemed to be accepted by you when you place an Order through our System, or by entering into a Transaction through our System after the date on which this Policy is published on our Website.

This Policy should be read in conjunction with our terms of business that are applicable to your Account (the “**Terms of Business**”). Capitalised terms used in this Policy shall have the same meaning as such terms are used in our Terms of Business, unless otherwise defined in this Policy.

1. Execution Factors

- 1.1. We are the sole execution venue for your Orders. This means that your Orders are executed via a bilateral Transaction with us as the counterparty to your Transactions, through our System and not via a Transaction on any trading venue or other external execution venue.
- 1.2. We have considered a number of criteria that might be important to our clients (the “**Execution Factors**”):
 - a) **Price** – the market price at which your Order is executed;
 - b) **Costs** – any additional costs associated with executing your Order over and above our standard fees and charges (please refer to the relevant Schedule of Charges for further information on our standard fees and charges);
 - c) **Speed of execution** – this is particularly important in fast moving markets;
 - d) **Likelihood of execution and settlement** – the best price is of little use if we cannot execute at that price or if the Transaction fails to complete;
 - e) **Size, nature and any other considerations associated with the Transaction** – if the Order is unusual, for example, because it is larger than normal market size or has unusual features such as an extended or shortened settlement period, may determine the way we execute the Order which may differ from how we might execute a standard Order; and
 - f) Any other consideration or information relevant to the execution of your Order.
- 1.3. The aforementioned Execution Factors are all taken into consideration when executing your orders.
- 1.4. Client categorisation does not play a factor when executing client orders. Therefore retail and Professional client orders are all treated in line with the above.

2. Execution Criteria

- 2.1 The relative importance we attach to the Execution Factors when dealing in a financial instrument on your behalf will be judged on an order-by-order basis and may be affected by the circumstances of the Order. We have considered a number of criteria that might be important to our clients (the “**Execution Criteria**”):

- (a) **Client characteristics** – Professional Clients may have different requirements to Retail Clients. For Professional clients, ADSS recognises that you will be relying on us to provide best execution, and we will therefore execute your order in line with this policy unless we advise you otherwise;
 - (b) **Transaction characteristics** – the potential for a transaction to have an impact on the market;
 - (c) **Financial instrument characteristics** – like liquidity and whether there is a recognised centralised market for the financial instrument;
 - (d) **Venue Characteristics** – particular features of the liquidity sources available to us; and
 - (e) Any other relevant circumstances – as applicable.
- 2.2 When we execute your Orders, the best possible result is determined on the basis of the total consideration paid to or by you, unless the objective of execution of the Order dictates otherwise. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the Order such as where relevant venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order. When assessing whether best execution has been achieved, we do not take account of our standard charges that will be paid by the client irrespective of how the Order is executed.

3. Risks associated with dealing in volatile markets

- 3.1 Clients should be aware of the risks associated with volatile markets, particularly at or near the open or close of the standard trading session, some of which are:
- (a) Execution of an Order at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large Orders in several transactions at different prices.
 - (b) Opening prices that may differ substantially from the previous days close.
 - (c) Locked and crossed markets where the bid equals the offer or where the bid is higher than the offer, halted markets, limit up (buys halted)/limit down (sales halted) which may prevent the execution of client Orders.
 - (d) Price volatility is one of a number of factors that can affect order execution. Where there is a high volume of Orders in the market, Order imbalances and backlogs are more likely to occur. Consequently, more time will be required to execute the pending Orders. Delays are usually caused by the occurrence of a number of different factors:
 - (i) the size and number of Orders to be processed;
 - (ii) the speed at which current quotations are provided to us; and
 - (iii) internal and external system capacity constraints applicable to us and the given exchange.
- 3.2 We are obliged to take steps to ensure an orderly market, and operate Order filters. Such filters are also utilised at exchanges and by other brokers and liquidity providers that may be used by us to hedge your Order on the designated market. The adoption of this approach may result in large Orders, that will have a significant market impact, to be paused or traded utilising an algorithm which may cause slippage from the expected price. Stop Orders are also, at our discretion, grouped into large Orders and then traded as an algorithm to prevent cascading market impact or large market impact in general.

4. Inherent Risks in Trading

4.1. Slippage.

The difference between the price at which your Order is executed and the price offered at the time your Order is submitted is known as Slippage. Slippage can be caused by a range of conditions, including but not limited to, fast market movements, thin or illiquid markets, market news, world events, catastrophic events, the economic environment or other market conditions. Depending on the direction the underlying market has moved, Slippage may be unfavourable to you and may be near to or several points away from the price displayed on the System at the time your Order was submitted through the System or quoted to you by us. It is important to remember that there is no minimum or maximum limitation on Slippage.



4.2. Re-quotes and off- quotes.

Re-quotes and off- quotes may occur when the price displayed on the System or quoted to you by a dealer (meaning an employee of the ADS Group who is authorised to receive, enter or execute your Orders and/or Transaction (as applicable)) is no longer available for execution. Where a re-quote is applicable, you will receive a new quoted rate, which you must accept before the Order is executed. Slippage may occur on re-quoted Transactions and, in such instances, Slippage may be unfavourable to you.

4.3. Variances in Pricing and Order Execution.

It is important for you to remember that the price which you see on the charts or System, or is quoted to you by us is indicative pricing and may not be the price at which your Order is executed. When you enter the desired trading volume and "click" to place your Order, the System shall transmit your Order to be executed instantaneously. There is no "second confirmation" before transmission, and such Orders cannot be cancelled. This feature may differ from other trading systems you have previously used or are familiar with. Before trading with us, you should open a demo account with us in order to familiarise yourself with the Order entry process. You acknowledge and accept that, by your use of the System, you agree to accept the inherent risks associated with the immediate execution of your Orders. You further acknowledge that the speed, pricing and transmission of Orders for execution found on our demo trading platform may differ from that of our live trading System.

4.4. Off Market Pricing.

Where a Transaction is executed at a rate which is determined to be "off market" or at a price not found to be on or near the interbank or underlying exchanged traded market, we may adjust the Transaction in your Account to reflect the interbank or exchange price or other similar price. This adjustment can be made by us at any time and without prior notice to you and will be reflected as a price, Order, or cash adjustment in your Account. If you believe that your system is displaying an incorrect or stale price you need to contact the Client Services Team at ClientSupport@adss.com immediately to take the order offline.

4.5. Profit and Loss Calculations.

Your trading platform will carry out an automatic calculation of the estimated profit and loss when you are placing the Orders. However, these calculations are based on the current exchange rate and your profit/loss may differ from that estimate in cases where they are provided in a currency different from your base account currency. Also, there might be some additional charges that affect the profit/loss calculation such as, swaps, overnight fees, exchange rate mark-ups, commissions, dividends and any other dues. You are recommended to open the trade details before closing it to incorporate these charges into your profit/loss expectations.

5. Order Types (including specific Instructions)

5.1. General

This is not an exhaustive list of all order types available for execution on the System. The availability of some Orders are platform dependant. If you have any questions about the execution of an order type which is not included in this Policy, it is your responsibility to seek guidance from ADSS by contacting our Client Services Team at ClientSupport@adss.com.

5.2. Specific Instructions

Please note that if you provide specific Instructions regarding how we should execute your Order, we will execute such Order pursuant to such Instructions and we will consider that this satisfies our best execution obligations. Clients should note however that following their specific Instructions may prevent us from taking the steps that we have implemented in order to obtain the best possible results for our clients. Examples of a client providing specific instructions regarding how we should execute their Order include, without limitation, specifying a "stop loss" Order or another Order where it will be executed (or not) pursuant to specific facts or circumstances occurring.

5.3. Market Orders

When you place a market Order, you are giving us an instruction to “buy” or “sell” an instrument at the market price which is available at the time of execution. You acknowledge that there will be latency between the time you place an Order and the time that Order is executed, which represents the time taken by us to process your Order. Therefore, it is likely that the market price at the time the Order is placed will be different from the market price at the time of execution. On our platforms, Market Orders shall be executed either at your requested price or at the market price which is available at the time of execution. In such instances, Slippage may occur and may be unfavourable to you.

5.4. Limit Orders

When you place a limit Order, you are giving us an instruction to “buy” or “sell” an instrument at the market price. Limit Orders shall be executed at your requested limit price or better. Subject to liquidity, partial fills on limit orders may be executed or have the order rejected altogether due to insufficient liquidity. Prices appearing on charts are for indication only and there might be a price appearing without appropriate liquidity to back any execution.

5.5. Stop Limit and Stop Loss Orders

When you place a stop Order, you are giving us an Instruction to close an Open Position once a specified price is reached. Stop limit and stop loss Orders shall be executed in the same manner as a market Order and therefore, are not guaranteed to be filled at your requested price and slippage may occur.

5.6. Trailing Stop Orders

A trailing stop Order is a stop Order that you set at a fixed number of pips from your entry rate. The rate for the trailing stop Order adjusts as the market price moves. When you place a trailing stop Order, you are giving us an Instruction to close an Open Position once a specified price is reached. Trailing stop Orders are stored in your device and they are only active, and hence can only be executed by us, if you are logged into your trading account. Trailing stop Orders shall be executed in the same manner as a market Order and therefore, are not guaranteed to be filled at your requested price.

5.7. Pending Orders

When you place a pending Order, you are giving us an instruction to “buy” or “sell” an instrument to open a new Order or close an existing Transaction once a specified price is reached. Once the requested price has been reached, the pending Order will be activated and executed in accordance with the Order type chosen by you upon Order entry.

5.8. Stop Out Level (Automatic Liquidation)

Subject to the FCA Rules requiring stop out levels to be triggered if the net equity in the account of a Retail Client reaches 50% of the Margin Requirement, stop out levels may vary based on the client. To find out what your stop out level is, please contact our Client Services Team at ClientSupport@adss.com.

6. Placing of Orders

6.1. Orders Placed Through The System

When you place an Order through our System, we will to the extent practicable and legally possible, execute your Order in accordance with your Instructions. In some instances, trading rules for specific Instruments may prevent us from following your Instruction.

6.2. Orders Placed by Telephone

When you place an Order over the telephone with us, we will to the extent practicable and legally possible, execute your Order in accordance with your Instructions. In some instances, trading rules for specific Instruments may prevent us from following your Instructions. Your Order is executed only when we have verbally confirmed the fill. Once we have verbally confirmed your fill, you have bought or sold the specified Instrument and therefore cannot cancel such Transaction and further, your Transaction will be recorded on your Account, but only after such time as is necessary to comply with our internal processes. Due to market movements, the price which you are quoted by us is indicative and may vary from the price at which your Transaction is executed.



6.3. Orders Placed Outside of Market Hours

If you place an Order through the System outside of ADS's market hours, that Order will not be executed until ADS' market re-opens.

7. Execution Venues

- 7.1. ADS enters into all Transactions with our clients as principal and ADS will always be the sole execution venue for our clients. This means that you will be dealing with us and not the underlying market. Contractually, therefore, we are your sole counterparty and you may only close your Transactions with us. Therefore, you are exposed to our credit risk and if we become unable to perform our obligations, for example, because we have become insolvent, you may lose your entire investment (please remember that if you are a Professional Client or Eligible Counterparty you can lose more than your initial investment). Please refer to our Risk Warnings posted on our website (www.adss.com/en-gb) for more details concerning this and other risks.
- 7.2. We will assess the execution venues available to us for the pricing and hedging of your Transactions on a regular basis. Those detailed on our website at www.adss.com are a non-exhaustive list that we believe will allow us to obtain on a consistent basis the best possible result for the execution of your Orders. These are subject to change as necessary.

8. Margin Requirements and Stop-Out Liquidation

- 8.1. We will generally decline any Order if your available Margin is less than the Margin Requirement necessary to place an Order or maintain an Open Position. We will liquidate, on a non-managed basis by way of an auto-close functionality, any or all Open Positions and/or cancel any pending Orders without prior notice or your consent, if your net equity is less than your Margin Requirement (except if you are a Professional Client or an Eligible Counterparty and we have agreed to a manual close-out process with you). Please refer to Clause 16 (Margin) in our Terms of Business for more detailed information.
- 8.2. You may request us to change your Margin, Margin Requirements and stop out levels by submitting a written request to Client Services Team at ClientSupport@adss.com. We will have sole and absolute discretion in determining whether to facilitate your request.