

## BEST EXECUTION POLICY

We, ADS Securities London Limited (“ADS”, “we”, “us”, “our”), are committed to treating our clients fairly and to creating a suitable trading environment for all clients. We have a duty to provide our clients with “best execution” when entering into transactions with them. This best execution policy (this “Policy”) sets forth our approach to achieving the best possible result for our clients when executing their orders. The information within this Policy is intended to provide, in sufficient detail, all the information that our clients may require in order to understand how we obtain the best possible result for them.

This Policy should be read in conjunction with the ADS terms of business that are applicable to your account (the “Terms of Business”). Any capitalised terms used in this Policy but not otherwise defined herein shall have the meaning given to them in the Terms of Business. ADS provides this Policy to all clients as part of our new client on-boarding process and the Terms of Business are available on our website: [www.adss.com/en-gb](http://www.adss.com/en-gb). Each of ADS’ clients will be asked to consent to this Policy and each of our clients will not be able to trade with us until they have consented to this Policy.

ADS has prepared a summary of this Policy that includes, amongst other information, the total costs incurred by ADS’ clients. This summary is available on ADS website: [www.adss.com/en-gb](http://www.adss.com/en-gb)

This Policy establishes guidelines for providing our clients with “best execution” when entering into transactions with them. Moreover, although the procedures set out in this Policy are generally expected to produce the best possible result for clients, there is no guarantee that circumstances will enable this to be achieved in every single transaction.

If you do not understand anything in this Policy, you should contact ADS to ask for further information or seek independent professional advice before you open an account, place any order or enter into a Transaction with ADS. You can contact us by phone on +44 203 771 5455 or email us at [compliance@ads-securities.co.uk](mailto:compliance@ads-securities.co.uk) and we will endeavor to respond with a clear answer within a reasonable period of time. ADS will maintain a record of all client questions concerning this Policy and ADS’s responses.

ADS is authorised and regulated by the United Kingdom Financial Conduct Authority (the “FCA”) with number 577453 and has its principal place of business at 9th floor, 125 Old Broad Street, London, United Kingdom, EC2N 1AR. ADS is required to conduct its business and dealings with you in accordance with the rules and regulations of the FCA.

### 1 Scope of this Policy

1.1 This Policy applies to all clients classified by us as Retail Clients or Professional Clients that spread-bet with us or otherwise trade over-the-counter financial instruments with ADS, including, without limitation, contracts for difference, foreign exchange spot, foreign exchange options, foreign exchange forwards, bullion, and any other over-the-counter products offered by ADS from time to time. Execution of ancillary transactions such as the execution of foreign exchange or other derivatives transactions (collectively, “Ancillary Transactions”) shall also be covered by this Policy. Although some of these Ancillary Transactions may not be regarded as “financial instruments”, in line with ADS’s commitment to high regulatory standards, it will seek to apply equivalent compliance standards to all transactions as part of its best practices.

1.2 ADS enters into all Transactions with clients as principal and we will always be the sole execution venue for our clients. This means that you will be dealing with us and not the underlying market. Whenever ADS enters into a Transaction with its clients, in order to hedge its exposure in respect of each such Transaction, it will simultaneously enter into an offsetting back-to-back transaction with ADS Securities LLC, which is one of its affiliates.

### 2 Our duty of Best Execution

2.1 When executing order, ADS will take all sufficient steps to obtain the best possible result for our clients taking into account the execution factors. The execution factors that we take into account are price, costs, speed, likelihood of execution and settlement, size, nature and any other considerations relevant to the execution of an order. Each of these execution factors and how we assess their relative

importance is discussed further below in Paragraph 3 (Execution Factors).

2.2 For clients classified by us as Retail Clients, the best possible result will generally be determined in terms of the total consideration payable by a client to execute an order, consisting of

- (i) the price of the relevant financial instrument and
- (ii) the costs related to execution of such order. Please see paragraph 4.2 (Retail Clients – Total Consideration Generally Most Important Execution Factor) below for further information.

2.3 The main way in which ADS obtains the best possible results for our clients is by ensuring that the bid/offer prices made available to our clients are generated automatically by our trading systems and generally consist of

- (i) the best price available to ADS to enter into an offsetting back-to-back transaction with ADS Securities LLC, plus
- (ii) a mark-up/down or commission, which represents ADS’ profit for effecting the relevant transaction. ADS Securities LLC, in turn, ensures that the bid/offer price made available to ADS are calculated by reference to the relevant underlying instrument that are, where practicable, sourced from a range of price providers thereby enabling ADS Securities LLC to offer competitive pricing to ADS, which it passes on to its clients. Please see paragraph 6.1 (ADS is sole execution venue for its clients and ADS Securities LLC is sole execution venue for ADS) below for further information.

2.4 If a client provides specific instructions regarding how we should execute their 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 to obtain the best possible results for our clients. Please see paragraph 5 (Specific Instructions from Clients) below for further information.

### 3 Execution Factors

#### 3.1 Price

Trading on margin means that we provide you with a facility that allows you to leverage your deposit to enter into a larger transaction. Margin can be used to create 'leverage', which is an increased buying power that allows you to pay less than full price for a transaction than would be possible only using your deposit. However, this leverage means that relatively small market movements can have a disproportionately larger impact on the value of your account. If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of your entire deposit and it may expose you to a large additional loss over and above your original deposit.

The bid/offer prices made available to our clients are calculated by reference to the underlying instrument that are provided to ADS by our affiliate, ADS Securities LLC, that, in turn, sources prices, where practicable, from a range of price providers thereby enabling ADS to offer competitive pricing to our clients.

#### 3.2 Costs

We consider the costs payable by a client to execute an order is also of high importance to obtaining the best possible results for our clients because such costs are a component of the total consideration payable by a client. Accordingly, costs such as execution fees, fees for the submission of orders and fees related to market data access will be considered.

#### 3.3 Speed

We consider that the speed at which an order is executed is important (whilst also being mindful of the costs of speedy execution).

#### 3.4 Likelihood of execution and settlement size

The likelihood of execution for each trading day, including the number of orders or requests for quotes that were received, the number and value of transactions that were executed and the median transaction size will be considered.

#### 3.5 Nature of the Transaction and any Other Relevant Factors

We will also consider the nature of a transaction and any other consideration relevant to the execution of an order. For example, the best market price may not be available in the order size required by ADS. In such circumstances, ADS will use its commercially reasonable judgment in securing the best possible result for our clients.

### 4. Obtaining Best Execution

#### 4.1 Relative Importance of Execution Factors

When executing a client's order, we will consider the following criteria for determining the relative importance of the execution factors:

- (i) the characteristics of the client (including whether such client is classified by us as a Retail Client or Professional Client);
- (ii) the characteristics of the client order;
- (iii) the characteristics of the financial instruments that are the subject of the relevant order; and
- (iv) the characteristics of the execution venues to which that order can be directed.

#### 4.2 Retail Clients – Total Consideration Generally Most Important Execution Factor

For Clients classified by us as Retail Client, the best possible result will be determined in terms of the total consideration payable by a client to execute an order, consisting of:

- (i) the price of the relevant financial instrument; and
- (ii) the costs related to execution of such order, which shall include all expenses incurred by the client that are directly related to the execution of the order, including execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order,

unless there is another execution factor instrumental in delivering the best possible result in terms of the total above are generally considered less important by us than the total consideration payable.

#### 4.3 Taking sufficient steps to obtain best execution

Taking all sufficient steps to obtain the best possible result for our clients includes ensuring that the bid/offer prices made available to our clients are calculated by reference to the underlying instrument that are provided to ADS by our affiliate, and sole back-to back trade provider, ADS Securities LLC, that, in turn, sources prices, where practicable, from a range of price providers thereby enabling ADS to offer competitive pricing to our clients. Furthermore, ADS will use its judgement and experience, in light of available market information, to achieve the best balance across a range of sometimes conflicting factors to ensure that it is taking all sufficient steps to obtain the best possible result for our clients.

#### 4.4 Price Not Guaranteed

While ADS will, take all sufficient steps to obtain the best possible result for our clients as set out in this Policy, we do not guarantee that the total consideration payable by our clients to execute an order will always be lower than the total consideration that they might have paid had they executed their order with one of our competitors.

#### 4.5 Mark-up/down and Commission

ADS charges for its services. The prices available to our clients consist of the best price available to ADS for trading in respect of the relevant transaction with its affiliate and sole back-to-back trade provider, ADS Securities LLC, plus a mark-

up/down or commission that represents ADS' profit for effecting the relevant transaction.

Details of ADS' charges are disclosed in the relevant Schedule of Charges document posted on our website:

[www.adss.com/en-gb](http://www.adss.com/en-gb)

#### 4.6 Slippage

At the time that an order is presented for execution, a specific price quoted to a client may not be available. This may occur, for example, due to fast moving markets or latency generated by, amongst other things, a client's internet connection. Therefore, the client's order will be executed as close as practicable to the quoted price.

If the execution price is better than the price quoted to the client, this is referred to as "positive slippage". ADS will always give its clients the benefit of any positive slippage that occurs with respect to a client's orders. Conversely, if the execution price is worse than the price quoted to the client this is referred to as "negative slippage". ADS' clients will be obliged to pay the executed price, even if worse than the specific price quoted to a client.

Slippage is normal and regularly occurs in the financial markets for contracts for difference, spread bets, foreign exchange spot, foreign exchange options, foreign exchange forwards, bullion and other over-the-counter products.

### 5. Specific Instructions from Clients

5.1 If a client provides specific instructions regarding how we should execute their 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 to obtain the best possible results for our clients.

5.2 Example 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.

### 6. Execution Venues

6.1 ADS is sole execution venue for its clients and ADS Securities LLC is sole execution venue for ADS.

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 refer to our Risk Warnings posted on our website ([www.adss.com/en-gb](http://www.adss.com/en-gb)) for more details concerning this and other risks.

Whenever ADS enters into a Transaction with its clients, in order to hedge its exposure in respect of each such Transaction, it will simultaneously enter into an offsetting back-to-back transaction with ADS Securities LLC, which is one its affiliates. Therefore, you are indirectly exposed to the

credit risk of ADS Securities LLC because, if ADS Securities LLC becomes unable to perform its obligations towards ADS, for example because it has become insolvent, ADS may become unable to perform its obligations to you.

ADS Securities LLC is a limited liability company incorporated in the United Arab Emirates that is licensed and regulated by the United Arab Emirates Central Bank. ADS Securities LLC is registered with the Abu Dhabi Department of Economic Development (No. 1190047) and has its principal place of business at 8th Floor, Ci Tower Corniche Road, P.O. Box 93894, Abu Dhabi, United Arab Emirates. Further information regarding ADS Securities LLC is available from its website: [www.adss.com/en/](http://www.adss.com/en/)

ADS Securities LLC may enter into offsetting back-to-back transactions with banks or other third party liquidity providers in order to hedge its own exposure from transactions with ADS.

ADS does the following in order to manage its counterparty risk towards its sole execution venue, ADS Securities LLC:

- (i) minimising settlement time, where possible;
- (ii) monitoring the financial soundness, market presence, corporate rating and absence of material adverse market information concerning ADS Securities LLC;
- (iii) generally operating with ADS Securities LLC on an arm's length basis including, without limitation, ADS maintaining its own capital, employees, premises, operating systems and governance; and
- (iv) maintaining a business continuity plan to enable ADS to continue to operate in the absence of ADS Securities LLC.

#### 6.2 ADS Securities LLC's charges ADS for its execution services

ADS Securities LLC charges ADS for its services. The price that ADS Securities LLC makes available to ADS consists of

- (i) the best price available to ADS Securities LLC to enter into an offsetting back-to back transactions with banks or other third party liquidity providers in order to hedge its own exposure from transactions with ADS plus
- (ii) a mark-up/down or commission that represents ADS Securities LLC's profit for effecting the relevant transaction. Additionally, ADS receives, on a paid for basis, other support services from ADS Securities LLC pursuant to a service level agreement entered into between ADS and ADS Securities LLC.

#### 6.3 Disclosure relating to top five execution venues

Notwithstanding that ADS will always be the sole execution venue for our clients and ADS Securities LLC will always be the sole execution venue for ADS, on an annual basis, ADS will summarise and make public for each class of financial instruments

- (i) trading volumes (in a machine-readable format) and
- (ii) the provision of information on the quality of execution obtained (in an electronic format). The nature of the trading volume information to be published will vary depending on whether orders are

for retail clients or professional clients. This information will be published on ADS' Website.

## 7 Inducements

- 7.1 ADS does not receive any remuneration, discount or non-monetary benefit for routing orders to trading venues.
- 7.2 Should ADS receive any remuneration or benefit in relation to other activities or services, ADS will disclose to clients, the existence, nature and amount of any inducement received (or, where the amount cannot be ascertained, its method of calculation). This disclosure will be made in a manner that is comprehensive, accurate and understandable to our clients and shall be made prior to the provision of the relevant investment or service.
- 7.3 Additionally, ADS may receive minor non-monetary benefits from ADS Securities LLC such as macro research, which is not considered to be "research" for the purposes of the FCA research payments rules.
- 7.4 ADS is committed to acting honestly, fairly and professionally in the best interests of its clients when providing investment services and other ancillary services related thereto and, accordingly, it adheres to a Conflicts of Interest Policy, a summary of which is available on its website: [www.adss.com/en-gb](http://www.adss.com/en-gb)

## 8 Client Order Handling

- 8.1. ADS ensures that its clients' orders are executed promptly, fairly and expeditiously relative to other orders and the trading interests of ADS. Our Procedures and arrangements provide for the execution of otherwise comparable orders in accordance with the time of their reception by ADS. All of our clients' orders are handled automatically by our electronic trading systems.
- 8.2 ADS continuously confirms the fairness of the prices of the OTC products that we offer you by gathering market data used in the estimation of our prices and compare them with prices of similar or comparable products.
- 8.3 All orders will be accurately recorded and allocated by ADS. In particular, ADS own account orders will not be executed ahead of an existing client order, unless an ADS own account transaction was ordered prior to receipt of a client order.
- 8.4 Similarly, no client order will be given preference over the order of any other client. Client orders will be executed by our electronic trading systems in accordance with the time received by ADS. This rule applies unless the characteristics of an order or the prevailing market conditions make this impracticable, or not in the best interests of the clients.

## 9 Fiduciary Duties

ADS' commitment to providing our clients with "best execution" does not mean that we owe our clients any fiduciary duties over and above the specific regulatory obligations placed upon us, or as may be otherwise contracted between us.

## 10 Regular Review and Monitoring of our Order Execution Policy

- 10.1 ADS will review this Policy regularly (and not less than annually) and whenever a material change occurs that affects our ability to obtain the best possible result for the execution of client orders. Furthermore, we will also monitor the effectiveness of our order execution arrangements set forth in this Policy. In particular, we shall assess, not less than annually, whether the sole execution venue that we use provides the best possible result for our clients or whether we need to change our execution arrangements. This assessment includes, but is not limited to, taking the following steps on a representative sample basis:
  - (i) benchmarking the price of clients' executed trades against the market price of the relevant underlying instrument at time of such execution;
  - (ii) benchmarking the average execution speeds of our clients' trades against the average speed of purchasing the relevant underlying instrument at time of such execution; and
  - (ii) monitoring slippage on a net value basis as well as comparing the amount, by volume, of negative slippage occurrences against positive slippage occurrences.
- 10.2 Any changes to this Policy will be notified to our clients by a new version of this Policy being posted on ADS's website: [www.adss.com/en-gb](http://www.adss.com/en-gb)
- 10.3 Our review of this Policy and our monitoring of the effectiveness of our order execution arrangements set forth in this Policy shall take into account the following factors:
  - (i) whether the execution venue included in this Policy provide for the best possible result for our clients;
  - (ii) whether the execution factors are being consistently applied in order to achieve the best possible result for our clients;
  - (iii) if counterparties are used, that we are able to demonstrate compliance with the best execution requirements;
  - (iv) whether adequate records are maintained such that we could demonstrate compliance with this Policy upon a client's request;
  - (v) whether this Policy is effective to deliver the best possible result for our clients;
  - (vi) the completeness of the policy; and
  - (vii) whether any material changes to this Policy have been duly notified to our clients.

- 10.4 Separately from the above referenced review and monitoring, our Compliance Department will independently monitor and review ADS' compliance with this Policy using a risk based approach. Such monitoring will also take into account the above factors and will be undertaken not less than annually.

## 11 Record Keeping

ADS maintains sufficient records to enable it to demonstrate that it has executed clients' orders in accordance with this Policy. Upon a client's request, ADS will provide evidence to demonstrate that ADS has complied with this Policy when executing such client's orders.