

ORDER EXECUTION POLICY

| Date | Reviewer | Amendment | Version |
|------------|----------|-----------|---------|
| 26/06/2016 | SY | Creation. | 1.0 |

1. Scope

- 1.1 This Order Execution Policy ("**Policy**") is intended to provide you with a general overview as to how ADS Securities LLC ("**ADSS**" or "**we**" or "**us**") executes orders on behalf of customers, the factors which can affect the timing of execution and the way in which market volatility plays a part in order handling. 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.
- 1.2 This Policy applies to all customers which trade in Instruments with ADSS which includes over-the-counter products, such as foreign exchange, foreign exchange options, foreign exchange forwards, futures, contracts for difference, bullion and any other over-the-counter product offered by ADSS from time to time.
- 1.3 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 on the System, or by entering into a Transaction through the System after the date on which the amendment to this Policy is published on our Website. It is your responsibility to ensure that you have the most updated version of this Policy.

2. Disclaimer

- 2.1 You hereby acknowledge that there are inherent risks in trading in Instruments. While this Policy is intended to inform you of the risks associated with trading in Instruments, this Policy is not exhaustive of all risks related, or connected to, entering into Orders and Transactions or trading using any System offered by ADSS.

3. No Guarantees

- 3.1 We shall make all commercially reasonable efforts to obtain the best possible result for you, given the conditions relating to your Order. We may but are not required to take into account certain factors, such as, prices, costs, speed, likeliness of execution and settlement, size, nature and/or any other information relevant to the execution of your Order.

There are no guarantees that your Order will be accepted or executed by us, nor are there guarantees regarding the speed, timing, or price at which your Order will be executed. Further, Order speed, timing, pricing and execution may vary between customers trading the same Instrument, due to several factors, including but not limited to Order type, market volatility and latency.

This Policy does not form an obligation on our part to you.

4. Margin and Margin Requirements

- 4.1 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, all Open Positions and/or cancel any pending Orders without prior notice or your consent, if your Margin is less than your Margin Requirement. In instances where your Open Position is liquidated and your Account realises a negative balance, you are liable for all losses and must immediately make a payment to us for the full and total amount due.

You should be aware that the System may automatically issue you a Margin Call Warning and further, that Margin Call Warnings may vary based on certain limits configured in the System.

On MetaTrader 4, when you no longer have the sufficient Margin in your Account to meet your Margin Requirement, your Account will be issued a Margin Call Warning, whereby, your largest Open Position will be liquidated first and subsequently, each largest Open Position will be liquidated until your available Margin is able to satisfy your Margin Requirement. If the market for a specific Instrument is closed (ie. it is during non-trading hours), ADSS will not be able to close that Order and the next largest Order for an Instrument in an open market will be liquidated in accordance with the foregoing. Any such liquidation will be undertaken strictly on a non-managed basis and we are not responsible for any price movement, whether negative or positive, in respect of the Instrument post-close out. It is your full responsibility to ensure your Account is fully funded to maintain any Open Position or pending Orders.

On Orex Optim, when you no longer have the sufficient Margin in your Account to meet your Margin Requirement, your Account will be issued a Margin Call Warning, whereby:

- i) if your largest Open Position is a foreign exchange or bullion position, your largest Open Position will be liquidated (partially or wholly) and subsequently, each largest Open Position will be liquidated (partially or wholly) until your available Margin is able to satisfy your Margin Requirement; and
- ii) if your largest Open Position is a contract for difference position, all of your contract for difference Open Positions will be liquidated and if your Account still does not have sufficient Margin, each largest foreign exchange or bullion Open Position will be liquidated until your available Margin is able to satisfy your Margin Requirement.

Any such liquidation will be undertaken strictly on a non-managed basis and we are not responsible for any price movement, whether negative or positive, in respect of the Instrument post-close out. It is your full responsibility to ensure your Account is fully funded to maintain any Open Position or pending Orders.

If the market for a specific Instrument is closed (ie. it is during non-trading hours), ADSS will not be able to close that Open Position and the next largest Open Position for an Instrument in an open market will be liquidated in accordance with the foregoing.

It is important to remember that whenever a contract for difference position is liquidated, **all** open contract for difference positions will be closed, regardless of whether the position is a winning or losing position and regardless of whether your Account has sufficient Margin.

5. Execution of Orders

5.1 General. This is not an exhaustive list of all order types available for execution on the System. 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 Support Department at primesupport@ads-securities.com.

5.2 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 MetaTrader 4 and Orex Optim, 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 will be unfavorable to you.

5.3 Limit Orders. When you place a limit Order, you are giving us an instruction to “buy” or “sell” an Instrument at a specified price.

On MetaTrader 4 Live MT4 Server, limit Orders shall be executed at your requested limit price. Partial fills on limit Orders will be executed.

On MetaTrader 4 Live1 MT4 Server, limit Orders shall be executed in the same manner as a market Order. Partial fills on limit Orders will be executed.

On Orex Optim, limit Orders shall be executed at your limit price. Partial fills on limit Orders will be executed if chosen by you upon order entry.

5.4 Stop 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.

On MetaTrader 4 and Orex Optim, stop 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.

5.5 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 only active, and here can only be executed by us, if you are logged into your trading account.

On MetaTrader 4 and Orex Optim, 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.

- 5.6 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.
- 5.7 Stop Out Level. Stop out levels vary based on the Customer. To find out what your stop out level is, please contact our Support Department at primesupport@ads-securities.com.

6. Requests for Changes

- 6.1 Margin, Stop-Outs and Execution. You may request for ADS to change your margin, margin requirements, stop out levels and order execution model by submitting a written request to primesupport@ads-securities.com. ADS will have sole and absolute discretion in determining whether to facilitate your request.

7. Placing of Orders

- 7.1 Orders Placed Through A System. When you place an Order through a 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.
- 7.2 Orders Placed by Telephone. When you place an Order over the telephone with a Dealer, we will to the extent practicable and legally possible, execute your Order in accordance your instructions. In some instances, trading rules for specific Instruments may prevent us from following your instructions. Your Order is executed only when the Dealer has verbally confirmed the fill. Once the Dealer has verbally confirmed your fill, you have bought or sold the specified Instrument and 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 the Dealer is indicative and may vary from the price at which your Transaction is executed.
- 7.3 Orders Placed Outside of Market Hours. If you place an Order through the System outside of market hours, that Order will not be executed until the market re-opens.

8. Inherent Risks in Trading

- 8.1 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 market has moved, Slippage may occur, in such instances, Slippage will be unfavorable to you and may be near to or several pips away from the price displayed on the System at the time your Order was submitted through the System or quoted to you by the Dealer. It is important to remember that there is no minimum or maximum limitation on Slippage.

8.2 Re-quotes. Re-quotes may occur when the price displayed on the System or quoted to you by the Dealer 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 will be unfavorable to you.

8.3 Variations 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 a Dealer 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.

8.4 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 market, we may adjust the Transaction in your Account to reflect the interbank 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.