

Summary of Order Execution Policy



1 Introduction

Amdax is the provider of several crypto-asset services, such as order execution for crypto-assets on behalf of clients. These services are subject to the Markets in Crypto Assets Regulation (**MiCAR**).

To comply with MiCAR, we have drafted an Order Execution Policy, of which this summary is publicly available on our website, Amdax.com, as well as upon your request.

2 Scope

This summary is intended for all current and prospective clients of Amdax who receive the service of order execution for crypto-assets. We endeavor to provide you with the highest quality of execution of orders in crypto-assets, with a view to providing the best possible result on a consistent basis. This summary describes how order execution is obtained, taking into account the nature of your orders, specific instructions from you, market conditions and circumstances. Our commitment to providing order execution is in accordance with the legal and regulatory requirements stemming from MiCAR.

3 Order execution

When executing your orders for crypto-assets, we shall take all necessary steps to obtain the best possible result for you, taking into account factors of price, costs, speed, likelihood of execution and settlement, size, nature, conditions of custody of the crypto-assets or any other consideration relevant to the execution of the order.

3.1 Relevant factors

Achieving the best possible result requires us to consider various factors relevant to the execution of the specific order. Those factors are:

- **Price:** this refers to the resulting price of the crypto-asset excluding our own execution fees. Price usually is the most important factor when we consider how to obtain the best possible result when executing orders.
- **Costs:** these relate to commissions, costs and the fees that are charged for executing orders.
- **Speed:** we interpret speed as the rate at which we are able to execute an order.
- **Likelihood of execution:** we interpret this as the likelihood that we are able to execute orders, or at least a substantial part of it. This factor increases in importance in situations where access to liquidity in the relevant crypto-asset is constrained in some way.
- **Likelihood of settlement:** we expect orders that we execute to settle in a timely fashion. Generally, in crypto-asset markets, likelihood of settlement is not a significant factor.
- **Size of the order:** size refers to the size of the order in proportion to the average turnover in a specific crypto-asset. The size of the order could be an important factor if the order exceeds the daily average turnover in a specific crypto-asset, e.g. in the event of block trades. Large in-scale trades could have a negative effect on the pricing of crypto-assets when executed directly and in one block on an execution venue.
- **Nature of the order:** the nature of an order might set out conditions or restrictions. Some execution venues, for example, do not accept limit orders. In such instances, we will take all the other execution factors into consideration to obtain the best possible result for the execution venues that are willing to process the limit order.
- **Conditions of custody:** whether the crypto-assets are readily available or not and in which manner these can be custodied by us.
- Any **other consideration** relevant to the execution of the order.

In case we receive and follow specific instructions in respect of orders for crypto-assets from you, we shall not be required to take the above-mentioned factors into account. Upon confirmation



of your order, we will remind you of this. However, we shall remain responsible for achieving the best possible result for you, taking into account your specific instructions.

3.2 Relative importance

The relative importance of each of these factors is determined based on the execution venues used, taking into account the characteristics of your order and yourself.

Regardless of any legal obligation to do so, we uphold the highest standards of integrity and fairness when executing your orders. We will take sufficient steps to obtain the best possible result when executing your orders.

4 Execution venues

We execute orders at the following types of execution venues:

- I. Liquidity providers (**LPs**), which are entities that offer liquidity to financial markets by being willing to buy and sell crypto-assets at any given time and generally offer execution outside a trading platform. LPs typically employ sophisticated risk management strategies, offer constant and enhanced liquidity and help narrow the bid-ask spreads.
- II. Centralized exchanges (**CEXs**), which are trading platforms where crypto-assets are bought and sold. These platforms operate as intermediaries that match buyers and sellers, facilitating the trading process. CEXs often have a wider variety of crypto-assets available. However, it involves more risk to execute an order on a CEX, because the account must be pre-funded.
- III. Decentralized exchanges (**DEXs**), which are trading platforms that allow users to trade crypto-assets directly with one another without the need for an intermediary or central authority. DEXs are a fundamental component of the broader ecosystem known as DeFi, which contains a set of financial services built on blockchain technology that operates without traditional financial intermediaries like banks, brokers or exchanges.

When we select execution venues that we deem appropriate for the execution of your order, we take the following venue selection factors and considerations into account:

- quality of liquidity available for the crypto-asset concerned;
- quality of execution (including price, cost and speed);
- quality of the operator of the execution venue;
- quality of the execution venue (including reliability, continuity of trading and creditworthiness);
- conditions of any related clearing and settlement facilities, such as times and delays;
- any other factor which might be relevant to achieving the best possible result.

It is our preference to use LPs for the execution of your orders. LPs have deeper liquidity, tighter bid-ask spreads, provide fast and reliable order execution and offer more stable pricing. LPs are **not considered a trading platform** hence we need to request your prior express consent to execute orders outside a trading platform. We will do this by means of the client agreement.

If you prefer to select a specific execution venue on which the order should be executed, we will provide you, prior to the order execution, with the impact of that request on commissions and fees charged, if applicable.

The execution venues used for execution of orders are listed in Annex 1 of this summary. Based on the application of the execution venue selection factors and considerations, we shall select the most appropriate execution venue to execute your orders. Where there is only one possible execution venue to execute your order, we will execute the order on that execution venue, provided that the platform operates within the specified parameters for order execution.



5 Execution methods

Orders can be executed via the following two methods:

- Automated order executing using a systematic order routing system (**SORS**)
- Manual order execution

5.1 Automated order execution

For automated order execution, we make use of an externally purchased SORS. The SORS is designed to optimize execution speed, reduce market impact and enhance overall trading efficiency. The SORS will automatically route to the optimal execution venue(s) based on real-time market data and pre-defined criteria. The SORS ensures that orders are executed at the best available terms across multiple execution venues. Only the execution venues selected by us are connected to our SORS.

It may happen that the nature of a transaction may result in there being only one execution venue available and as a result the only factor to be considered is speed of execution. It therefore excludes the use of comparable prices and may limit our ability to demonstrate having obtained the best possible result.

Automated order execution is our preferred method of order execution.

5.2 Manual order execution

Manual order execution is employed in situations when either:

- (a) the SORS is not available for the specific order and/or crypto-asset;
- (b) manual order execution is deemed to significantly improve the execution of the order;
- (c) specific instructions from you necessitate manual order execution.

We shall ensure that the relevant execution factors such as price, costs, speed, likelihood of execution and settlement, custody and the size and nature of the order, are assessed before executing your order.

Manual order execution is generally seen as an exception to the preferred method of automated execution, and its use is carefully controlled and monitored to ensure it aligns with our commitment to achieving the best possible execution for you.

6 Order types

Amdax supports the following types of orders.

6.1 Type of Order by number of order(s)

6.1.1 Single orders

Single orders are individual orders that are executed one at a time, with each order executed with the best available result at the time of execution. When you place an order using our order execution services, the orders are always executed as a single order.

6.1.2 Block orders

Block orders are orders that execute multiple single orders as a larger block, allowing execution of multiple single orders as one and simultaneously. Such an order minimizes market disruption and price slippage, often done through execution venues designed to handle significant volumes. The majority of orders placed by the asset management department are executed as block orders.

6.2 Type of order by pricing method

Both single orders and block orders can be placed as market orders, limit orders or time-weighted average price orders.



6.2.1 Market orders

Market orders are orders executed at the best available price at the time of execution.

6.2.2 Limit orders

Limit orders are orders to buy or sell at a pre-determined specified price limit for a specified size, which will execute at that price or better.

6.2.3 Time-weighted average price (TWAP) order

Time-weighted average price order is an order that is executed over a time period specified by the client.

7 Order handling and allocation

When we execute your orders, we shall ensure that your orders are:

- executed promptly;
- not prioritized above another order;
- executed sequentially unless the characteristics of your order or prevailing market conditions make this impracticable, or your preferences require otherwise, and
- accurately recorded and allocated.

When allocating orders, we treat each order in a non-preferential manner such that no single order may be systematically favored over another. After executing a block order, the results of such an order are distributed back to the individual clients in proportion to their respective single order sizes and terms. To the extent we deem another allocation method more appropriate, in deviation of the default allocation principle set out herein, we shall communicate this method to you. We will always allocate in the best interests of all relevant clients and allocation will be done on a fair and reasonable basis.

8 Risks involved in order execution

When executing your orders for crypto-assets, several potential risks may arise, including the following:

- **Market volatility:** the crypto-asset market is highly volatile, and prices can fluctuate significantly within short periods. This volatility can impact the execution price of orders.
- **Liquidity risks:** some crypto-assets may have lower liquidity, making it more challenging to execute large orders without affecting the market price.
- **Counterparty risks:** executing orders on execution venues introduces counterparty risks, including the potential for default or non-performance by the execution venue.

9 Inducements and (non)-monetary benefits

We do not receive any remuneration or non-monetary benefits for routing orders to a particular execution venue.

10 Monitoring

We monitor the effectiveness of our order execution arrangements and policy in order to identify and, where appropriate, correct any deficiencies in that respect. In particular, we shall assess on a regular basis whether the execution venues selected provide for the best possible result or whether we need to make changes to our order execution arrangements. We will notify you, in writing and taking into account a 14-days' notice period of any material changes to its order execution arrangements or its policy. If the changes require adjusting this summary, we will provide you with a new version of this summary.

Any new version of this summary shall be published on our website. Changes to the summary will be explained and the previous version will remain available for another 3 months.



Annex 1 Execution venues

Execution venues used by Amdax are included below, sorted by type of execution venue and in alphabetical order. This list will be reviewed and updated in line with the Policy.

| Execution venues |
|--------------------------------|
| Liquidity providers |
| B2C2 |
| Cumberland |
| Flow Traders |
| Centralized exchanges |
| Bitvavo |
| Kraken |
| KuCoin |
| Mexc |
| Decentralized exchanges |
| 1INCH |
| DefiLlama |
| Jupiter |
| Orca |
| Pirex |
| Raydium |
| Uniswap |