



EBC
FINANCIAL
GROUP

EBC FINANCIAL GROUP (UK) LTD ORDER EXECUTION POLICY

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Risk Warning: Trading Forex and Contracts for Difference (CFDs) on margin carries a high level of risk and may not be suitable for everybody. The high degree of leverage can work against you as well as for you. Before deciding to trade Forex and CFDs, you should carefully consider your trading objectives, level of experience and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial trading capital. You should be aware of all the risks associated with trading Forex and CFDs and seek advice from an independent adviser if you have any doubts.

1. Purpose

1. Introduction

This policy details how EBC Financial Group (UK) Ltd ('EBC' or 'the Firm') will comply with its overarching regulatory requirement of taking all the *sufficient steps* to obtain, when executing orders, the best possible results for its clients.

The Firm is authorised by the Financial Conduct Authority (FCA) and, as such, will act in accordance to the rules as defined in the FCA Handbook, which will take precedence over the requirements of this policy.

2. Review of policy

This policy, and the Firm's order execution arrangements, will be reviewed regularly, at least once a year, and amended as considered necessary by the Firm's Management Body in the event of changing circumstances or regulations.

3. Best Execution

Best execution is the overarching requirement for firms to take 'sufficient steps' to provide the client with the best possible overall results on a consistent basis, and not just by providing the best price for an individual trade. To do this, the Firm shall take into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration considered to be relevant to the execution of client's orders.

Nevertheless, where there is a specific instruction from the client the Firm shall execute the order following the specific instruction. If the client's specific instruction covers one aspect of the order, the Firm will follow its execution policy for the other aspects to ensure best execution.

1. Delivery of Best Execution

EBC is responsible for executing client orders and as such is responsible for providing best execution for those orders.

4. Scope

1. Financial instruments

Best execution requirements apply to all financial instruments as listed in the Annex I of MiFID II, section C. The Firm transacts in the following classes of financial instruments:

- Certificates representing certain security
- Commodity Future
- Commodity option and option on commodity future
- Contract for Differences (excluding a spread bet and, a rolling spot forex contract and a binary bet)
- Debenture
- Future (excluding a commodity future and a rolling spot forex contract)
- Option (excluding a commodity option and an option on a commodity future)
- Rights to or interests in investments (Contractually Based Investments)

- Rights to or interests in investments (Security)
- Rolling spot forex contract
- Share
- Spread Bet
- Unit
- Warrant

2. Clients

This policy applies to Professional Clients. In accordance with the Firm's obligations to the client, it has notified the client of the client classification that applies to them.

■ Professional Clients

When dealing with Professional Clients, the Firm does not differentiate between an 'elective' Professional Client and a 'per se' Professional Client and will apply Best Execution to all transactions undertaken for its clients.

It will apply Best Execution to all transactions undertaken for its "per se" Professional Clients where it has an agency or contractual obligations to the client and where it can be demonstrated that the client is legitimately relying on the Firm in relation to the execution of their order.

In relation to quote driven markets, the Firm will determine if it owes Best Execution to the client by determining to what extent it acts on behalf of the client and whether the client legitimately relies on the Firm, by carrying out the four fold cumulative test by assessing the following points:

- ◆ Which party has initiated the transaction?
- ◆ Market practice & the existence of a convention to "shop around"
- ◆ The relative levels of price transparency within the market
- ◆ The information provided by the Firm and any agreement reached

■ Eligible counterparties

This policy does not apply to Eligible Counterparties business and as such, the Firm does not owe best execution to transactions undertaken by clients classified as such.

3. Activities

EBC is authorised as an execution-only, Matched Principal Broker, servicing Professional Client and Eligible Counterparties ('ECP').

The Firm is permissioned to carry out the following regulated activities:

- ◆ Agreeing to carry on a regulated activity
- ◆ Arranging (bringing about) deals in investments
- ◆ Making arrangements with a view to transactions in investments
- ◆ Dealing in investments as Agent
- ◆ Dealing in investments as Principal (Matched Principal Limitation)

This means that the Firm will be executing client orders in these instruments in accordance with this policy.

- Contract for Differences

The Firm recognises that when closing out an open position, the client must close out the contract with the firm that sold it to them, even if there is a better price elsewhere.

To ensure that in those circumstances the Firm will comply with its Best Execution obligations, it will take all sufficient steps to obtain the best possible results in relation to the instrument underlying the CFD and by disclosing how they calculate their internal fees and charges.

4. Order Types

Regardless of the type of order that the client transacts with the Firm, best execution will apply. This will normally include order types commonly used on an execution venue, as defined by MiFID.

5. Best Execution Obligations

1. Order execution arrangements & client information

EBC has designed and implemented specific arrangement to take all sufficient steps to obtain, when executing client orders, the best possible results taking into account the execution factors including:

- ◆ A specific venue selection process
- ◆ The ranking of the execution factors in accordance with the characteristics of the client, the order, the financial instrument and the execution venue to which that order may be directed
- ◆ The design of efficient execution strategies
- ◆ The verification of the fairness of the price when dealing in OTC products

■ Information on order execution policy

In accordance with its regulatory requirements, EBC highlights on its website the venue it chooses together with the price and costs.

■ Demonstrating compliance with the order execution policy

Where a client makes reasonable and proportionate requests for information about its policies or arrangements and how they are reviewed, the Firm will answer clearly and within a reasonable time. The Compliance function is in charge of this process. It may include demonstrating that the client order were executed in accordance with this policy.

■ Inducements

The Firm does not receive any third-party payments or non-monetary benefits.

2. Execution Factors

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the relative importance it assigns to the execution factors (or the process by which it determines their relative importance) that it needs to take into account for the purposes of providing the client with the best possible result.

These execution factors have been listed in order of priority and will include, but are not restricted to, the:

- ◆ Price: The Firm will generally consider that price merits a high importance, however, the nature of securities will determine if the Firm shall give precedence of other factors such as speed or likelihood depending on the security characteristics.

- ◆ Speed: The Firm considers that for liquid securities, speed is paramount taking into account the fact that markets tend to move quickly, i.e. the price of the security may vary significantly.
- ◆ Likelihood of execution and settlement: The Firm considers that for illiquid securities, likelihood of execution may take precedence over price and speed.
- ◆ Costs: The Firm will always pay due regards to the costs related to any execution to ensure that the costs will not jeopardise the end result.
- ◆ Size of order: The Firm considers the size of the transaction and how it may impact the price of execution.
- ◆ Nature of order: The Firm will consider how the characteristics of the transaction can impact how best execution is achieved.

For Professional clients the likelihood of execution may take precedence over price.

3. Execution strategies

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the execution strategy it needs to apply to obtain the best possible results where executing a client order.

4. Execution Venues

EBC may use different Execution Venues in order to execute trades. EBC will select venues by class of financial instruments on which to execute orders.

5. Client instructions

Where the client provides EBC with a specific instruction in relation to an order, or any particular aspect of that order, including an instruction for the trade to be executed on a particular venue, the Firm will execute the order in accordance with the client's instruction.

EBC will take all the steps it has designed in this policy to obtain the best possible results for the client in respect of the order, or aspect of the order, not covered by the specific instruction. It is however possible that the specific instruction may prevent the Firm to take all the steps it has designed in its order execution policy to obtain the best possible results in respect of the elements of the order not covered by the specific instruction.

Where a Guaranteed Risk Stop is set by the client the trade will be closed at the level of the stop if the price is reached. If a Non-Guaranteed stop has been set the price attained may be less favorable than the level at which you set Non-Guaranteed stop, or at which it is triggered.

6. Verifying the fairness of the price

For each financial instrument that is traded OTC, EBC will check the fairness of the price before proposing the price to the client and/or executing the order, by comparing the price to external market data or reference prices in the same financial instrument or a comparable financial instrument if no reference price is available in the same financial instrument.

7. Annual information on the identity of execution venues and on the quality of execution

The Firm will summarise and make public on an annual basis, for each class of financial instrument, the top five execution venues in terms of trading volumes, where it has executed client orders in the preceding year, together with information on the quality of execution obtained.

6. Monitoring

EBC will monitor the effectiveness of its order execution arrangements and order execution policy in order to identify and, where appropriate, incorporate any amendments to procedures. The Firm will monitor the prices available in the wider market to make sure that its executing parties are offering fair prices and that they continue to provide the best results for clients.

The Firm will assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for clients or whether it need to make changes to its arrangements.

EBC will review its order execution arrangements and order execution policy at least each quarter or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in its order execution policy.

7. Material Changes

The Firm will notify clients of any material changes to its order execution arrangements or order execution policy as described above by posting the information on its website.

8. No Fiduciary Relationship

EBC's commitment to provide clients with "best execution" does not mean that it owes clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between the Firm and clients.

Clients remain responsible for their own investment decisions and the Firm will not be responsible for any market trading loss clients suffer as a result of those decisions.

9. Breaches of Order Execution Policy

Any breaches of the Order Execution Policy will be recorded on the Firm's breach log in conjunction with its regulatory breach policy.