



EBC FINANCIAL GROUP
Cayman



Execution Policy

October 2023

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. INTRODUCTION

- 1.1 This Order Execution Policy (“Policy”) is provided by EBC Financial Group (Cayman) Ltd (“EBC”, “we” or “us”).
- 1.2 Under the rules of the Cayman Islands Monetary Authority and the laws applicable to our business (“CIMA Rules”) we have a duty to conduct our business with you honestly fairly and professionally and to act in your best interests in dealing with you. More specifically, we are required to provide you with best execution when we deal with you. Providing best execution means that when we deal with you we should take reasonable steps to obtain the best result for you in accordance with our Trade and Order Execution Policy (the “Policy ”). This Policy provides an overview of how EBC executes client orders and is responsible for providing the best execution for those orders.

2. DEFINITIONS AND INTERPRETATION

- 2.1 Throughout this Policy, the following words and expressions shall bear the following meanings:
- 2.1.1 “Buy Limit” means an order to buy securities once the price reaches a level that is lower than the current price. Usually, this order is placed in anticipation that the security price, having fallen to a certain level, will increase.
- 2.1.2 “Buy Stop” means an order to buy securities once the price reaches a specific level, which is higher than the current price. Usually, this order is placed in anticipation that the security price, having reached a certain level, will keep on increasing.
- 2.1.3 “Client Agreement” means the client agreement entered between EBC and the Client.
- 2.1.4 “Market Order” means an order to buy or sell at the current quoted price immediately.
- 2.1.5 “Margin Level shall be derived from the formula (Equity / Margin x 100%).
- 2.1.6 “Pending Order” means the execution of a trade at a specific price, which shall include Buy. Limit, Buy Stop, Sell Limit, Sell Stop, Take Profit and Stop Loss.
- 2.1.7 “Sell Limit” means an order to sell securities once the price reaches a level that is higher than the current price. Usually, this order is placed in anticipation of that the security price, having increased to a certain level, will fall.
- 2.1.8 “Sell Stop” means an order to sell securities once the price reaches a specific level, which is lower than the current price. Usually, this order is placed in anticipation of that the security price, having reached a certain level, will keep on falling.
- 2.1.9 “Stop Loss” means an order used to minimize losses if the price of securities has started to move in an unprofitable direction. If the security price reaches this level, the position will be closed automatically.
- 2.1.10 “Stop Out” occurs when the value of the Margin Level as provided in the Trading Platform where force closing of the opened positions shall occur without any prior notice to the Client.
- 2.1.11 “Take Profit” means an order intended for gaining the profit when the price of securities has.

reached a certain level. Execution of this order results in the closing of the position.

2.2 The meanings of words and expressions that were not defined in this Policy shall follow the Client Agreement's definitions.

3. ORDER EXECUTION

- 3.1 You will enter into transactions with us as principal unless otherwise agreed in writing by us and as already stated, EBC is the counterparty to all transactions executed using the services. Transactions are performed by us on the receipt of instructions from you and on an 'execution-only' basis.
- 3.2 Subject to an underlying market being closed or suspended, within normal market hours we make such prices available for transactions within defined transaction size parameters and outside those parameters as we may determine from time to time (where our Clients are so permitted with reference to the terms and conditions).
- 3.3 At our sole discretion, we may choose to execute a transaction on our own account to reflect any particular or residual Market position accruing as a result of your trading. Even where such a transaction may be related to your particular trade, at no time will we be acting as your agent or owe you a fiduciary duty over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.
- 3.4 In providing you with financial products and services, we, as your counterparty, act as a principal only and represent the sole execution venue to which you have access and only at a price set by us. Orders are executed on an 'over the counter' (OTC) basis rather than on an exchange or other regulated market.

4. CLIENTS

- 4.1 EBC deals with Private Client, Professional Client and Market Counterparty as described by the guidelines of the CIMA.
- 4.2 Our best execution practice applies to Private Clients. With regard to Professional Clients EBC applies the following four-fold cumulative test, from the starting point of Professional Clients not relying on EBC to achieve best execution, to determine whether we owe best execution duty:
- ◆ Which party initiates the transaction;
 - ◆ Market practice and convention to 'shop around';
 - ◆ Relative levels of price transparency within the relevant market; and
 - ◆ Information provided by EBC and any agreement reached.
- 4.3 EBC always intends to handle orders and expressions of interest in an equitable and consistent manner, once a Client is classified, for the purposes of a particular instrument, that Client may not then elect to be re-classified for the purposes of one transaction of a type it customarily undertakes.

4.4 Exceptional circumstances may be taken into account at the time, with the consent of EBC (please note EBC may decline to provide a service should a reclassification be requested).

5. TRANSACTION TERMS AND CONDITIONS

- 5.1 The Client acknowledges that the leverage for futures shall be reduced by half when the trading market closes.
- 5.2 Buy Limit, Sell Limit and Take Profit on currency pairs and CFDs are executed at the Client's input trading price at the first available market price.
- 5.3 Buy Stop, Sell Stop and Stop Loss on currency pairs and CFDs are executed at the Client's input trading price at the first available market price. In the event:
- ◆ there is a gap at the time of opening and closing of the positions; and
 - ◆ the input pending order is within the gap.
- 5.4 The order shall be executed at the first available market price after the price gap.
- 5.5 The Client acknowledges that Buy Stop, Sell Stop, Buy Limit and Sell Limit orders are only available at 50 points above or below the current market price.
- 5.6 EBC reserves the right to deny execution of an order in the event any transmission errors, delay, technical faults, malfunctions, illegal intervention on the trading platform resulted in price or quotation error of financial instruments offered by EBC.
- 5.7 The Client acknowledges that the amendment or cancellation of an order is impossible after the input price has reached the execution price.
- 5.8 The Client agrees and acknowledges that when Stop Out occurs, force closing of the opened positions shall occur without any prior notice to the Client. In the event there is an additional amount due in the Client Account which arises after force-closing of the opened positions, the Client undertakes to pay the amount balance due to EBC.

6. EXECUTION VENUE

- 6.1 We always act as a principal and not as an agent on the Client's behalf. However, we reserve our right to transmit the Clients orders for execution to third party liquidity providers, whereby contractually EBC is the sole counterparty to your trades and any execution of orders is done in EBC's name. Therefore, EBC is the sole execution venue for the execution of the Client's orders.
- 6.2 The Client acknowledges that the transactions entered with the Company:
- ◆ are not undertaken on a recognized exchange.
 - ◆ are over the counter ("OTC") transactions.

- ◆ may expose the Client to greater risks comparatively than recognized exchange, such as counterparty risk arising from execution outside a trading venue.
- 6.3 EBC receives price feeds from liquidity providers. Having multiple liquidity providers is important especially during abnormal market conditions, such as at times of extreme volatility as EBC is still able to provide its Clients with competitive prices. EBC has elected to appoint various liquidity providers.
- 6.4 EBC has identified liquidity providers which it believes offer the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below.
- 6.5 When selecting a liquidity provider, EBC will take reasonable measures to ensure that the selection obtains the best possible trading result for its Clients. In selecting, EBC has considered the Client categorizations already under the scope of venue and the following factors:
- 6.5.1 the nature of transactions that they undertake;
 - 6.5.2 whether they are established firms;
 - 6.5.3 whether they are authorized by a recognized regulatory body;
 - 6.5.4 whether systems and measures are in place to manage, identify and mitigate any potential risks;
 - 6.5.5 their reputation in the market;
 - 6.5.6 their financial standing and credit rating;
 - 6.5.7 the quality of their compliance and risk management policies and processes;
 - 6.5.8 proven track record in the relevant (OTC, regulated or MTF) market;
 - 6.5.9 are compliant and have not had any relevant regulatory filings against them; and
 - 6.5.10 have completed a due diligence questionnaire and provided necessary due diligence records and verification documentation.
- 6.6 Selection criteria is also subject to the following factors:
- 6.6.1 In the markets in which EBC operates, EBC can give Clients visibility to only the prices that have been communicated to EBC by the liquidity providers;
 - 6.6.2 EBC will be able to provide the Bid and Ask prices (via the platforms and subject to the other matters referred to below);
 - 6.6.3 Time availability of prices and where there has been latency of price feeds – in many markets there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve, accordingly the last price may not always be available or act as a reliable indicator of current price;
 - 6.6.4 The steps taken by the liquidity providers to ensure prices offered are met and under what circumstances (if any) there has been failure.
 - 6.6.5 The proportion of trades that are executed at the bid/offer quoted and how they measure this.
 - 6.6.6 How EBC assesses whether it provides sufficient liquidity for each instrument.

6.6.7 EBC cannot allow Clients to trade in a market unless it is reasonably satisfied that the Client's trade orders will be capable of being executed.

6.6.8 Fees may vary between Clients, based on agreements and levels of activity.

7. EXECUTION FACTORS

7.1 These execution factors in the markets in which EBC operates have been listed and will include, but are not restricted to;

7.2 Price and costs of execution:

7.2.1 The automated system will seek out the best overall outcome for the transaction. EBC's price for a given CFD is derived through reference to the price of the relevant underlying financial instrument, which EBC obtains from its third-party liquidity providers, so that at any point in time the prices are accurate and competitive. To this price may be added EBC's spread and fees so the price may differ from the exchange or Market Makers quotes on the underlying instrument, however EBC will seek out the best possible price on the Underlying Asset.

7.2.2 EBC will not quote any price outside the market's operation time. The prices generated electronically on our platforms are provided by our liquidity providers who aggregate and provide the market data, consequently the prices you may see on our trading platforms might not be the same as the prices you see on platforms available in the market. EBC shall determine, at its discretion the prices that are executable and appear through the trading platforms. The Client accepts that he/she shall disregard any bid/or ask prices quoted by a financial product provider other than EBC.

7.2.3 Our platforms will generate prices continuously but there may be instances where this may not be possible. Internet, connectivity delays, and price feed errors sometimes create a situation where the price displayed on the trading Platforms do not accurately reflect the Market rates. For example, technical difficulties could be encountered in connection with the trading Platforms which could involve instances of poor telecommunication/internet connectivity, system errors, system outages, malfunction, software erosion, hardware damage, severe volatility and/or illiquidity and/or other factors. There are also other factors that may affect the price of the CFD's underlying financial instruments/products from which EBC derives its prices. Such difficulties could lead to possible economic and/or data loss.

7.2.4 The above technical difficulties may also cause prices to change between the time an order is placed and the time the order is executed. In general, if such a change occurs, the order will be executed depending on the trading platform and account type specifications.

7.2.5 EBC further reserves the right, in its sole discretion, to unwind an executed trade or adjust the price of executed trades (including trades that have been confirmed or settled) to a fair Market price if the trade was mispriced because of technical difficulties with the trading Platforms.

7.2.6 It should be noted that the price at which a trade is executed may vary significantly from the original requested price during abnormal market conditions, this may occur for example during the following scenarios:

- ◆ During market opening;
- ◆ During significant news or political events such as elections;
- ◆ During volatile markets where the prices may move significantly up or down and away from declared price;
- ◆ Where there is rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is required to be suspended or restricted;
- ◆ If there is insufficient liquidity for the execution of the specific volume at the declared price.

7.2.7 Where a “Manifest Error” has occurred, which means a manifest or obvious misquote by us, or any Market, Liquidity Provider or official price source on which we have relied in connection with any transaction, having regard to the current market conditions at the time an order was placed as determined by us. When determining whether a situation amounts to a Manifest Error, we may take into account any information in our possession, including information concerning all relevant Market conditions and any error in, or lack of clarity of, any information source or announcement.

7.2.8 We will, when making a determination as to whether a situation amounts to a Manifest Error, act fairly towards you but the fact that you may have entered into, or refrained from entering into, a corresponding financial commitment, contract or Transaction in reliance on an order placed with us (or that you have suffered or may suffer any loss) will not be taken into account by us in determining whether there has been a Manifest Error.

7.2.9 In respect of any Manifest Error, we may (but will not be obliged to):

Amend the details of each affected transaction to reflect what we in our sole and absolute discretion consider to be the correct or fair terms of such transaction absent such Manifest Error; or

Declare any or all affected Transactions void, in which case all such transactions will be deemed not to have been entered into.

7.2.10 It must be noted that EBC will not be liable to you for any loss (including any incidental, indirect or consequential loss) you or any other person may suffer or incur as a result of or in connection with any Manifest Error (including any Manifest Error by us) or our decision to maintain, amend or declare void any affected transaction, except to the extent that such Manifest Error resulted from our own willful default or fraud, as determined by a competent court in a final, non-appealable judgment

7.2.11 It is possible for price slippage to occur if at the time of your order the specific price requested is not available and therefore the order will be executed close to or a number of pips away from the requested price. For further details please see section 6 below.

7.2.12 EBC is determined and strived to always provide the best possible price to its Clients irrespective of the order type and makes every effort and necessary arrangement to do so.

7.3 Likelihood and speed of execution

7.3.1 Through the use of our automated trading platforms, orders will be executed automatically and promptly. It is possible for price slippage to occur (please refer to section 6 for more details).

7.3.2 EBC relies on third party liquidity providers for prices and available volume, therefore execution of Clients' orders will depend on the pricing and available liquidity of the liquidity providers.

7.3.3 When a Client places an order, the order is transmitted without manual intervention by EBC. There may be rare and exceptional circumstances beyond our control, for example power cuts or failures or network connection or electricity failures, which may lead to the requirement for manual intervention by EBC. We believe this to be an unlikely and rare event. However, this is further explained in the Client Agreement.

7.3.4 EBC reserves the right to decline any verbal instruction in cases where its telephone recording system is not operational, or in cases where we are not satisfied with your identity, or in cases where the transaction is complicated or in cases where the quality of the line is poor. We further reserve the right to ask you to give instructions regarding your transactions by other means that we deem to be appropriate.

7.3.5 EBC bears no responsibility for any loss that arises as a result of delayed or unreceived communication sent to Clients.

7.4 Size, nature and characteristic of the order

7.4.1 A typical transaction consists of a currency trade in one lot or less, hence will be highly liquid. Some liquidity providers will not cover all instruments and in some cases the nature of the order will determine the selection of liquidity provider.

7.4.2 EBC reserves the right to place a cap on the number of trades and or limit on the total net position value per profile for a specific instrument. In such an event, EBC will undertake all possible efforts to notify Clients prior to such an event.

7.4.3 The Client should bear in mind that in terms of volume, financial instruments traded through the trading platforms are measured in lots and the minimum volume of a trade is available on our website.

8. SPREAD

8.1 EBC applies balanced and consistent mark-ups to raw spreads (where applicable) to ensure our average spreads are highly competitive within the marketplace. During liquid trading hours (for example, the EU/US trading session) our spreads are lower (also referred to as "tighter") compared to our average daily spread displayed on our website. EBC can provide you with continuous (in milliseconds) price presentation of the flow of the bid/ask prices and combined with times of high liquidity, our prices are complemented such that your trades are able to be executed at the best available prices.

8.2 Details of our Spreads are provided on our website but most importantly on the MetTrader 4 platform. Though EBC attempts to provide competitive spreads during all trading hours, Clients should note that these may vary and are susceptible to underlying market conditions.

8.3 Please note that the details provided on the spreads, which are available on our website, are for indicative purposes only. Clients are advised to check important news announcements and be aware of Client communications sent by EBC alerting Clients to upcoming events that may have a potential impact on market volatility and liquidity which may result in the widening of spreads, amongst other impacts.

9. OVERNIGHT/SWAP ('FINANCING') FEE

In the case of overnight/swap fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee 'swap' throughout the life of the trade. The financing fees are based on prevailing market interest rates, details of daily financing/overnight fees applied, are available on our website.

10. CURRENCY CONVERSION

Any currency conversion calculations are provided by EBC to the Client in the currency in which the trading account is denominated and the currency of the relevant CFD, using the cross-spot rate. Example:

Client X has an Account that is denominated in EUR currency. Client X trades GBP/JPY (Base currency being GBP with variable currency being JPY). In this instance, EBC's trading platforms will always display the trade Profit & Loss in EUR, using the EUR/JPY 'live' rate from our trading platforms.

11. LIKELIHOOD OF SETTLEMENT

All the financial instruments offered on our trading Platforms do not involve any physical delivery of the underlying asset or assets. Therefore, no settlement occurs.

12. PRICE SLIPPAGE

12.1 The automated system will seek out the best overall outcome for the transaction and this is likely to be the most important execution factor to our Clients. On certain occasions at the time that an order is presented for execution, the specific price requested by the Client may not be available. Therefore, the order will be executed close to or a number of pips away from the Client's requested price. If the execution price is better than the price requested by the Client this is referred to as 'positive slippage'.

12.2 In contrast, if the execution price is worse than the price requested by the Client this is referred to as 'negative slippage'. Please be advised that 'slippage' is a normal market practice and a regular feature of the foreign

exchange and stock markets under certain conditions such as; illiquidity and volatility due to news announcements, economic events, market openings, market data latency or simply the speed of your internet connection this is not an exhaustive list.

12.3 You should be aware that when positive or negative price slippage occurs, in either event, price slippage will be passed to you.

13. FEES AND COSTS

13.1 EBC does not charge different fees or costs depending on the liquidity providers used. However, liquidity providers may have different fees or costs which may be passed to you. The aggregate value of all fees, costs and any commission payments owed by you, the Client, are incorporated into EBCs quoted price.

13.2 For some markets, you may be liable to pay commission charges for opening and closing trades however these costs will be disclosed to you whenever required.

14. CONTRACTS FOR DIFFERENCE (CFD)

EBC recognizes that when closing out an open position, the Client must close out the contract with EBC even if there is a better price elsewhere. The price that is quoted for a CFD product will be based on the price of the relevant underlying instrument. To this will be added EBC's spread and fees so the price may differ from the exchange or market makers quotes on the underlying instrument. However, EBC will seek out the best possible consideration on the underlying instrument.

15. CONFLICTS OF INTEREST

15.1 EBC recognizes that conflicts may exist between the interests of EBC and its Clients. The platform on which orders are transmitted will display the best available price from one of our chosen liquidity providers that we have determined (based on a number of execution factors) to be suitable for certain market orders.

15.2 Although this may pose a conflict of interest, EBC will take steps to manage, mitigate and avoid potential and actual conflicts. Internal systems are in place to ensure that otherwise comparable Client orders are carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impractical or it is not in the best interests of the Client.

16. PROHIBITION ON BONUS-HUNTING

16.1 EBC strictly prohibits any act or omission committed by Clients:

- ◆ solely to receive or collect EBC's bonus; and
- ◆ which are solely intended to cause loss or damage to EBC.

16.2 EBC reserves the right to:

- ◆ withhold the Client's funds.
- ◆ withhold the Client's bonus.
- ◆ cancel the Client's bonus; or
- ◆ impose a penalty of 5% on the Client's deposit.

if EBC deems the Client is engaging, engaged or is under suspicion in bonus-hunting.

16.3 The following actions shall be considered as bonus-hunting:

- ◆ if the Client systematically closes positions with a profit of less than 10 points and still has non-turn over bonus; and/or
- ◆ if the Client systematically opens the opposite positions and thus has a non-turn over bonus.

EBC reserves the right to apply other algorithms or other methods in identifying the bonus-hunting that are not described in this Policy.

16.4 The Client agrees that in the event multiple accounts are registered in the Client's name, the bonus shall only be credited to the account of which the Client made the first deposit.

16.5 The Client acknowledges that the size of his non-turnover bonus will be reduced in proportion to the number of withdrawals on the amount of the initial deposit.

17. MONITORING AND REVIEW OF POLICY

17.1 EBC will monitor compliance with the Policy and maintain records of the data which is used to set Our Price.

17.2 EBC will review the Policy at appropriate intervals. As part of that process, we will review:

- ◆ the sources of external pricing in Underlying Instruments;
- ◆ Our Price in relation to the external pricing of an Underlying Instrument; and
- ◆ any fees or charges.

18. AMENDMENTS

18.1 The Client acknowledges that EBC reserves the right to amend or update this Policy at any time without prior notice to the Client. The amendments to the Policy shall become effective immediately and shall be legally binding on the Client upon publishing the Policy on EBC's website. The Client undertakes to review this Policy on the EBC's website regularly.

18.2 The official language of this Policy shall be English. EBC may provide this Policy in other languages for information purposes only and in the event of any inconsistency or discrepancy between the English version of this Policy and any other language version, the English version shall prevail.

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