

## ORDER EXECUTION & ALLOCATION POLICY

EGM Securities Limited (“EGM”)

Effective: May 2024

This document provides our Order Execution Policy which applies to EGM (“we”, “our” or “us”) and **its execution-only dealing services** in relation to CFDs **on a non-advised basis** (defined as Products and Services in our Terms).

When you trade through our Platform or the Electronic Trading Service you consent to your Orders being executed in the manner described below, outside of a trading venue.

This document forms part of our Terms. Capitalised terms not defined in this document have the same meaning as ascribed to such terms in the Terms.

### 1. Best execution

Best execution is the requirement for firms, such as EGM, carrying on investment business to obtain the best possible result for their clients when executing client orders or passing them to other firms for execution.

EGM does not owe you any fiduciary duties or responsibilities as a result of the matters set out in the Order Execution Policy or this summary, over and above the specific regulatory obligations placed upon EGM or as contractually agreed.

EGM will endeavour to, when it executes an order:

- Comply with the overarching objective to take all sufficient steps to obtain the best possible result for its clients on a consistent basis.
- Consider various execution factors and execution criteria.
- Act honestly, fairly, and professionally in the best interest of its clients.
- Follow client instructions (this will by itself satisfy our best execution obligations).
- Establish and maintain execution arrangements and execution policies.
- Provide disclosures on its execution policies to clients.
- Monitor the effectiveness of its execution arrangements and policies.
- Conduct reviews of its execution arrangements and policies.
- Be capable of demonstrating to its clients that it has executed Orders in accordance with the execution policies.

### 3. Best execution obligation

When dealing with clients EGM will owe best execution obligations where the client is legitimately relying on EGM to execute the Order.

EGM will apply the following considerations to help determine if clients do generally place legitimate reliance on EGM within the legal framework referred above:

- Which party has initiated the Order i.e. where you initiate the Order it is less likely that you are placing legitimate reliance on us;
- Whether there is a market convention to “shop around” i.e. where market practice for a particular Product suggests that you will have access to various providers who may provide quotes and you have the ability to shop around, it is less likely that you will be placing legitimate reliance on us;
- The relative levels of transparency within a market i.e. where pricing information is transparent and it is reasonable to consider that you will have access to such information, it is less likely that you will be placing legitimate reliance on us; and
- The information provided by EGM, and any agreement reached i.e., where any agreements or arrangements with you (including the provisions within this Order Execution Policy) do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on us, or we have agreed to provide you with best execution.

### 2. Agreement to the Order Execution Policy and its amendments

As this document forms part of our Terms, by agreeing to or being deemed to agree to the Terms, you are also providing consent to the terms of this Order Execution Policy, which may be amended or supplemented from time to time without notice and at EGM’s sole and absolute discretion.

### 3. Order handling, allocation, aggregation and details for execution only dealing services.

All trades are bilateral transactions and are conducted between you and EGM. The Terms provide details on how we handle orders with you. The ‘*Product Details*’ section on our Website and on the Platform set out full details of the trading conditions for types of Products available for you to transact in.

EGM undertakes to handle all Orders in accordance with Applicable Regulations and its internal policies, some of which are set out further below:

- Order execution shall be prompt, fair, efficient, and in most instances without manual dealer intervention. In most cases an execution of an Order will automatically be visible in on the Platform or Electronic Trading Service.
- Where Orders are subject to a manual dealer execution, comparable Orders are executed in a sequential order in accordance with the time of their receipt on a first come, first served basis. However, EGM may reserve the right to deviate from this process if the characteristics of an Order or prevailing market conditions make it impracticable to execute it in this manner, or where it may not be in the interests of the client.
- In accordance with clause 33 of our Terms, EGM has the right to aggregate your Order with Orders placed by other clients. Aggregation means that we may combine your Order with those of other clients for execution as a single Order.
- EGM may only aggregate Orders if we reasonably consider that the aggregation will not work overall to the disadvantage of any client whose Order is to be aggregated. But aggregation may result in you obtaining a more or less favourable price or otherwise work to your advantage or disadvantage in relation to a particular Order.
- If EGM aggregates multiple client Orders, all Orders will be allocated fairly, including where an aggregated Order is partially executed, taking into account the volume and price of a clients Orders.
- Where aggregation of two similar client Orders is affected, the price and volume of each of the Orders assist EGM in determining, in the event of partial execution, the final allocation. If the combined Order is not executed at the same price, EGM may average the prices paid or received.
- Aggregated Orders will be recorded and allocated accurately and promptly. EGM will endeavor to ensure that such orders will be visible on the Platform or Electronic Trading Service as quickly and as efficiently possible. Reallocation of Positions may be considered where an Order has had a detrimental effect to you.

#### 4. Straight-through processing

EGM is a straight-through processing broker. As such, EGM will not be the venue of execution and your Order will be passed on to a Liquidity Provider.

When executing orders on your behalf, EGM will take all sufficient steps to obtain the best possible result. We take into account the execution factors (as listed below), execution criteria and determine their relative importance

by using our commercial judgment and experience in light of available market information.

When conducting EGM's price formation, based on the parameters of your order, EGM will select and assess prices provided from various execution venues from its pool of **Liquidity Providers** (i.e. banks or other financial institutions that provide executable BID and ASK prices of Products on a continuous or regular basis). This pool of Liquidity Providers may include execution venues that share common ownership with EGM.

#### 5. Execution factors and their relative importance

EGM is required to take into consideration several execution factors when it comes to the execution of an order:

- price formation;
- costs paid by customers;
- speed and likelihood of execution and settlement;
- Position size;
- nature of the Order; and
- any other relevant consideration.

The relative importance of the execution factors varies, and the following criteria are taken into account:

- the characteristics of the client Order (including, the size and nature of the order);
- the characteristics of the Product that is the subject of that Order; and
- the characteristics of any execution venue to which an Order may be directed.

The significance and the order of priority we assign to the execution factors when executing orders at or below the displayed market size is as follows:

Execution factor	Relative importance
Price	1
Cost of execution	2
Speed and likelihood of execution	3
Size	4
Nature of the Order	5
Other considerations	6

##### a. Price

For any given Product, EGM will quote the spread, the difference between the lower (BID price to sell (go short)) and higher (ASK price to buy (go long)) figure of a quoted two-way price for a Product.

The price feed quoted is provided by the aggregated pool of Liquidity Providers to provide competitive pricing, tighter spreads and greater liquidity.

Our ASK and BID prices displayed may differ from the prices quoted by other providers, as these prices will factor in our charges and fees, as applicable. Our charges and fees may differ to other providers charges and fees and their assessment of market volatility.

We are unable to warrant that the BID and ASK prices displayed on the Platform always represent the best prevailing market prices for clients.

#### **b. Charges and fees**

The current charges and fees, including any method of calculating costs, charges, including any commission, are made available to you on our Website.

#### **c. Speed and likelihood of execution.**

The speed of execution may depend on which data center the client is trading on, the type of Order and the underlying Liquidity Providers' trading parameters. Fast execution is crucial to ensure that Orders are executed precisely. Latency, which is any delay between the time an Order is placed and the time an Order is executed, may result in delays and consequently lead to Orders being executed at the next available price. In such case, the price may be either in favor or against the client depending on the price at that time.

As regards the likelihood of execution, we periodically review our pool of Liquidity Providers and if any Liquidity Provider falls out of our internally agreed tolerance level criteria (with the particular emphasis on speed and rejection rate) we will remove such Liquidity Provider from the pool, until further notice.

#### **d. Position size**

EGM quotes prices for a minimum and maximum Order size. If your Order size is larger, the quoted prices may differ as it may be more sensitive to the market conditions, available liquidity, and our risk management procedures. EGM reserves the right to decline large Orders that would result in exposing EGM or its clients to significant risk.

#### **e. Nature of an Order**

The price at which you may choose to transact is shown on the Platform or via our Electronic Trading Service. The price at which you transact is generally based on the average price EGM received when executing the Order on a third-party execution venue and in that case may be subject to any applicable third-party costs, in addition to

our standard Charges, regardless of the client classification.

#### **f. Other considerations**

In addition to the above execution factors and the relevance we assigned to each when executing Orders, many other factors, such as providing price quotes for Products of normal market hours, will be relevant to the price, as they may be less liquid and more volatile.

### **6. Execution venue**

An execution venue includes a regulated market, a multilateral trading facility, an organised trading facility, a systematic internaliser, a market maker or another Liquidity Provider.

### **7. Factors taken into account in determining an execution venue**

Where it is agreed that EGM will not be the venue of execution of your order, the factors that will be considered in selecting the entities with which your Orders are placed or to which we transmit your Orders for execution in respect of a particular Product include:

- general prices available;
- depth of liquidity;
- relative volatility in the market;
- speed of execution;
- cost of execution;
- creditworthiness of the Liquidity Provider;
- the venue's trading strategies; and
- quality and cost of settlement.

### **8. Specific instructions**

Clients may ask EGM to execute their Order in accordance with specific instructions, either generally or on a case-by-case basis. We will aim to execute the Order as per such specific instruction. Such specific Orders may result in higher costs, and EGM will first notify the client of its revised Charges before accepting the Order.

Any specific instruction from a client may prevent EGM from taking the steps that it has designed and implemented in its Order Execution Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

As stated above, where EGM follows a specific instruction, we will be regarded as fulfilling its execution requirement.