

Information on Order Execution Policy

Introduction

The purpose of this document is to provide information on our policy on order execution and our approach to achieving the best possible result for you when executing your orders on a consistent basis. It is required under the EU Markets in Financial Services Directive (MiFID), and will apply from 1 November 2007 to all of our Retail Clients and Professional Clients.

This document forms part of our Terms of Business. By accepting our Terms of Business, you are deemed to also consent to the terms of our Execution Policy, as summarised here.

Our Duty of Best Execution

When executing your orders for contracts for difference, Spread Bets and other OTC financial derivatives products, we will take all reasonable steps to achieve the best possible outcome taking into account our Execution Policy and any specific instructions received from you. However, our Execution Policy cannot guarantee that the price at which we permit you to execute an order will always be the best price available to you in the market at that point in time.

How We Apply Our Best Execution Obligation

Save where you provide specific instructions to us, as referred to below, we will take into account the following factors to decide how to achieve the best possible result for you when executing your orders:

- (a) price
- (b) costs
- (c) liquidity of the underlying market (e.g. for orders outside the normal trading size)
- (d) nature of the order
- (e) speed and likelihood of execution and settlement.

We will generally apply our best execution obligation to Retail Clients and Professional Clients by prioritising obtaining the best possible price for you (for this purpose, price includes the price of the financial instrument to which your order relates and its execution costs). However, in some circumstances, other factors will be given greater importance than price or costs in obtaining the best possible execution result.

In order to aim to provide the best possible price for you, we will ensure that the prices we permit you to execute orders at are based upon market prices for the underlying products in which you are executing the relevant orders. We have access to various sources of information on the current market prices from which we generate the buy and sell prices quoted to you. Having objectively established the market prices, we will add a spread to these market prices. The maximum spreads which we will add to the market prices will be set out on our dealing system and we will notify you if these maximum spreads are amended at any time.

We will permit you to execute orders for certain underlying products outside normal hours. In such circumstances, the price which we offer you cannot be derived directly from the market prices as the underlying market may be closed. We will then offer you a price which it deems to be fair and reasonable based upon factors such as movements on markets associated to the relevant underlying product.

For forward orders, additional spreads may be applied to reflect the cost of carry and for security, basket and indices CFDs and Spread Bets factors such as interest and anticipated dividends will be taken into account in determining the market price.

As a result of the above, we will not usually be able to offer to you buy and sell prices which are identical to the market prices for the underlying products. However, we are committed to providing you with competitive trading prices. Details of any charges and commissions will be set out in the Fees Lists which apply to you from time to time.

We reserve the right to amend the spread quoted from time to time, subject to the maximum spreads specified on the dealing system.

What Your Specific Instructions Mean

Where you provide us with specific instructions as to how you wish to execute an order, for example, by specifying the price that you wish to execute an order with us, you should be aware that these instructions may prevent us from applying our Execution Policy. Your instructions will take precedence over our Execution Policy and will mean that we will have satisfied our obligations to take all reasonable steps to achieve the best possible result for you when executing that order.

Execution Venues

We are an over-the-counter (OTC) market maker in contracts for differences and Spread Betting. This means that when dealing with you, we act as principal and are the execution venue for your orders, which are not executed on a regulated exchange or multi-lateral trading facility. By consenting to this policy, you agree to have your orders executed in this way.

Monitoring and Review

We will frequently monitor the effectiveness of our order execution arrangements and Execution Policy on a regular basis and implement enhancements and improvements as necessary. Additionally, upon request, we will make available to you details of how your orders were executed. We will notify you of any material changes to our Execution Policy, and the latest summary of it will be accessible at all times via our website.

Further Details

Further details of how we executes your orders are available on our website and in our Terms of Business.