

Order Execution Policy

Effective 1 November 2007

Other Instruments

If you require us to execute an order in an instrument not listed above it could be restricted to a limited number of market makers that we have connections with. In such circumstances Best Execution is achieved by reference to the prices provided by these market makers and any available published local market price information.

Order Execution

For online orders, we are currently connected electronically to a wide range of Retail Service Providers (RSP) who are market makers and liquidity providers in a range of instrument types. When an order is received our system will request a price from all RSPs offering a price in the requested security and will select the best price returned and complete the order following confirmation from our customer.

In the event that an order cannot be executed online it will be routed to a dealer who will negotiate the price with a market maker by telephone with reference to any available electronically displayed prices.

We believe that these execution methods ensure that we take all reasonable steps to meet our Best Execution obligations.

Order Types

The following order types will be accepted from customers. Full details will be confirmed on the contract note.

Type	Description
At Best	Deal immediately at the best available price
At Limit	Deal at, or better than, a specified minimum price for sales or a maximum price for purchases
Stop Loss	Sell should the price fall to within a specified price band
Stop Buy	Purchase if the price rises to within a specified price band.
Scheduled	Deal on a specified or agreed date at the best available price
Dividend Reinvestment	Deal on a specified or agreed date to use dividends received to purchase further shares in that company

For limit orders where we cannot execute the order immediately we will confirm to the customer the limit conditions as we understand them and the period during which our systems will monitor market conditions in order to be able to effect execution as soon as possible.

Publication of limit orders

We are required to publish unexecuted At Limit orders in order that they may be visible to other market participants. When placing at limit orders you will be given the option for your order not to be made public, the default will be for all open At Limit orders to be published. The published details will be the name of the stock, the limit price, whether it is a buy or sell order and the quantity. Your personal details will never be displayed and details of all relevant open limits will be available on our website.

Order Execution Timings

To achieve timely execution, once we have agreed to execute your order, we will do so as soon as reasonably practicable, unless we have taken reasonable steps to ensure that postponing the execution the order is in your best interests.

Order Allocation

In the event that your order forms part of an aggregated order, we will usually allocate on a pro rata basis any partially completed orders that are received from different customers in the same security. If this allocation would result in any customer detriment; we may allocate other than on a pro rata basis. In every instance that an allocation other than pro rata is used we will take reasonable steps to ensure that any allocation is in the best interests of all customers concerned.

Order Priority

Customer orders will normally be executed in the same order as they are received, except where there are special conditions, such as price limits or limited liquidity, where such conditions might require extra time to ensure we achieve Best Execution.

Monitoring of Best Execution Effectiveness

We monitor our effectiveness in achieving Best Execution of your orders on a regular basis by comparing a representative sample of the trades we execute against similar orders executed by other firms using data provided by the relevant exchanges or market data vendors.

Policy Review

This Policy is reviewed at least annually or at any other time when there is any material change to our arrangements. We will notify you of any material change to our execution arrangements or our Policy by providing you with an updated version of this document either in writing or by publishing it on our website.

Introduction

Under the EU Markets in Financial Instruments Directive (MiFID) and the rules of our regulator, the Financial Services Authority which implement the directive, we are required to put in place an order execution policy and to take all reasonable steps to obtain the best possible result for our customers either when executing customer orders or when receiving and transmitting orders for execution. The purpose of this document is to provide information on our Order Execution Policy and to obtain your consent to it, where we are obliged to do so.

Scope

This Policy applies to all orders received from and executed on behalf of customers where we receive and execute an order. It must be read in conjunction with our Terms and Conditions.

Consent

When, having been provided with a copy of this document or having had the opportunity to review it on our website, you give us instructions to deal on your behalf you will be deemed to provide such consent for your orders to be carried out in accordance with this Policy.

For orders that are not executed on a regulated market or multilateral trading facility ('off-market') and in circumstances where we deem it necessary and in your best interests to execute orders off-market we will require prior express consent from you.

Achieving the Best Possible Result ('Best Execution')

In considering how we might achieve the best possible result and deliver Best Execution of your order, we will take a number of factors into account, including price, costs, speed of execution, likelihood of execution and settlement, size, nature of the order or any other factors relevant to the execution of that order such as the characteristics of the financial instruments to which the order relates, as well as the possible execution venues to which the order can be directed.

We will use our own commercial experience and judgement in determining the relative importance of these factors, and in general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some customers, particular instruments or markets where other factors may be deemed to have a higher priority.

As you have been categorised by us as a 'retail customer' for the purposes of the FSA's client categorisation rules, the best possible result will be determined in terms of the total consideration including all expenses incurred by you which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

When we receive an order, we will prioritise the relevant factors in considering and achieving Best Execution, including any specific customer instructions (e.g. price limit); relevant factors could include the liquidity and volatility of the stock, width of the buy/sell spread and accessible markets and dealing platforms. If all relevant factors are considered, our obligations on a consistent basis will be fulfilled and Best Execution should be achieved.

Whilst we accept responsibility to achieve Best Execution at all times, where specific instructions are provided by you and we agree to act on them, our ability to achieve Best Execution may be limited by such instructions.

Specific Instructions

Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions and you should be aware that doing so may prevent us from applying this Policy.

Where your specific instructions relate to only part of the order, we will continue to apply our Best Execution Policy to those aspects of the order not covered by those instructions

You should be aware that providing specific instructions in relation to the execution of an order may prevent us from taking the steps set out in this Policy to obtain the best result in respect of those elements covered by those instructions.

Execution Venues

Many financial instruments can be traded on a variety of exchanges and execution venues. One of our key responsibilities is to ensure that we give customers access to the most significant of these when executing orders. Therefore we have given serious consideration to a variety of venues and decided on those detailed below.

We are a member of the following Recognised Investment Exchanges who operate regulated markets.

- London Stock Exchange ('LSE')
- PLUS Markets. ('PLUS')

All transactions, except those in Unit Trusts and OEICs and some International Securities, will be carried out and reported to either of these regulated markets ('on-market') and will be subject to the rules and regulations of that market.

In the event that your transaction cannot be conducted on-market; we will endeavour to execute your transaction off-market subject to receipt of your express consent.

Instrument Type	Execution Venue Considered
Equities	LSE, PLUS
Warrants	LSE, PLUS
Exchange Traded Funds	LSE, PLUS
Exchange Traded Commodities	LSE, PLUS
Covered Warrants	LSE, PLUS
Government Bonds	LSE
Corporate Bonds	LSE
Unit Trusts and OEICs	Individual Fund Providers
International Securities	Off-market
(not listed on LSE or PLUS)	
Other Instruments	Off-market
(not listed on LSE or PLUS)	

International Securities

When trading in International Securities, the execution of your order could be restricted only to those market makers that are able to provide the settlement arrangements and foreign currency conversion that we require to complete the order. In such circumstances Best Execution is achieved by reference to the prices provided by these market makers and any available published local market price information.