

## **Order Execution Policy**

We currently strive to provide best in class quality of execution to all of our clients. Markets in Financial Instruments Directive (MiFID) requires us to develop and monitor our adherence to an order execution policy for orders in respect of which we owe a duty of best execution.

We are required to obtain consent to this Order Execution from our clients, and you will be deemed to have given such consent if you give us an order or trade instruction from or after 1 November, 2007.

As part of our Order Execution Policy, we list below some clarifications about our order handling in certain circumstances:

### Client-specified Execution Venues

A given client of iDealing will have permission to send orders to one or more execution venues. Most Retail clients will have access only to the RSP\_Gateway, which is a message hub for requesting quotes from several market makers. iDealing's systems have been designed such that you will always deal at the best price for the size and instrument you have requested at the time that you confirm the trade. Other clients may have access to additional execution venues, for example, Euronext.liffe's orderbook, or the London Stock Exchange's orderbook. Those clients that have access to multiple execution venues will be prompted by our order entry form to specify which venue they wish their order to be sent, and in such cases we will not make any determination as to whether your order should be sent elsewhere.

### Stop Orders

Stop Orders are conventionally defined as market orders that are triggered by a breach of some price level, or some other monitored event. Where there is more than one execution venue available for a stop-loss or stop limit order, and provided that we do not permit the client to specify an execution venue, we will send your order to a venue that provides firm quotes for the full execution of the order size.

We do this because in our view

- (1) Orderbook execution venues may not hold sufficient liquidity to permit the best execution of a stop or stop-limit order
- (2) If the execution venue providing firm quotes does not provide a firm quote for the full size of your order, iDealing's systems alert our dealing desk, who may then intervene manually to execute your order in a manner that achieves the best result for you.

### Spread Bets, CFDs, and other OTC derivatives issued by iDealing

Some of the OTC derivative instruments that clients may be eligible for trading at iDealing have been issued by iDealing and are tradeable only with iDealing as principal and not on any other marketplace or trading platform. As such, we regard those instruments as having no other execution venue.

### House Accounts

At iDealing, some clients have opened House accounts in which they transact Spread Bet or CFDs. These transactions are dealt commission-free, but often at a spread to the underlying securities prices from which they are derived. The spread may be regarded as compensation to the firm in lieu of a commission that we would otherwise charge if we were to make the derivative price exactly equal to the underlying securities prices, and is not regarded as a failure to meet any duty of best execution.

House accounts trade iDealing-issued instruments on the iDealing House execution venue, which is distinct from the iDealing Touch execution venue.

### iDealing competing as Principal

There may be times when iDealing offers prices for the execution of an order that the client has given us to execute on your behalf as Agent. In all cases iDealing will be the counterparty to the client trade only if it has provided the best outcome for the client compared to other market makers on the market you have specified.

### Typical Execution Venues

In addition to off-orderbook access on the London Stock Exchange for Retail Clients, we may use other execution venues for other client categorisations and other services, and provided that any required consent has been obtained. A list of other execution venues that we may use includes-

Regulated Markets (including the London Stock Exchange's Order books and Euronext.Liffe)  
Other Exchanges that are not Regulated Markets  
Multilateral Trading Facilities (MTFs)  
Systematic Internalisers  
Other brokers and investment firms, acting as Market Makers  
Proprietary positions  
Trading outside of a Regulated Market or Multilateral Trading Facility (as defined in the FSA rules)

Express client consent, in the form of a signature, is required for us to execute orders outside a Regulated market or MTF, however, if we feel that it would be in the best interest of the client to execute an order outside of a Regulated market or MTF, we may consider doing so even though we have not yet been able to obtain express consent.