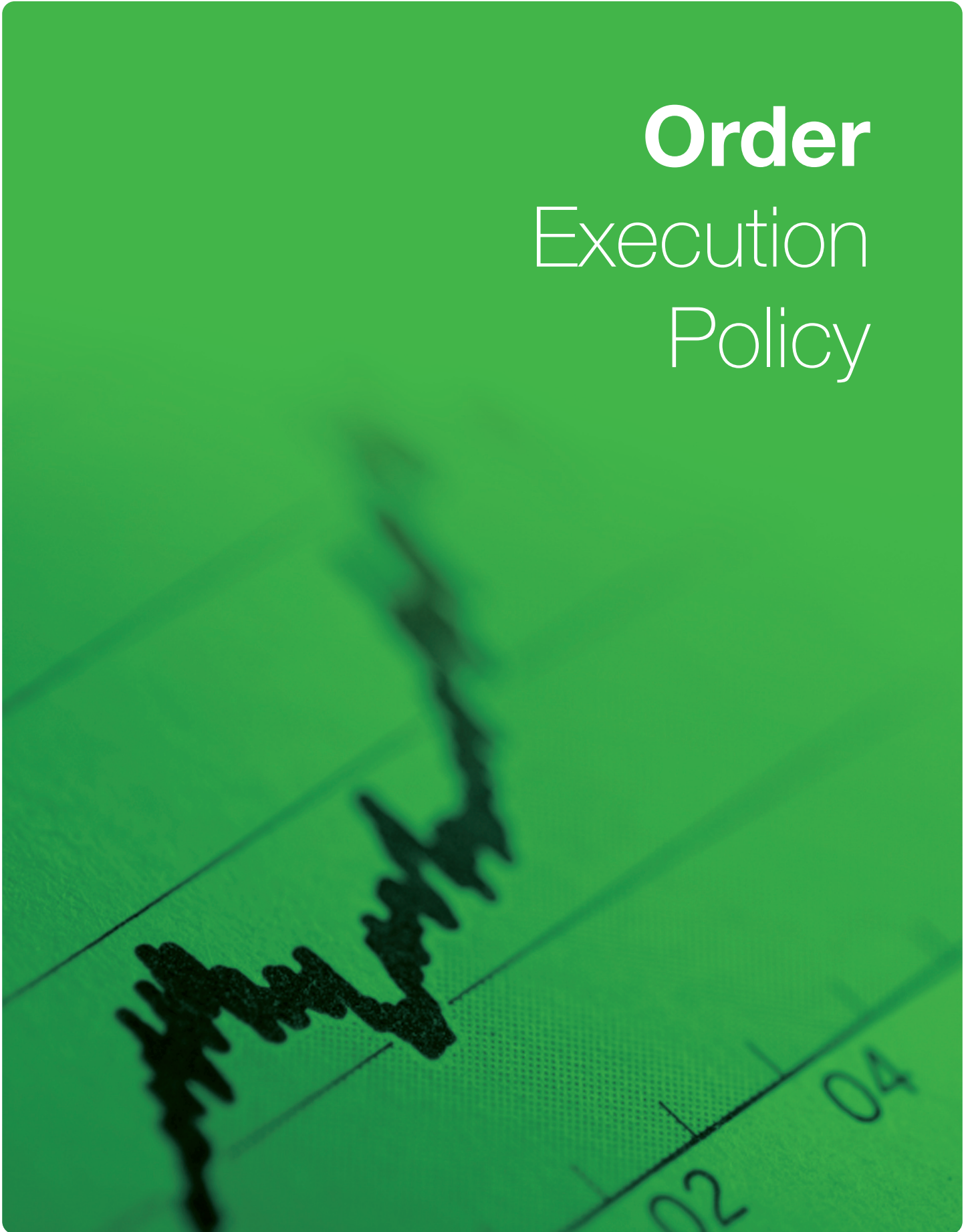




shareprice .co.uk

Order Execution Policy





Introduction

Shareprice is a trading name of Interactive Investor Trading Limited (IITL). Prior to undertaking any deals in investments for you, you need to understand how IITL will execute transactions. This Order Execution Policy (Policy) applies to all orders received from and executed on behalf of customers and is designed to give you a general understanding of our typical dealing arrangements.

Consent to the Execution Policy

We will provide you with a copy of this Policy when you register to use our services. You should review its contents and ensure that you are happy to be bound by it. When you have given us instructions to deal on your behalf you will be deemed to have given your consent to this Policy.

Where we execute transactions off exchange or via a Multilateral Trading Facility, we will seek your express consent before we trade for you.

Our obligations to provide you with Best Execution

When we accept your order we will look to provide you with the best possible result and we will take a number of factors into account. These execution factors include price, trade costs, speed of execution, likelihood of execution and settlement, size, nature of the order and any other factors that may influence our decision in providing you with the best possible result.

We will use our experience and judgement in determining the relative importance of these factors. However, we will generally regard price and speed of execution as the most important to you. There may be times when other execution factors will be more appropriate and we will use our judgement to ensure that you receive the best possible result in the circumstances.

When you give us an order that has specific instructions attached to it, e.g. limit price or a

specific market participant that you wish us to deal through, our ability to achieve best execution may be limited and by following your instructions it may prevent us from applying this Policy.

Execution Venues

IITL uses different Recognised Investment Exchanges (RIEs) to execute client orders. One of our key responsibilities is to ensure that we give customers access to those execution venues where your order has the greatest opportunity to achieve the best possible result.

When we accept orders in standard UK equities, IITL will poll a wide number of market counterparties (Retail Service Providers) using automatic execution technology to identify the best possible result at the point of trading. Our systems will return the best result from this polling mechanism and present it to you for acceptance.

When we accept your order and it cannot be dealt automatically then our dealers will manually search across different execution venues to obtain competing quotes. The same execution factors will be used to determine the best possible result for you.

IITL are members of the London Stock Exchange and Plus Markets and will place reliance on these execution venues for the majority of our business.

International Orders

When we accept an order from you in an International Security, we will pass this order to an agent who will execute on our behalf. IITL is not a member of any international exchange.

We will only use an agent who has demonstrated to us that they will achieve best execution on your behalf. We will perform appropriate due diligence on execution quality for any agent that we use.



Limit orders - public display

You agree and acknowledge that when you give us a limit order that is not capable of immediate execution, we will not make the limit order public by placing it on our website.

Order Execution Priority and Timings

Once we have agreed to accept your order it will generally be dealt in order of receipt in line with the channel that it was received. There may be times where we will delay execution of your order if we believe that postponing execution will be in your best interests. This may occur during market opening when price spreads can be wide.

Review of execution arrangements

We regularly monitor the execution quality that we receive via market counterparties and agents. The Execution Policy is subject to an annual formal review. Any material changes to this Policy will be communicated to you and published via our website.

Definitions used in Policy

Retail Service Provider (RSP) - market counterparties who provide competing quotes for stockbrokers within an online environment

Multilateral Trading Facility (MTF) - a system that brings together multiple parties (e.g. retail investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. Instruments may include shares, bonds and derivatives.

Recognised Investment Exchange - an investment exchange recognised by the Financial Services Authority which is authorised to regulate securities trading in the UK.