



Summary Order Execution Policy for Retail and Professional Clients

Introduction

We have a general duty to conduct our business with you honestly, fairly, and professionally and to act in your best interests when opening and closing Bets on your behalf.

More specifically, when we open and close financial spread bets ("Financial Bets") on your behalf we have a duty to provide you with "best execution", that is, we will operate according to a policy which we have established in order to take reasonable steps to obtain the best possible result for our clients.

This document provides a summary of that policy. It applies from 1 November 2007.

This disclosure statement forms part of our terms of business. Therefore, by agreeing to the terms of our Customer Agreement, you are also agreeing to the terms of our execution policy, as summarised in this document.

You should note that our duty to provide you with best execution only applies to Financial Bets and does not apply to sports spread bets or to any binary/fixed odds bets that you place with us.

How do we comply with our duty to give you best execution?

When we open and close Financial Bets with you, we will take all reasonable steps to achieve the best possible result for you by opening and closing those Financial Bets according to our Order Execution Policy and subject to any specific instructions received from you. Our Order Execution Policy comprises a set of procedures that are designed to obtain the best possible execution result, subject to and taking into account the nature of your Financial Bets, the priorities you have identified to us in relation to opening and closing those Financial Bets and the practices relating to the market in question with the aim of producing a result which provides, in our view, the best balance across a range of sometimes conflicting factors. Our policy cannot provide a guarantee, however, that when opening or closing a Financial Bet with you our price will always be better than one which is or might have been available elsewhere.

What we consider in determining whether we obtain best execution for you

In dealings between us we act as principal and not as agent on your behalf and we therefore act as the sole execution venue for your Financial Bets.

We are required to take a number of factors into account when considering how to give you best execution. We have rated price as the most important followed by: costs, size, liquidity of the underlying market, speed and likelihood of execution and settlement. The main way in which we will ensure that you obtain best execution is by ensuring that in our calculation of our Financial Bet bid/offer prices we pay due consideration to the market price for the underlying reference product to which your Financial Bet relates. We have access to a number of different data sources in order to ascertain the market price, which is our objective view of the bids and offers available to arms' length traders.

Once we have determined a "market price", we make adjustments for expected interest costs over the period of the Financial Bet, and, where relevant expected net dividends and other relevant factors such as variations in the underlying contract for the reference date of the expiry of the Financial Bet. To this we add an IG Spread. The IG Spread will not be greater than as published in the online version of our Dealing Handbook. As a result of all these varying factors our bid/offer prices will generally not be the same as the cash price for the underlying.

In relation to some financial instruments, at the time at which you give us an order there may be no functioning or no open market or exchange on which the reference product is traded. In such cases we set out to determine a fair underlying price based on a number of factors, for example price movements on associated markets and other market influences, including information about our clients' own orders.

Specific instructions

Where you give us specific instructions, including specifying the price at which a Financial Bet is to be closed if the market moves against you (for example, a Limited Risk Bet), or, for us to "work" an order; those instructions take precedence over other aspects of our policy.

A transaction for which a Controlled Risk Stop has been set will be closed at the level of the Stop if the limit price is reached but if a Non-Guaranteed Stop has been set the price attained may be less good than the level at which you set the Non-Guaranteed Stop, or at which it is triggered, especially if the price continues to move against you.

Aggregation

We may combine your instruction to close a Financial Bet, for example in relation to a Non-Guaranteed Stop, with those of other clients of ours for execution as a single order. This will be where we reasonably believe that this is in the overall best interests of our clients and is unlikely to work overall to your disadvantage. However, such aggregation may work to your disadvantage in relation to a particular order.

We do not owe you a fiduciary duty

Our commitment to provide you with "best execution" does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

Monitoring and review of our Order Execution Policy

We will monitor the effectiveness of our order execution arrangements and Order Execution Policy. We will assess from time to time whether the venues relied upon by us in pricing our Financial Bets allow us to achieve best execution on a consistent basis or whether we need to make changes to our execution arrangements. We will also review our order execution arrangements and Order Execution Policy in respect of material changes either in respect of one of our chosen pricing venues or otherwise that affects our ability to continue to achieve best execution. Should there be any material changes to our order execution arrangements or Order Execution Policy, we will notify you.

Dealing Handbook

Full details of the betting conditions for particular Financial Bets are available through the "Dealing Handbook" on our website.