



**RETAIL CLIENT ORDER EXECUTION POLICY**

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### 1. Objective

The objective of this document is to inform our Retail Clients about our Execution Policy as required by the EU's Markets in Financial Instruments Directive (MiFID) and obtain client consent to this policy.

We apply this execution policy with a view to obtaining the best possible result in terms of the total consideration when executing our Retail client orders. In doing so we consider the various execution factors outlined below. According to MiFID requirements we also provide information to our Retail clients on our performance under our execution policy.

### 2. Scope

This policy applies to Retail clients. This policy is applicable when we are executing Retail client orders and also when we are receiving and transmitting them.

### 3. Execution Criteria

The following criteria will be considered in applying our execution policy:

- 1) *the Client's MiFID categorisation*
- 2) *the Nature and Characteristics of the client's order*
- 3) *the Financial Instruments that are the subject of that order*
- 4) *the Execution Venues to which the order can be directed*
- 5) *Any specific client instructions whether received on a trade by trade basis or as a general instruction to be applied to all executions*
- 6) *Execution factors relevant to the effective execution of the order*

### 4. Execution Factors

We shall execute your orders with the objective of achieving the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution.

In applying our execution policy we shall take into account certain factors that are relevant to effective execution of Retail client trades. These factors include price, costs, speed of execution, likelihood of execution and settlement, size and nature of the order and any other consideration relevant to the execution of Retail client orders. However we shall only give these factors precedence over the immediate price and cost consideration insofar as they are instrumental in delivering the best possible result to you.

In certain markets and trading situations such as "over the counter" (OTC) markets there may not be an equivalent publicly available market price for the instrument being traded. In such situations we shall use our experience and commercial judgement to take into account all relevant information available to us and apply this execution policy with a view to achieving the best possible result in terms of the total consideration. We monitor our effective selection and weighting of these execution factors through post event review and analysis.

### 5. Execution Venues

In applying our execution policy we will transact with one or more execution venues. We publish and maintain a list of these execution venues on our website at [www.etrade.co.uk](http://www.etrade.co.uk) and this information is available to our Retail clients via this channel. Notwithstanding this, any material changes to our execution policy will be specifically notified to you. These venues are chosen because we believe they enable us to achieve the best possible result in terms of the total consideration for the execution of Retail client orders. These venues are monitored on an ongoing basis and assessed for their effectiveness in achieving this objective.

In the event that we believe an alternative execution venue not already included within our list of execution venues may be more suitable in achieving our execution policy objectives, we will use such execution venues on either an occasional or permanent basis, as appropriate.

Our execution arrangements are structured in such a way as to ensure that we do not either directly or indirectly unfairly discriminate between Retail client orders when executing via multiple execution venues.

Subject to any specific instructions that may be given by you we will execute your orders by one of the following methods or combination of methods with a view to obtaining the best possible result for your executions in terms of the total consideration:

- Directly on a Regulated market or an MTF
- Through an appropriate third party entity (which may or may not be subsidiary, group company or affiliate of E\*Trade Securities Limited)
- Where you have provided your express consent, outside of a regulated market or multilateral trading facility

Where your orders are transferred to another entity for execution, we shall select such entities according to our execution policy with a view to achieving the best possible result in terms of the total consideration for the execution of your orders.

## **6. Execution of orders outside of a regulated market or multilateral trading facility**

Under MiFID we require your express prior consent in the event that your orders are executed outside of a regulated market or multilateral trading facility ("MTF"). Should you wish to provide this consent, this may be given to us in writing, by email or by webpage click through.

## **7. Specific Client Instructions**

When you give us one or more specific instructions relating to the execution of an order we shall execute your order according to your instructions. In such a situation we shall apply our execution policy with a view to achieving the best possible result in terms of the total consideration only with respect to those aspects of the order where you have not provided us with a specific instruction, and where we are executing on a discretionary basis on your behalf.

It should be noted that your specific instructions may contradict our execution policy and may not necessarily lead to the best possible result in terms of the total consideration. You should be aware that some of our execution products and services such as our automated trading tools by their very nature do not allow us to exercise any discretion over the execution of your orders. In such situations we may therefore regard such orders as containing specific client instructions relating to all aspects of the order, and consequently we may not be able to apply this execution policy to any aspect of such orders.

## **8. Monitoring and Reviewing**

We monitor the effective performance of this execution policy on an ongoing basis. Where our monitoring identifies an immediate need to update or amend this policy we shall do so immediately. Notwithstanding this ongoing monitoring, we formally review this execution policy no less than once a year to assess its effectiveness in achieving the best possible result in terms of the total consideration for our Retail client executions.

Where we make a material change to this execution policy, this shall be notified to you. Non-material changes to our execution policy may not necessarily be specifically notified to you; however such changes will be reflected on our website at [www.etrade.co.uk](http://www.etrade.co.uk)

## **9. Prior Consent**

In order to execute transactions on your behalf from 1st November 2007, we will require your prior consent to this execution policy. You will be considered to have provided your prior consent to this execution policy if we receive an instruction to execute an order on your behalf on or after 1st November, 2007.

Should you wish us to execute your orders outside of a regulated market or multilateral trading facility, we shall require your prior express consent. Your consent may be given to us in writing, by email or by webpage click through.

### **Disclaimer**

This document is provided to Retail clients for informational purposes only. This document does not constitute legal advice, and clients are advised to take specific legal advice on any aspect of this document of particular relevance.



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