



IWEB

Order Execution Policy

Our approach to order execution

This leaflet explains how we execute your orders to make sure we're getting you the best deal we can. We take a number of things into consideration, including price; speed; likelihood of execution and settlement; costs; size; and any other relevant factors that depend on the deal.

Price, speed, and likelihood of execution are the most important factors that determine how we execute your orders. We describe how we do this for different types of investment below, and what we do if there are any issues.

UK SHARES

We use a system called 'Price Polling' to get you the best price for your order. This means that we ask all our market counterparties to give us their best price when you place an order and then use the counterparty who's provided the best price.

Market counterparties can't provide a price that's worse than the one provided by the London Stock Exchange for the size of the order in question and the competition between them means better prices overall.

Sometimes the Price Polling system might not be able to offer a price – for example, if you're trading a large number of shares. If this happens, you'll be given the option to route your order through our dealers, who contact market counterparties and negotiate a price on your behalf. They will decide how many market counterparties to contact and will use price as the main factor.

It's very important that you keep your contact details up to date as we may need to speak to you urgently to agree how to execute your order. This would apply if we believe it is not in your best interests to execute your full order immediately. If this happens, and we can't get hold of you, the dealer will use the price for immediate execution of your full order. This is because share prices can be very volatile and any delays could significantly risk the price of your order.

TradePlan Orders (UK Shares)

Your TradePlan order will be held by us until the market price meets, falls below, or rises above the price you set. Our system then checks if you still have the stock or cash to carry out the order. If so, then the Price Polling process for UK share trades will be followed.

The price of a TradePlan isn't guaranteed. It is possible that the share price may change significantly between the TradePlan being triggered and the order being executed. In some market conditions, this could be a significant difference.

Sometimes, Stop Loss orders can be executed at a slightly higher price than the Stop Loss price set. That's because the Price Polling system may get a better price than the market price.

Bonds, gilts, and other fixed income investments

The process for these investments is very similar to UK shares, in that we start by using the Price Polling system, but trades are more often negotiated individually by dealers. This is because there are fewer market counterparties for these investments so there's less competition to offer the best price.

Funds (Open-ended Investment Companies and Unit Trusts)

Fund trades can only be executed with its fund management company so market counterparties don't compete for these orders. Unlike shares, funds only trade once a day. When you buy or sell units in a fund, the order is sent to the fund manager for execution at the next valuation point. This is the fixed time of day when the fund is valued by the fund manager and is often 12 noon, but does depend on the fund. Our cut-off time for placing orders is typically 45 minutes before the valuation point however it's best to check the valuation point and cut-off time for orders for the fund you want to trade first to make sure you place your order in good time.

If you miss that day's valuation point, your order will be carried over to the valuation point the next day.

INTERNATIONAL SHARES

If you're trading international shares, we'll route your order to a single international market counterparty, Banca IMI. They will execute your order in line with their own Order Execution Policy, which we have reviewed and are happy that they are taking all the steps to get you the best deal.

International Limit Orders go through a public limit order system for the relevant stock exchange or trading venue. Because of this, the stock or cash value of the order will be unavailable for you to trade until the order is cancelled or completed.

How do we monitor order execution?

We carry out daily checks to see whether any trades have been executed outside the prices that should have been available at that time. If we do find any trades, we contact the market counterparty for an explanation and try to get the price amended where possible.

We also keep a close eye on the Price Polling system to continually improve it and make sure it's working as expected, and check on the order execution quality of our market counterparties.

We will publish a report showing execution quality data for each type of investment on our website each year.

Market Volatility

Very rarely, extreme volatility in the markets may mean that we can't get or process quotes from all our market counterparties. If this happens, we may route orders to just one trading venue, but we'll still try to get you the best price available.

If the London Stock Exchange is not available during normal trading hours for any reason, we may trade using prices from other exchanges or venues to allow us to carry out your trade.

OTHER POINTS

Trading when markets are closed

If you place an order in shares, bonds, or ETFs when the market is closed, we will keep your order until the market opens again. When it does, we'll wait a few minutes for prices to stabilise before placing your trade.

Trading fairly

We will always try to put trades through in the order we receive them, but there may sometimes be some exceptions. For example, if markets are very busy, we may need to take other steps to better manage the queue of orders to make sure we get you the best price promptly.

We'll let you know if we have any problems in carrying out your order.

Aggregation of orders

It's very rare that we will aggregate customer orders, and will only ever do this if we're sure that you won't be disadvantaged. This does not apply to Regular Investments and Dividend Re-investments which are usually aggregated, except for deals in funds.

Trading outside regulated markets

Sometimes, we may need to carry out your order outside a regulated trading venue. If this happens, we'll always try to get your agreement beforehand. If we can't get hold of you, we reserve the right to do this if we believe it will get you the best possible result.

SPECIFIC INSTRUCTIONS FROM YOU

If you ask us to trade with a specific market counterparty, this may mean that we can't take the steps we've outlined in this document.

We will continue to review this policy on a regular basis and make sure it's up to date.

In the event that there's a conflict between this policy and our terms and conditions, the terms and conditions will take precedence.