

Execution Policy

Markets in Financial Instruments Directive (MiFID)

From 1 November 2007 the new legislative structure under the Markets in Financial Instruments Directive requires us to provide information on our Execution Policy.

Speirs & Jeffrey is an agency stockbroker and as such does not undertake principal trading on its own account. We will therefore execute trades on a variety of different venues including Regulated Markets such as the electronic trading system operated by the London Stock Exchange (SETS) or with Multilateral Trading Facilities [MTF] (eg market makers/AIM). In executing trades we reserve the right to use the venue we deem appropriate to be in accordance with our Execution Policy. We will continually assess the execution venues available to us and may start or cease trading with any venue in order to meet our obligations under our Execution Policy.

Execution Considerations

Under MiFID the “best execution” concept is replaced with a “best outcome” thought process whereby the speed of the deal and price may not be the only factors to be considered. Other factors such as associated costs, likelihood of execution, settlement, size of the trade, the type of financial product, market conditions and nature eg custody on foreigners will be considered. In the absence of specific client instructions (see below) as the importance of each factor may differ on a transaction-by-transaction basis we will use our discretion and judgement in assessing the relevant factors to provide you with “best outcome”. In general terms for sales the factors that allow the best residual net value is likely to be the “best outcome”, for purchases custody and liquidity are particularly important considerations when dealing in foreign stocks.

Venues

Whilst we will use MTF’s and Regulated Markets there may be occasions that to achieve “best outcome” we may wish to execute your order outside a regulated market or MTF eg through a “systematic internaliser” – someone who deals on their book. In these circumstances we will require your “prior express consent” before we can proceed with the order. This consent can be provided by signature in writing or electronic means such as email/fax. Where consent is given by telephone we will confirm your authorisation in writing to you at the time of transacting the trade. A list of execution venues is detailed on our website at www.speirsjeffrey.co.uk.

Limit Orders

Under MiFID client orders that cannot be executed immediately under prevailing market conditions must be made public (ie show the order) to other market participants. These orders will be input onto an electronic trading system on a Regulated Market such as SETS. Where orders are not capable of meeting the trading systems criteria they will be treated as advisory which will be carried out on a best endeavours basis. In certain circumstances where the size of the limit order is larger than the normal market size we will liaise with you on how we intend to comply with our obligations and execute your trade in accordance with our execution policy.

Client Instructions

Where we receive specific order instructions from you ie to deal at a limit or extended settlement this may prevent us from taking the steps outlined above which are designed to obtain the best possible outcome for the execution of orders.

Review

We will regularly review the above procedures and execution policy. Where there is a material change to the policy we will contact you to inform you of the change. Updates/revisions to the Execution Policy will be detailed on our website at www.speirsjeffrey.co.uk.

Consent to this policy

We are obliged to obtain your prior consent to this Execution Policy. This can be provided by you signing a copy of this policy and sending it to our Compliance Department or accepted by you through you continuing to trade and use our services.

The above policy does not change the procedures already adopted by us to achieve the best possible outcome on client transactions.

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