



## **TEATHERS ORDER EXECUTION POLICY FOR PROFESSIONAL CLIENTS**

Under the EU Markets in Financial Instruments Directive (MiFID) and COBS 11.2 of the Financial Services Authority ('FSA') Handbook, Teathers is required to take all reasonable steps to obtain the best possible result (or "best execution") on behalf of its clients either when executing client orders or receiving and transmitting orders for execution. These rules require firms to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its Clients on its order execution policy.

This Order Execution Policy only applies to Professional Clients dealing in Financial Instruments (as defined in the FSA rules) where Teathers:

- (i) receives and transmits client orders; and/or
- (ii) executes orders on a client's behalf.

### **This duty of best execution only applies when executing orders "on a client's behalf"**

Teathers will be executing orders "on a client's behalf" where the client legitimately relies on Teathers to protect his or her interests in relation to the pricing or other aspects of the transaction that may be affected by how we execute the order. For example, this will be the case when Teathers:

- executes an order by dealing as agent;
- executes an order by dealing as riskless principal on behalf of a client; and
- "works" an order on a client's behalf.

Teathers will not be executing orders on a client's behalf (and so will not owe "best execution") where it publishes a quote or provides a "request for quote" service and the client transacts with Teathers on the basis of that quote.

### **Order execution -obtaining the best overall result**

Subject to any specific instructions that may be given by you (see page 3 below), when executing orders on your behalf, we will take all reasonable steps to obtain the best possible result for our clients taking into account the following Execution Factors:- price; costs; speed; market impact; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of the order.



Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, orders, financial instruments or markets, we may appropriately determine that other Execution Factors are more important than price in obtaining the best possible execution result.

We will determine the relative importance of the Execution Factors by using our commercial judgement and experience in light of market information available and taking into account the **Execution Criteria**, which are the characteristics of:

- (i) the client;
- (ii) the order;
- (iii) the financial instruments that are the subject of that order; and
- (iv) the **Execution Venues** to which that order can be directed.

#### **Execution Venues**

The Execution Venue typically used by us at the date of this policy is the London Stock Exchange. However, it is anticipated that the firm will connect to other venues in the near future. We may use other markets if doing so helps us to obtain the best overall result (for example, when an order relates to a Financial Instrument with an overseas listing, we may use a local broker to execute the order on the local exchange).

We will regularly assess the Execution Venues available in respect of any products that we trade to identify those that will enable us, on a consistent basis, to obtain the best possible result when executing Orders. The list of Execution Venues will then be updated, where necessary, following such assessment. You should refer to the list of Execution Venues at [www.teathers.com](http://www.teathers.com) from time to time for the current list of Execution Venues. You will not be notified separately of any changes to these venues.

We do not structure or charge our commissions in such a way as to discriminate unfairly between Execution Venues.

#### **Trading outside a Regulated Market or a Multilateral Trading Facility (as defined in the FSA rules) ("MTF")**



There may be occasions where we assess that achieving the best possible result in executing a client's order requires us to execute the order outside a Regulated Market or MTF for example with a Systematic Internaliser.

Under the FSA rules where an instrument is admitted to trading on a Regulated Market or MTF, we are required to obtain your prior express consent before we execute an order in such instrument outside of a Regulated Market or MTF (save where no Regulated Market or MTF is included in the list of Execution Venues for that particular asset class). Your consent to this Order Execution Policy by one of the methods set out below includes express consent to us to execute your order outside a Regulated Market or MTF.

### **Method of Execution**

Subject to any specific instructions that may be given by you in order to select an Execution Venue for an order, we will select the venue that is most appropriate when considering the Execution Criteria and relative importance of the Execution Factors specific to that order to achieve consistently the best overall result on behalf of our client.

Subject to any specific instructions that may be given by you, we will execute an order by one of the following methods or combination of methods:

- Outside a Regulated Market or MTF by executing the order with a matching order from another Teathers Client; or
- Directly on a Regulated Market or MTF or, where we are not a direct member of the relevant Regulated Market or MTF, with a third party participant with whom we have entered into an agreement for handling orders for that Regulated Market or MTF.

### **Specific Client Instructions**

Where you give us a specific instruction as to the execution of an order (for example, Direct Market Access orders submitted via an electronic system), we will execute the order in accordance with those specific instructions. Where your instructions relate to only part of the order, we will continue to apply our MiFID order execution policy to those aspects of the Order not covered by your specific instructions.

You should be aware that providing specific instructions to us in relation to the execution of a particular Order may prevent us from taking the steps set out in our MiFID order execution



policy to obtain the best possible result in respect of the elements covered by those instructions.

### **Reception and Transmission of Orders**

Subject to any specific instructions that may be given by you (see above), we may transmit an order that we receive from you to another entity within the Teathers group of companies (of which we are a member) or to an external entity, such as a third party broker, for execution. In doing so, we must act in your best interests and consider the Execution Factors and Execution Criteria above.

### **Client Limit Orders**

The FSA rules require unexecuted client limit orders to be made public immediately unless the client expressly instructs otherwise. By consenting to this policy you are expressly instructing Teathers not to make such orders public.

### **Monitoring and Review**

We will review our execution policy and order execution arrangements annually and in the event of a material change occurring which affects our ability to continue to obtain the best possible result for our Clients.

We will notify you of any material changes to our execution arrangements or our Execution Policy by posting an updated version of this document on [www.teathers.com](http://www.teathers.com).

### **Consent**

Teathers requires your express consent to this policy and the contents herein. Please provide your consent as soon as possible to Teathers Order Execution policy including inter alia to

- a) Teathers executing orders outside a Regulated Market or MTF; and
- b) Unexecuted limit orders not being made public immediately

Consent may be provided by sending an email to [Executionpolicyconsent@teathers.com](mailto:Executionpolicyconsent@teathers.com) providing the name of your company, your name and capacity as signatory in the body of the



email or by post for the attention of the Compliance Department, Teathers, Berkeley Square House, 3rd floor, Berkeley Square, London W1J 6BU.

Please note that for Teathers to be able to deal with you post 1 November 2007 we need to have received this consent.

---

I confirm on behalf of [.....] that I consent to Teathers Professional Client Order Execution Policy including inter alia to

- a) Teathers executing orders outside a Regulated Market;
- b) for unexecuted limit orders, to them not being displayed publicly immediately

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Capacity of Signatory \_\_\_\_\_

Date \_\_\_\_\_

Teathers is a trading name of Straumur-Burdaras Investment Bank hf. ("Straumur") which is a public limited company, listed in Iceland and is authorised and regulated by the Fjármálaeftirlitið (The Financial Supervisory Authority, Iceland) and subject to limited regulation by the Financial Services Authority in the UK. Details about the extent of our regulation by the Financial Services Authority are available from us on request.

Straumur's registered address is at Borgartun 25, 105 Reykjavik, Iceland and its London Branch is located at Berkeley Square House, 3rd Floor, Berkeley Square, London, W1J 6BU. Straumur is a member of the London Stock Exchange.