

Information About Our Order Execution Policy

Beaufort Securities Ltd is acting as an introducing broker for the purposes of providing you, the client with a Margined Product, which is provided by CMC Markets UK PLC referred to as "CMC" or "we" or "us", whose registered office is at 133 Houndsditch, London, EC3A 7BX.

INFORMATION ABOUT OUR ORDER EXECUTION POLICY

THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MiFID) IS EUROPEAN LEGISLATION WHICH ATTEMPTS TO HARMONISE THE REGULATORY RULES FOR INVESTMENT FIRMS ACROSS EUROPE.

IT COMES INTO FORCE ON 1 NOVEMBER 2007.

Our Obligation

In accordance with MiFID and the rules implementing it in the UK, CMC Markets UK Plc and CMC Spreadbet Plc (referred to as "CMC Markets" or "we" or "us") have implemented an order execution policy (the "Execution Policy") which sets out the reasonable steps that CMC Markets will take from 1 November 2007 to obtain the best possible result for you on a consistent basis when executing orders on your behalf.

A summary of the Execution Policy, which should be read in conjunction with our Terms of Business, is set out below. Please note that although MiFID and the rules implementing it in the UK require us to have an order execution policy, the Execution Policy itself does not form part of the agreement between you and us. If you wish to obtain further information, then please do not hesitate to contact us.

Scope

Our Execution Policy applies when we execute orders relating to transactions in contracts for differences (CFDs), financial spreadbets or other OTC financial derivative products on behalf of our retail and professional clients. Please note that we always deal as principal and act as the relevant execution venue for your orders, which will be executed on an OTC basis rather than on a regulated market or a multilateral trading facility (MTF).

If you provide us with specific instructions as to how to execute your order, we will have complied with our obligation to take all reasonable steps to obtain the best possible result when executing that order by following your instructions. Please note that this may prevent us from following our Execution Policy. To the extent that your instructions are incomplete, we will usually follow our Execution Policy for those parts or aspects of the order not covered by your instructions.

In the absence of specific instructions from you, we will usually take into account the various execution factors and criteria set out below in order to determine how to obtain the best possible result when executing orders on your behalf.

Execution Factors and Criteria

The execution factors and criteria which we usually take into account when executing orders on your behalf are as follows:

- Price (please see our Pricing Policy below)
- Costs (if any)
- Size of order (e.g. if the order is outside of normal trading size)
- Nature of the order (i.e. the type of order including stop or limit orders, whether the order needs to be priced and executed automatically or manually etc)
- Speed and likelihood of execution (e.g. for orders executed when the relevant market for the underlying is closed)

We may also take into account other factors or criteria relevant to the execution of your specific order. For both retail and professional clients, we will usually attach the highest relative importance to total consideration when executing your order. Total consideration comprises the price of the relevant financial instrument and the costs related to its execution (if any). However, in some circumstances, for some clients, orders and financial instruments, we may appropriately determine that other execution factors are more important than price or costs in obtaining the best possible execution result.

Pricing Policy

The different financial instrument types traded by CMC Markets are listed below with a description as to how the relevant instruments are priced.

Charges or commissions (as applicable) are disclosed to our clients in writing and can be found in the Rates Schedule where applicable.

CMC Markets is committed to offering you the most competitive trading service in the market. However, in exceptional circumstances, there may be occasions where we have to increase our normal spread. To ensure that our clients are certain as to the maximum spread applied to a particular instrument we cap these spreads as follows: during normal trading hours for the particular underlying we will never quote a spread wider than the relevant underlying market spread plus the maximum capped spread applicable in normal trading hours. Outside of normal trading hours for the particular underlying we will never quote a spread wider than the maximum capped spread applicable out-of-hours. Equally we will never use spreads wider than the relevant underlying market spreads plus the maximum capped spreads (applicable to normal trading hours or out-of-hours, as relevant) when we calculate an instrument's price based on the prices of its constituents.

The table below sets out the applicable maximum capped spreads per instrument type. Unless stated otherwise, the maximum capped spreads stated below are applicable to both normal trading hours and out-of-hours. We will notify you in writing or by email if we change these levels. We reiterate that these maximum levels will only be evoked in exceptional circumstances.

	CFD	SB
	% of our mid price for each instrument	% of our mid price for each instrument
Shares	3%	3%
Indices	1%	1%
Sector Constituents	3%	3%
Treasuries	1%	1%
Commodities	1%	1%
FX	1%	1%

Please do not hesitate to contact any member of the dealing desk should you have any queries on our Pricing Policy.

Equity CFDs and Spread Bets

CMC Markets has access to at least one relevant underlying equity exchange in respect of which it offers Equity CFD or spread betting products. The resulting business may or may not be hedged back into the underlying exchange. Where Direct Market Access services are offered (in Australian Equities for example), then CMC Markets will source the price directly from the exchange and trade at that price with the client.

Irrespective of the position on the relevant underlying exchange, CMC Markets may enhance the liquidity in any instrument by publishing greater liquidity at a given price point, for example by allowing multiple clients access to the same price point irrespective of the liquidity level on the underlying exchange. In the case of larger trades, the client's order is worked in accordance with the client's price limit instruction in order to obtain the best possible price currently available in the market or provide a firm quote to accommodate the size of the order.

For those UK equities that CMC Markets quotes during 'Out of Hours Trading', prices are referenced from the underlying equivalent trading as an ADR (American Depositary Receipt) in the United States, and recalculated back into sterling for the benefit of clients and the continuity of the single contract, using the current spot FX rate from CMC Markets as appropriate.

As a result of this, the spreads for equity CFDs and spread bets are variable. For equity spread bets CMC will apply additional spreads around these variable spreads and - in the case of forward products - adjustments for cost of carry.

Index CFDs and Spread Bets

CMC Markets prices for spot (cash) index CFDs and spread bets will be referenced to the level of the relevant underlying index futures price. The price quoted by CMC Markets will take into account a deduction of 'fair value'. Fair value is the theoretical assumption of where a futures contract should be priced given factors such as, for example, the current cash index level as well as dividend adjustments etc.

Our prices for forward index CFDs and spread bets are based on the underlying futures price.

Where trades in index CFDs are carried out 'Out of Hours' (i.e. outside normal trading hours of the particular index), CMC Markets will base its price on the closing price of the underlying instrument, taking into account any relevant matters (i.e. percentage movement of other correlated indices or index futures based on a weighting to provide as much accuracy as possible as to the likely market movement).

Index CFDs may be closed at any time during CMC Markets' trading hours for the relevant index.

Sector CFDs and Spread Bets

In order to obtain a fair, realistic price CMC Markets' prices will be calculated using the prices currently available of the larger weighted constituents from each sector, taking into account factors such as liquidity and traded volume of each such constituent. This calculation is undertaken in real-time and published in real-time on CMC Markets' **Marketmaker**[®] trading platform.

As a result of this pricing method the spread for sector CFDs and spread bets is variable.

Commodity CFDs and Spread Bets

CMC Markets has access to at least one relevant underlying derivative exchange per commodity in respect of which CMC offers Commodity CFD or spread bet products. By reference to the underlying instruments CMC Markets will manufacture a price, taking into account cost of carry etc where relevant.

Where the underlying bid and offer reference prices are not available, CMC Markets will reference the last actual trade of the underlying instrument and then apply a spread. This spread will not exceed the maximum capped spread.

Where commodities are not exchange listed, CMC Markets will access the prices of a market maker who from our experience provides a consistent service, taking into account factors such as frequency of updates, spreads and reliability, and again will manufacture a price.

Treasury CFDs and Spread Bets

CMC Markets has access to at least one relevant underlying derivative exchange per instrument in respect of which it offers Treasury CFD or spread bet products. By reference to the underlying instruments CMC Markets will manufacture a price, taking into account cost of carry etc where relevant.

Foreign Exchange

CMC Markets prices on FX/currency products which are not futures based are sourced from independent money centre banks providing liquidity to the OTC FX Market. By reference, CMC Markets will access the prices of a market maker in FX/currency products who from our experience usually provides a consistent service, taking into account factors such as frequency of updates and reliability, from which we will then manufacture our prices.

Where CMC prices FX/currency products (such as for example currency futures CFDs) by reference to the underlying futures price, CMC Markets has access to at least one relevant underlying futures exchange per FX/currency future in respect of which CMC offers CFD or spread bet products. By reference to the underlying instruments CMC Markets will manufacture a price, taking into account cost of carry etc where relevant.

Where the underlying bid and offer reference prices are not available, CMC Markets will reference the last actual trade of the underlying instrument and then apply a spread. This spread will not exceed the maximum capped spread.

Changes to the spread

CMC Markets reserves the right to modify the CMC Markets spread (for example where there is a fast moving market or low liquidity) subject to the overall cap.

Execution Venue

We will enter into all transactions with you as principal and act as execution venue for all orders. You can request from us further details of the relevant underlying regulated markets, MTFs, exchanges and other liquidity providers that we use in order to reference prices for our Equity CFD, Commodity CFD and Treasury CFD products.

Effect of other factors on the execution your order

Most trades will be automatically priced and executed by CMC Markets' automated internal trading systems. However, depending on factors such as for example unusual market conditions or the size and nature of your order an instrument may be wholly or partly manually priced and/or an order may be manually executed. During times of high demand manual pricing and/or execution may cause delays in processing your order which in turn can have an impact on the price at which your order is executed. CMC Markets are committed to providing the most competitive trading technology and have put dealing procedures in place to minimize the risk of delays.

Monitoring and Review

We will regularly monitor and review our Execution Policy and associated arrangements in order to ensure we comply with our regulatory obligations, identifying deficiencies and making appropriate amendments if necessary. You can always find the latest version of this summary of our Execution Policy at www.cmcmarkets.co.uk and CMC will notify you in writing or by email of any material changes.