

## BEST EXECUTION AND ORDER ALLOCATION POLICY

### 1. DEFINITIONS AND INTERPRETATION

In this Policy the following words and expressions have the meanings and interpretation set out below:

**“Best Execution”** means the overarching obligation for firms to take sufficient steps to obtain, when executing orders, the best possible result for its clients taking into account the execution factors;

**“LMSTL”**, **“we”**, **“us”** means Link Market Services Trustees Limited, a company registered in England whose registered address is 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL with the registered number 2729260. Link Market Services Trustees Limited is authorised and regulated by the Financial Conduct Authority (see “FCA” below);

**“Execution Factors”** means price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order;

**“Execution Venue”** means a regulated market, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing;

**“FCA”** means the Financial Conduct Authority, whose current address is 12 Endeavour Square, London E20 1JN and whose website is [www.fca.org.uk](http://www.fca.org.uk);

**“Limit Orders”** – a ‘limit price’ is a target price at which you hope to sell shares. Placing Limit Orders carries additional risks as detailed in the relevant service terms and conditions;

**“MiFID”** means the Markets in Financial Instruments Directive 2014/65/EU; and

**“Shares”** – a share is a portion of the capital stock of a company which typically entitles the holder to vote at general meetings, receive income in the form of dividends and to share in the surplus assets of the company in the event of a winding up.

The headings in this policy are for convenience only and shall not affect the interpretation or construction of this policy.

Any phrase introduced by the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

### 2. BACKGROUND

The FCA rules and MiFID require investment firms involved in the execution of client orders to take all sufficient steps to obtain the best possible result for their clients, taking into account the execution factors.

Whether dealing as an agent on your behalf or receiving and transmitting your order to another entity for execution, LMSTL will take all sufficient steps to achieve Best Execution of your order(s). This execution policy sets out LMSTL’s strategy, and details the key steps it takes to comply with the overarching best execution requirement and how those steps enable it to obtain the best possible result for you.

LMSTL only undertakes transactions in transferrable securities (e.g. UK or international equities and rights to buy shares issued to a company’s shareholders as part of a rights issue).

LMSTL presumes that all retail and professional clients are placing ‘legitimate reliance’ on the firm to deliver best execution for all transactions, regardless of how they arise. This policy therefore applies to all LMSTL’s retail and professional clients and must be read in conjunction with the relevant service terms and conditions.

Where your order is ultimately executed on a regulated market or otherwise you are deemed to have given your consent for your order to be executed in accordance with this policy.

### 3. EXECUTION FACTORS AND CRITERIA

LMSTL will usually apply the execution factors to your order(s) in the following order of relative importance:

- Price;
- Costs;
- Likelihood of execution and settlement;
- Speed;
- Size;
- Nature; and
- Any other consideration relevant to the execution of your order.

Where the nature of an order, instrument or market conditions demand, LMSTL may, in its sole discretion, adjust the importance of these criteria where it believes that this is necessary to obtain the best possible result for you. In its application of these criteria, LMSTL will also take into account your categorisation as a retail or professional client, the nature of your order and the service in question, the characteristics of the financial instrument and the characteristics of the available counterparties and/or venues of execution.

For all transactions that LMSTL undertakes on client’s behalf it will ordinarily treat them as a retail client; this will always be specified in the terms of business or the client agreement. The services that LMSTL offers are execution-only and ordinarily relate to non-complex financial instruments that are traded on an EEA regulated market or an equivalent third country market and accordingly it makes no assessment of the appropriateness or suitability of the transaction unless otherwise detailed in the terms of business.

LMSTL recognises that for retail clients the most important factor to determine best execution is the total consideration in terms of the price of the securities in question and the related execution costs payable by the client. Consequently price and costs of execution are normally selected as the most important factors for the execution of a trade; however this does not mean that you will necessarily receive the highest headline price for your orders in every case. Where shares are illiquid (i.e. rarely traded), factors such as the likelihood of execution and settlement may be given priority over the overall cost the client will incur, in ensuring the best possible result is achieved. Unless otherwise specified, this approach is also taken with professional clients.

### 4. EXECUTION ARRANGEMENTS (A) TELEPHONE AND INTERNET DEALING SERVICE

All orders in listed securities received through LMSTL’s Telephone and Internet Dealing Service are normally undertaken by LMSTL as your agent through its share dealing platform. This service is provided to LMSTL by Winterflood Securities Limited (“WSL”). All of the orders received by LMSTL’s internet and telephone share dealing service are placed by the executing broker on an execution venue which is usually either an EEA regulated market or an equivalent third party market. The executing broker then confirms back to LMSTL whether your trade has been successfully executed and the details of execution. Where orders in listed securities are valued over £40,000 or the stock in question is illiquid or for other reasons cannot be executed by the platform provider, a wider range of brokers will be considered in the execution of your order to achieve the best possible result.

WSL has been selected to provide this service for the following reasons:

- (i) WSL is one of the UK’s leading Retail Service Providers and provides access to significant pools of liquidity;
- (ii) WSL provides electronic prices through which WSL deals on behalf of LMSTL in real-time and are contractually obliged to provide best execution; and
- (iii) WSL provides an electronic link to LMSTL’s dealing platform which is an effective and efficient method of placing trades.

LMSTL actively monitors and reviews these arrangements to ensure that it continues to meet its overarching best execution obligation to you as outlined in this policy.

### (B) OTHER TRADES

This section comprises orders in listed securities arising from the following services:

- (i) Dividend Reinvestment Plans;
- (ii) Shareholder Reduction Programmes
- (iii) Monthly Share Purchase Plans;
- (iv) Share Incentive Plans;
- (v) Nominee Administration Service;
- (vi) Postal Share Dealing;
- (vii) The sale of shares issues as a result of the exercise of a share option.

LMSTL is not itself a market-facing firm. Orders are placed by LMSTL as your agent with a counterparty which will be, in all cases, a third party investment firm or broker who may deal as a principal, as an agent, as market maker or liquidity provider. LMSTL will, in all cases, satisfy itself that any such counterparty has arrangements in place to enable us to comply with our obligation to you under this policy. Furthermore, LMSTL actively monitors and reviews these arrangements to ensure that it continues to meet its overarching best execution obligation to you as outlined in this policy.

The entities that LMSTL currently uses for placing trades in listed securities are detailed below. This list is not exhaustive and it includes the entities on which we generally place reliance. LMSTL reserves the right to use another entity that may, from time to time, be appropriate in light of our overall policy arrangements.

There are also a very limited number of circumstances in which LMSTL does not deal as an agent on your behalf and only receives and transmits orders to other entities for execution. In these instances, LMSTL will act in your best interests to fulfil the overarching obligation outlined in this policy.

### (C) UNLISTED SECURITIES

Unlisted securities are shares and other financial instruments that are not listed on any exchange and may carry specific additional risks and be more difficult to trade than listed securities. LMSTL do not facilitate trades in unlisted securities.

### 5. SPECIFIC INSTRUCTIONS

LMSTL's policy is not to accept specific instructions from clients unless such instructions concern a limit order placed via the telephone or internet dealing service provided through WSL or via an online exercise facility available for certain share option schemes.

Limit orders can fail for a number of reasons, as outlined in the terms and conditions of the relevant service. LMSTL only offers a limit order service on a reasonable endeavours basis and it remains the responsibility of the client to monitor the execution of the order.

LMSTL does not ordinarily accept instructions from clients to place trades on specific venues. In the event that LMSTL does accept such an instruction, even if it is a venue or broker not listed in this policy, LMSTL will be deemed to have complied with its best execution duty under FCA rules only in respect of the part or aspect of the order to which the specific instructions relate, provided that such an instruction is accurately undertaken by LMSTL.

Where LMSTL accepts a limit order, instruction to direct orders to a specific venue or any other specific instruction, this may affect the quality of execution that it can provide to its clients and some or all of this policy may not apply to such orders.

### 6. AGGREGATION

The nature of some services offered by LMSTL is such that your order may be aggregated with those of other shareholders for execution. Aggregated orders may result in a large number of shares being dealt in the market which may result in a higher or lower price being obtained or a delay in executing the order in full on the designated market. In the event that it is not possible to fully execute an aggregated order on the day the order is placed, the broker will be instructed by Link to fulfil the order in its entirety, which may take a number of days. Sale proceeds will only be issued after the broker has provided a contract note to Link confirming fulfilment of the order. In placing an aggregated order irrespective of the size of the order and the length of time taken to fulfil the order in the designated market, a more or less favourable price might be achieved than if your order had been executed separately.

If such an order could not be filled in its entirety, where this has been provided for by the terms of the service, we will usually allocate on a *pro rata* basis and will take sufficient steps to ensure that any such allocation is in the best interests of all customers to ensure that they are treated fairly.

### 7. TRANSPARENCY

You have the right to ask us to demonstrate that any order undertaken by LMSTL on your behalf has been carried out in accordance with this policy. We can provide a written explanation at your request of how our obligation to you under this policy has been met.

You may make reasonable and proportionate requests for information about LMSTL's policies and arrangements and how we review these. We will answer such requests within a reasonable time period.

### 8. PRIORITISATION

LMSTL will execute otherwise comparable orders promptly and sequentially in accordance with the time of their receipt by LMSTL except for circumstances where the prevailing market conditions make this impractical, where we are prevented from doing so by a specific instruction (e.g. a limit order) or where this is not in the best interests of LMSTL's clients.

### 9. VENUES OF EXECUTION

When carrying out your order, we place significant reliance on the following execution venues:

- (i) member firms of the London Stock Exchange
- (ii) member firms of the International Capital Market Association
- (iii) member firms of overseas stock exchanges
- (iv) other UK and overseas execution venues deemed, by LMSTL, to be appropriate in light of the overarching best execution obligation.

The following is a list of the counterparties and venues on which LMSTL places significant reliance in the discharge of its obligation to its retail and professional clients under this policy. As stated above, LMSTL reserves the right to use other execution venues and third parties where it deems it to be appropriate and may from time to time update this list. This will not affect LMSTL's overarching obligation to provide you with best execution under this policy.

Instrument Class: *Transferrable Securities (e.g. UK / International Equities)*. The listed venues are used to facilitate trades in transferrable securities for LMSTL's retail and professional clients.

BMO Capital Markets Limited	Liberum Capital Limited
Canaccord Genuity Limited	N+1 Singer Capital Markets Limited
Cantor Fitzgerald Europe	Numis Securities Limited
Cenkos Securities Plc	Panmure Gordon (UK) Ltd
FinnCap Limited	Peel Hunt LLP
HSBC Bank Plc	Shore Capital Stockbrokers Limited
Investec Bank Plc	Stifel Nicolaus Europe Limited
Jefferies International Limited	WH Ireland Limited
Joh. Berenberg, Gossler & Co. KG	Winterflood Securities Limited
JP Morgan Securities PLC	Zeus Capital

This list is not exhaustive and execution may occur on alternative venues provided they are selected in accordance with our best execution policy and standard due diligence process.

LMSTL will, on an annual basis, summarise and make available to the public, the top five venues in terms of trading volumes where we executed your orders in the preceding year and information on the quality of the execution obtained, and will, where appropriate, correct any deficiencies that are identified.

### 10. BROKER SELECTION PROCESS

LMSTL will only direct your orders to brokers who are known to have a good market reputation, sufficient resources to meet the volume of client orders LMSTL will route to them, sufficient size to be able to access sizeable pools of liquidity, as well as an obligation to provide best execution to their clients.

LMSTL will also consider any relevant published reports when selecting brokers/entities for execution, and as part of their annual due diligence, to ensure that a consistent level of best execution has been achieved by them.

LMSTL undertake initial due diligence on brokers used to execute your trades at the outset and thereafter on an ongoing annual basis. The due diligence process considers several aspects of the broker in question, including their regulatory permissions, market reputation, financial record, terms of business, transaction reporting functionality and contingency planning.

## 11. REVIEW AND MONITORING OF OUR POLICY AND ARRANGEMENTS

LMSTL monitors execution performance daily, on both a pre-trade and post-trade basis and any executed trades falling outside the industry standard for best execution are investigated and resolved where necessary. At least once a year LMSTL conducts a thematic review of the effectiveness of this policy and, in particular, the execution quality of its brokers and will, where appropriate, correct any deficiencies that are identified.

LMSTL will also conduct a review of this policy in response to any 'material change'. LMSTL defines 'material change' as any change, whether commercial, legal, regulatory or otherwise that causes existing arrangements to be no longer appropriate to reflect LMSTL's legal or regulatory position or obligations, or that will otherwise affect LMSTL's ability to deliver best execution to its clients on a consistent basis.

LMSTL will, on an annual basis, publish data on the top five execution venues in terms of trading volumes, where client orders were transmitted in the preceding calendar year. These reports are available at

<https://ww2.linkgroup.eu/share-deal/services/best-execution/>

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