IBIE'S ORDER EXECUTION POLICY

Introduction

This document sets out the Interactive Brokers Ireland Limited ("**IBIE**") order execution policy ("**Policy**") in respect of its retail and professional clients ("**you**" or "**Client**") for transactions in financial instruments. This document summarises the arrangements that IBIE has put in place to provide its clients with best execution when IBIE executes an order on their behalf.

General

The orders you submit to IBIE through the IBKR trading platforms are executed or transmitted by IBIE on your behalf by electronically routing them to markets or dealers, including entities within the Interactive Brokers group of companies ("**IBKR Group**", each entity within the IBKR Group being an "**Affiliate**") or unaffiliated third parties, using IBKR proprietary order routing technology.

What is Best Execution?

When IBIE executes an order on your behalf, IBIE will take all sufficient steps to obtain the best possible result for you taking into account the best execution factors including price, costs, speed, likelihood of execution, size, nature of an order and any other consideration relevant to the execution of the order such as the nature of the relevant market, prevailing market conditions and possible market impact.

The relative importance of each of the execution factors may depend on:

- The characteristics and nature of the order, including any specific instructions you might have given;
- The characteristics of the financial instruments that are the subject of your order; and
- The characteristics of the execution venues (if there is more than one) to which the order can be directed.

How is the relative Importance of Execution Factors Determined?

IBIE determines whether you are a retail or professional client at account opening in accordance with the rules of the Markets in Financial Instruments Directive.

The other execution factors are applied on a trade-by-trade basis taking into account whether the order is marketable or not. A marketable order is a buy order with a price at or above the lowest offer in the market or a sell order with a price at or below the highest bid in the market.

For marketable orders, the primary execution factor is either total consideration or price depending on your instruction. The total consideration represents the price of the financial instrument and the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order, including execution fees, clearing and settlement fees and other fees paid to third parties involved in the execution of the order.

For non-marketable orders, the primary execution factor is typically likelihood of execution followed by cost.

Both in the case of marketable and non-marketable orders, the remaining execution factors – order size, nature of the order and any other consideration relevant to the efficient execution of your order – are generally secondary and applied where they may optimise the primary factors.

The importance of execution factors for fractional shares is different from that of standard shares. Please see the Fractional Shares section of the Policy for further information.

Order Execution Process

When submitting an order through the IBKR trading platforms, you may choose smart order routing or provide specific instructions to directly route your orders to your chosen venue. Your orders may be filled in one or multiple market transactions across one or more execution venues. IBIE will deal fairly and in due turn with all orders received from its clients. To the extent it is reasonably practicable to do so, IBIE will deal with all orders in accordance with this Policy and its general terms and conditions.

Smart Order Routing

IBIE offers smart order routing for products that are listed on more than one execution venue. SmartRouting is a proprietary computerised routing algorithm designed to optimise both speed and either price or total consideration, by continuously scanning the bids and offers at each of those competing execution venues and automatically routing orders directly to the best execution venues or dealers.

Approach to SmartRouting

SmartRouting is premised upon the principle that an order is most likely to be executed at the optimal price, at the greatest speed and with the highest levels of accuracy and certainty of completion if that order is submitted via direct access to a fully automated market venue. Moreover, to the extent that an order is associated with a product listed on multiple market venues, smart order routing is achieved by constantly reviewing the bids and offers at each of those venues and by directing the order to the venue offering the best total consideration or the best price (if price has been selected as the primary execution factor or if the instrument is a US listed equity or option).

For retail clients, the best possible result achievable for the client is determined by reference to the total consideration. Total consideration is the prioritised factor where the "Cost-Considered when Routing" functionality is active in the IBKR trading platforms, which is the default option

unless the client selects "Price". Otherwise SmartRouting will direct the order to the venue providing the best price.

IBIE and its Affiliates cannot and do not warrant or guarantee that every order you place will be executed at the best posted price. Among other things: (a) neither IBIE nor its Affiliates may have access to every market at which a particular product may trade; (b) orders of others may trade ahead of your order and exhaust available volume at a posted price; (c) exchanges or market makers may fail to honour their posted prices; (d) exchanges may re-route your orders out of automated execution systems for manual handling (in which case, execution or representation of your order may be substantially delayed); and (e) exchange or market rules or decisions, systems delays or failures, or other matters may prevent your order from being executed, cause a delay in the execution of your order, or cause your order not to receive the best price.

Client Instructions

Clients may provide specific client instructions for any given order. The IBKR trading platforms offer access to numerous order types, including both native (exchange-supported order type) and simulated (order type created by IBKR). The IBKR trading platforms also enable clients to provide order instructions with respect to pricing, timing, speed, price improvement and other advanced trading functions.

Where you provide specific instructions to route orders directly via the IBKR trading platforms to the order book of a particular venue of your choice, you should be aware that any specific instructions may prevent IBIE from taking the steps that IBIE has designed and implemented in this Policy to obtain the best execution. To the extent that IBIE is able to accommodate such requests, IBIE will give the specific instructions precedence over the SmartRouting process, this may result in a different outcome for the trade than that which solely relies on SmartRouting. You acknowledge that, if you elect to direct orders to a particular market centre, or submit particular execution instructions, you do so at your own risk, including the risk that such orders may be executed on less advantageous terms.

Order Types and Algorithms

IBKR trading platforms provide you with the functionalities to choose your own order types based on the characteristics of the financial instrument, the characteristics of the order, and your own objectives and specific execution strategies.

IBKR trading platforms support over 60 order types and algorithms that allow you to tailor your orders to, among other things, include instructions concerning pricing or timing of orders or to speed execution, provide price improvement, limit risk, time the market and allow privacy. The information on order types and algorithms is made available on the IBIE website under the trading menu option and then Order Types and Algos. You may find specific information on the order types and algorithms by sorting the order types and algorithms by product and/or category.

Specifying a Venue

Each execution venue administers its own set of trading rules. Accordingly, if you decide not to select SmartRouting, you should be familiar with the various trading and order handling rules of those market venues to which you intend to direct route your orders. A complete listing of market venues along with website links is made available on the IBIE website under the Products menu option and then Exchange Listings.

Clients cannot direct the fractional component of a shares order to specific venues.

Where IBIE is a member of a trading venue, IBIE also executes orders on behalf of IBIE affiliates. The IBIE affiliates route their clients' orders to IBIE and IBIE executes these orders as venue-specific orders.

Execution Venues

Our policy is to maintain a choice of venues and entities that are most likely to provide you with best execution on a consistent basis. IBIE considers a wide variety of execution venues and entities based upon the level of relevance the execution venues maintain within their particular region in addition to factors such as product breadth, liquidity, electronic access, costs and speed and likelihood of settlement.

IBIE periodically considers the emergence of new venues which are currently unavailable or changes to existing venues with respect to the product offerings and takes into account the quarterly execution quality publications to compare possible competing venues. IBIE conducts trading venues review when there is a material change and at least annually.

The venues will typically fall into the classification of regulated markets, Multilateral Trading Facilities, systematic internalisers, and third-party investment firms, brokers and/or affiliates acting as a market maker or liquidity provider. IBIE and IBIE's Affiliates may execute your order in a principal or riskless principal capacity and the order may be executed outside of a trading venue. In these circumstances, you may bear counterparty risk against IBIE or IBIE's Affiliates.

Third party brokers

Where we use a third party broker to execute transactions, we retain an overarching best execution obligation, subject to the facts and circumstances surrounding the relevant market and the terms and instructions provided by you. We satisfy this obligation by undertaking due diligence to validate the adequacy of the third party broker's execution performance and connectivity and to ensure that there are satisfactory arrangements to ensure the confidentiality of our order flow and execution instructions.

Single Venue

For certain financial instruments IBIE executes on a single venue or with a single liquidity provider, IBIE will consider periodically whether IBIE can reasonably expect that the execution venue or liquidity provider will enable us to obtain results for our clients that are at least as good

as the results that we can reasonably expect from using alternative execution venues or dealers.

Over-the-Counter Trades Executed by IBIE

When executing orders in Over-the-Counter ("**OTC**") products including bespoke products (e.g., CFDs or OTC Precious Metals), you may utilise the information made available on the Trader Work Station to check the price of the underlying financial instrument used in the estimation of the price of the OTC product and, where you subscribed for market data, by comparing with similar or comparable products to gauge the fairness of the price of the OTC product proposed to you. When you trade OTC products, IBIE will be your counterparty and will execute the OTC trade in a riskless principal capacity.

Systematic Internalisation

IBIE may, in certain circumstances, execute your orders in a principal capacity as a Systematic Internaliser (**SI**). An SI is an investment firm which on an organised, frequent, systematic and substantial basis deals on own account when executing client orders outside a regulated market, MTF or OTF.

IBIE is an SI in liquid and illiquid, equity-like instruments, namely stocks and ETFs (the **IB SI**). When trading these instruments, you can access the IB SI via a direct order, or through the IBKR SmartRouting algorithm. The prices quoted by the IB SI will reflect the prevailing market conditions for each financial instrument.

When you submit orders via SmartRouting, the SmartRouting algorithm will attempt to execute the order in a manner which achieves the best possible result for you. This will be an execution which results in the best total consideration (or best price, if you selected price as the primary execution factor). Achieving the best possible result may involve directing the order to a non-affiliated execution venue, or to the IB SI, depending on the characteristics of the order and market conditions at the time.

All orders that are subject to SmartRouting (in both whole shares and fractional shares) will only be routed to the IB SI when doing so would result in you receiving or paying a total consideration that is equal to (or better than), the total consideration at the European trading venues and SIs that IBIE has access to. In the event of a tie-break between the IB SI and another venue in terms of total consideration, the order will be directed to the IB SI on the basis that the likelihood of execution and successful settlement is higher with the IB SI than an external venue. You have the ability to exclude the IB SI from the list of execution venues available to SmartRouting.

When you submit a direct order to the IB SI, IBIE classifies this as a specific instruction. As per the Client Instructions section of this Policy, specific instructions may prevent IBIE from taking the steps described in this Policy to obtain best execution. Accordingly, you should review the prices quoted at all available execution venues, prior to submitting direct orders to the IB SI.

Principal orders entered by employees permitted to trade on behalf of the IB SI do not take precedence over client orders. Orders submitted by the IB SI and by clients are treated in a First In, First Out (FIFO) manner. In order to ensure fair treatment of all orders and to create a comprehensive electronic audit trail of orders, both IB SI and client orders are timestamped multiple times during their handling and execution.

Fractional Shares

IBIE offers the ability to trade European and US fractional shares. Fractional share trading enables you to buy or sell a part or fraction of a full share.

Due to the different nature and conditions of the product's execution, IBIE will only execute marketable orders, and non-marketable orders will not be routed until they become marketable. Fractions of shares are not available on an exchange in their own right, and they incur proportionally greater execution costs than whole shares. In consideration of such elements, the order may be routed to the IB SI, or a limited number of venues selected based on execution factors aimed at favouring lower overall costs of execution over best price.

Fractional share orders executed by the IB SI result in a total consideration that is equal to (or better than), the total consideration available at the European trading venues that IBIE has access to, for a full share of the financial instrument in question.

US fractional shares are also not offered by traditional trading venues. Instead, fractional share orders are routed to an affiliate of IBIE. IBIE's affiliate executes fractional share orders at a price equal to (or better than) the National Best Bid or Offer (NBBO). IBIE retains an overarching best execution obligation when transmitting your fractional share orders to an affiliate for execution.

Monitoring and Review

IBIE conducts systematic monitoring and periodic testing of its best execution arrangements. This monitoring includes an assessment of execution quality and transaction cost analysis to assess the effectiveness of our overall execution arrangements. IBIE conducts periodic testing of its execution arrangements which may mean that certain execution venues (such as the IB SI) are not available to the SmartRouting system for short periods of time. This testing is an essential part of IBIE's arrangements to ensure you are provided with best execution when using IBKR SmartRouting.

This Policy is reviewed on an annual basis or on the occurrence of a material change in our execution arrangements or in our underlying regulatory obligations. The purpose of the review is to carry out an overall assessment of whether this Policy and IBIE's execution arrangements are reasonably designed to enable IBIE to obtain the best possible result for the execution of our client orders. The review will include consideration of venue reviews, including any venue removal and selection, any modifications required to this Policy, including the relative importance of the best execution factors. We will notify you of any material changes to our execution policy. For other updates, including the list of execution venues and entities, please refer to the relevant sections on our website.

Information Regarding Best Execution

This document and other related publications, including the list of execution venues on which IBIE places significant reliance, an annual publication of information on the top five execution venues IBIE has used in terms of trading volumes and execution quality of IBIE, are made available on the IBIE website.

Client Consent

We are required to obtain your prior consent to our Order Execution Policy. When you place an order to trade with IBIE, we will consider the order an expression of your consent.