Direct Investments

Order execution policy

LLOYDS

Our approach to order execution

Our Order Execution Policy explains how we execute your orders to make sure we're getting you the best deal we can.

We take a number of things into consideration, including:

- price
- speed
- likelihood of execution and settlement
- costs
- size
- any other relevant factors that depend on the deal.

We believe that price and speed are the most important factors to you when determining how we execute your orders. Although these are the primary factors we may decide to take into account other factors to ensure we achieve the best possible result for you.

We've described how we do this for different types of investment below, and what we do if there are any issues.

We review this policy on a regular basis and at least annually.

UK Shares

You can place two types of orders in UK shares.

"Best" orders are an order to deal at the best price available at the time the deal is executed.

"TradePlan" orders are an order with a specific price which we will monitor until the market price meets that price. Please see below for further information on TradePlan orders.

For all orders in UK shares we use a system called 'Price Polling' to get you the best price for your order. This means that we ask all our market counterparties to give us their best price every time you place an order, and then use the counterparty who's provided the best price.

We have arrangements in place so that market counterparties can't provide a price that's worse than the one provided by the London Stock Exchange for the size of the order in question. The competition between counterparties means better prices overall.

Despite this occasionally the Price Polling system might not be able to offer a price – for example, if you're trading a large number of shares, in extreme market conditions, or if none of the market counterparties provide a price. If this happens, we'll give you the option to route your order through our dealers, who contact market counterparties and negotiate a price on your behalf. They will decide how many market counterparties to contact and will use price as the main factor.

We may decide to send orders in specific stocks to an individual counterparty rather than using Price Polling.

We have arrangements in place so that market counterparties can't provide a price that's worse than the one provided by the London Stock Exchange for the size of the order in question.

Further information on TradePlan Orders

We'll hold your TradePlan order until the market price meets, falls below, or rises above the price you set. We use real time data published by the London Stock Exchange to monitor TradePlan orders. Your TradePlan order will be triggered

when the respective or offer price meets your limit price. As long as you still have the stock or cash to carry out the order the Price Polling process for UK share trades will be followed.

We start monitoring your TradePlan order shortly after the market opens and until the market closes.

The price of a TradePlan isn't guaranteed. It is possible that the share price may change significantly between the TradePlan being triggered and the order being executed, or that the share price may meet your limit price momentarily, or there is insufficient volume for your TradePlan to be completed. In some market conditions, this could be a significant difference.

Sometimes, Stop Loss orders can be executed at a slightly higher price than the Stop Loss price set. That's because the Price Polling system may get a better price than the market price.

Where your TradePlan order cannot be fully completed, our dealers will complete as much of the order as they can for you at your limit price.

Bonds, gilts, and other fixed income investments

The process for these investments is very similar to UK shares, in that we start by using the Price Polling system, but trades are more often negotiated individually by dealers. This is because there are fewer market counterparties for these investments so there's less competition to offer the best price.

Funds (Open-ended Investment Companies and Unit Trusts)

Fund trades can only be executed with the fund's management company so market counterparties don't compete for these orders. Unlike shares, funds only trade once a day. When you buy or sell units in a fund, we send the order to the fund manager for execution at the next valuation point. Most funds are priced once a day at the 'Assured Valuation Point' (AVP), when its assets are valued and the price per unit is set. As an example, for a fund with an AVP of 12 noon, orders would ordinarily need to be placed by 11:15am to meet the day's cut-off time. Any orders placed after this time would not be placed with the Fund Manager until the next working day. Each fund can have different AVPs and cut-off times, and if you wish to know what these times are you will need to contact us to check prior to trading. The price achieved will be confirmed to you within the trade confirmation. We will usually send your order to the Fund Manager the same day we have received it, however in some cases this may be the next working day.

Roundings from fund aggregation

All customer orders in the same fund for a given Assured Valuation Point (AVP) are pooled together and executed as a single trade. This means that client funds are aggregated prior to execution and then proportionally disaggregated afterward. Due to rounding, the number of units allocated to each client may differ slightly from what their exact cash contribution would have purchased. These differences are typically minimal. As this process can result in small unpredictable advantages or disadvantages, HSDL does not adjust or intervene in the execution outcomes for individual clients,

regardless of whether they experience a slight benefit or disadvantage from the aggregation process.

Venture Capital Trusts

Venture Capital Trusts (VCTs) are typically traded via a buy-back mechanism. This means that they can only be sold when the VCT initiates a market buy-back on a future date. As a result, HSDL may not be able to execute your sell order on the same day it is received. If the VCT cannot be sold immediately, your order will be added to the buy-back list in the market, via a relevant market maker. Your order will remain in place until the buy-back is completed, and the trade is executed. This in progress order is visible online in the pending orders section.

Sale & Repurchase instructions

When executing a sale and repurchase instruction, HSDL simultaneously sells and repurchases the shares. This approach helps minimise the market spread cost. To facilitate this transaction, both the sale and repurchase trades may be executed with the same market counterparty without polling the market for prices. This approach enables the narrowing of the market spread and is designed to consistently benefit the client. In all cases, trades will be executed at the LSE touch price or better, ensuring adherence to best execution standards.

International Shares

If you're trading international shares, we'll route your order to a single international market counterparty, Banca IMI. They will execute your order in line with their own Order Execution Policy. We have reviewed this and are happy that they are taking all the steps to get you the best deal. International Limit Orders go through a public limit order system for the relevant stock exchange or trading venue. Because of this, the stock or cash value of the order will be unavailable for you to trade until the order is cancelled or completed.

We pay Banca IMI for each order they execute on our behalf. This is not a separate charge and isn't passed onto you.

How we monitor order execution

We carry out daily checks to see whether any trades have been executed outside the prices that should have been available at that time. If we do find any trades, we contact the market counterparty for an explanation and try to get the price amended where possible.

We keep a close eye on the Price Polling system to continually improve it and make sure it's working as expected. We also check on the order execution quality of our market counterparties.

Market Volatility

Very rarely, extreme volatility in the markets may mean that we can't get or process quotes from all our market counterparties. If this happens, we may route orders to just one trading venue, but we'll still try to get you the best price available.

If the London Stock Exchange is not available during normal trading hours for any reason, we may trade using prices from other exchanges or venues to allow us to carry out your trade.

Other Points

Trading when markets are closed in UK shares, bonds or Exchange Traded Funds (ETFs)

If you place an order when the market is closed, we will keep your order until the market opens again. When it does, we'll wait a few minutes before placing your trade.

Trading when markets are closed in international shares, bonds or ETFs

If you place an order when the market is closed, we will keep your order until the market opens again. When it does, we'll place your order when the market opens.

Trading fairly

We will always try to put trades through in the order we receive them, but there may be some exceptions. For example, if markets are very busy, or where we receive a large number of orders from multiple customers in a single stock, we may need to take other steps to better manage the queue of orders to make sure we get you the best price promptly, we'll let you know if we have any problems in carrying out your order.

Aggregation of orders

It's very rare that we will aggregate customer orders, and we will only ever do this if we're sure that you won't be disadvantaged. This does not apply to Regular Investments, Dividend Re-investments and fund trades, which are usually aggregated.

Trading outside regulated markets

Sometimes, we may need to carry out your order outside a regulated trading venue. If this happens, we'll always try to get your agreement beforehand. If we can't get hold of you, we reserve the right to do this if we believe it will get you the best possible result.

Keeping your contact details up to date

It's very important that you keep your contact details up to date as we may need to speak to you urgently to agree how to execute your order. This would apply if we believe it is not in your best interests to execute your full order immediately. If this happens, and we can't get hold of you, the dealer will use the price for immediate execution of your full order. This is because share prices can be very volatile and any delays could significantly risk the price of your order.

Specific instructions from you

If you ask us to trade with a specific market counterparty, this may mean that we can't take the steps we've outlined in this document.

Counterparties

A list of our counterparties can be obtained from us upon request. Counterparties can change from time to time. We monitor counterparty performance and suitability on a regular basis, and occasionally make changes.

We will continue to review this policy on a regular basis and make sure it's up to date. If there's a conflict between this policy and our terms and conditions, the terms and conditions will take precedence.

Go to **lloydsbank.com/investing**

Call us on **0345 606 0560**

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Important information

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Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

We are members of the Financial Services Compensation Scheme and covered by the Financial Ombudsman Service.

Information correct as at October 2025.

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