

Collins Stewart Europe Ltd

Order Execution Policy for Professional Clients

Last updated: October 2011

1. Purpose

The purpose of this document is to provide our **Clients** with information about our order execution policy and to obtain your consent to such policy – **we should be grateful if you would provide such consent by one of the means provided in the Appendix.**

2. Scope

This **Collins Stewart Europe Limited (CSEL)** order execution policy applies only to our **Professional Clients**.

This order execution policy applies where CSEL legal entities reside in the **EEA**:

- (i) Receive and transmit client Orders; and/or
- (ii) Execute Orders on a Client's behalf.

2.1 Executing Orders "on a Client's behalf"

We will be executing Orders "on a Client's behalf" where the Client legitimately relies on CSEL to protect his or her interests in relation to the pricing or other aspects of the transaction that may be affected by how CSEL executes the Order. For example, this will be the case when we:

- ◆ Execute an Order by dealing as agent;
- ◆ Execute an Order by dealing as riskless principal on behalf of a Client; and
- ◆ Work an Order on a Client's behalf.

For the avoidance of doubt, we will not be executing Orders on a Client's behalf (and so will not owe "best execution") where we publish a quote or provide a "request for quote" service and the Client transacts with CSEL on the basis of that quote

3. Order execution -obtaining the best possible result

Subject to any specific instructions that may be given by you, 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 Execution Factors listed below. 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** (see below).

4. Execution Factors

The Execution Factors that will be taken into account are: price, costs, speed, 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.

5. Execution Criteria

The Execution Criteria that will be taken into account 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.

A member of the Collins Stewart Hawkpoint Group

Collins Stewart Europe Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange. Registered Office: 88 Wood Street, London EC2V 7QR. Registered in England and Wales no. 1774003

6. Execution Venues

A list of the Execution Venues used by us in respect of each class of Financial Instruments can be found at www.collinsstewart.com/executionvenues. This list of Execution Venues is not exhaustive but comprises those Execution Venues on which we place significant reliance. This list will be reviewed from time to time where we consider it appropriate in order to continue to obtain the best result for the Client. We reserve the right to use other Execution Venues where we deem appropriate in accordance with our order execution policy.

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.collinsstewart.com/executionvenues from time to time for the current list of venues. You will not be notified separately of any changes to these venues.

7. Selecting an Execution Venue

Subject to any specific instructions that may be given by you (see Section 9 below), in order to select an Execution Venue for an Order, we will use the following methodology:

- (i) Subject to proper consideration of the Execution Criteria and Execution Factors referred to above, where we believe that we can trade to the advantage of (or at no disadvantage to) you, CSEL may be used as the Execution Venue, i.e. when we take an Order and deal directly with you on a principal-to-principal basis.
- (ii) Subject to the above, when placing Orders on a **Regulated Market** or a **Multilateral Trading Facility ("MTF")**, we will select the Execution Venue that we consider the most appropriate.

Where CSEL acts as the Execution Venue, we will review the quality of our own execution in the same way as we would for any other Execution Venue.

8. Methods of Execution

Subject to any specific instructions that may be given by you (see Section 9 below), we will execute an Order by one of the following methods or combination of methods:

- (i) Where we have obtained your prior express consent, outside a Regulated Market or MTF by:
 - ◆ executing the Order with a matching Order from another CSEL Client; and/or
 - ◆ CSEL itself acting as the Execution Venue.
- (ii) 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.

9. Specific Client instructions

Where you give us a specific instruction as to the execution of an Order, 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 order execution policy to those aspects of the Order not covered by your specific instructions.

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

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 order execution policy to obtain the best possible result in respect of the elements covered by those instructions. Where specific client instructions prevent us from following our policy, executing the order in accordance with the client instructions satisfies our obligation to take reasonable steps to obtain the best possible result for execution of the client order.

10. Reception and transmission of Orders

Subject to any specific instructions that may be given by you we may transmit an Order that we receive from you to another CSEL entity or to an external entity, such as a third party broker, for execution. In doing so, we must act in your best interests and also comply with Sections 4 and 5 above.

11. Aggregation of Orders

If your order is to be aggregated with other client orders and/or with Collins Stewart's own orders, such aggregation may on some occasions operate to your advantage and on others to your disadvantage in relation to a particular order.

12. Transaction Reporting

As a FSA regulated firm, we are obliged to and will report transactions executed on a Regulated Market to the FSA.

Unless we agree otherwise, we will also publish details about transactions in securities that are transacted outside a Regulated Market.

13. Monitoring

We will monitor compliance with our order execution policy.

14. Review

We will review our order execution arrangements regularly. We will also review our order execution policy annually and whenever a material change occurs that 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 order execution policy by posting an updated version of this document on our web site, www.collinsstewart.com/orderexecutionpolicy. We will also update the list of Execution Venues on, www.collinsstewart.com/executionvenues. You will not be notified separately of any changes to our order execution policy or Execution Venues.

15. Consent

We are required to obtain your prior **express** consent before we execute an Order in an instrument traded outside of a Regulated Market or MTF. **We should be grateful if you would provide such consent by one of the means provided in the Appendix.**

We are also required to obtain your prior consent to our order execution policy. For all other aspects of our policy you will be deemed to provide such consent when you give an Order after 26 October 2011.

Please note: Any refusal to accept any of these terms should be explicit and in writing to CSEL.

16. Definitions

Client -see definition of Professional Client below.

EEA -means the European Economic Area.

Execution Criteria -means those factors listed in Section 5 of this document.

Execution Factors -means those factors listed in Section 4 of this document.

Execution Venue -means a Regulated Market, an MTF, 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 function performed by any of the foregoing.

Multilateral Trading Facility ("MTF") -means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in Financial Instruments -in the system and in accordance with nondiscretionary rules -in a way that results in a contract in accordance with the provisions of Title II of MiFID.

Order -means an instruction to buy or sell a Financial Instrument which is accepted by Collins Stewart Europe Limited for execution or transmission to a third party.

Professional Client -means a client meeting the criteria laid down in Annex II of MiFID

Regulated Market -means a multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling interests in Financial Instruments -in the system and in accordance with its nondiscretionary rules -in a way that results in a contract, in respect of the Financial Instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

Collins Stewart Europe Limited (CSEL) -means any Collins Stewart Europe Limited legal entity resident in the EEA (or branch thereof).

Consent Form

I consent on behalf of(name of Company)
to Collins Stewart's order execution policy including:

- a) consent for Collins Stewart to execute an order outside of either a Regulated Market or MTF;**
- b) consent to Collins Stewart not making public any unexecuted client "limit order".**

Signed:

Print Name:

Date:

Please return your form to:

Collins Stewart Europe Limited
Operations Department
9th Floor,
88 Wood Street
London
EC2V 7QR

Alternatively, you can email your consent to: cs_clienttakeon@collinsstewart.com stating that you:

"consent on behalf of(name of Company) to Collins Stewart's order execution policy including: (a) consent for Collins Stewart to execute an order outside of either a Regulated Market or MTF and (b) consent to Collins Stewart not making public any unexecuted client "limit order".

Without your consent we will not be able to accept orders from you to be executed outside a regulated market or MTF.