



GFI EXECUTION POLICY

Effective 08 September 2010

This Execution Policy has been provided to you by GFI Brokers Limited, GFI Securities Limited and its offices within the EEA (collectively “GFI”) and should be read in conjunction with GFI’s standard Terms of Business.

Introduction

When providing brokerage services to you in relation to financial instruments (as set out in Annex 1), GFI will take reasonable steps to achieve the best overall trading result for you. This means that GFI will aim to provide “best execution” subject to and taking into account of the nature of your orders, the prices available to GFI in the market, the nature of the market in question and a reasonable assessment of the sometimes overlapping and conflicting execution factors (detailed below).

GFI’s intention, so far as is possible, is to exercise consistent standards and operate the same processes across all markets, clients and financial instruments in which GFI operates. GFI also intends to provide you and other market participants with access to, where possible, tradable prices on a non-discriminatory basis. However, the diversity in such markets and instruments, what GFI knows of your own trading intentions and the kind of orders that you may place, mean that different factors will have to be taken into account in relation to any particular transaction.

Exemptions from the provision of Best Execution

Without intending to contradict the intentions expressed above, GFI does not undertake to provide “best execution” if you fall within any of the following exemptions:

Eligible Counterparties

- If you are classified as an Eligible Counterparty you will not be entitled to best execution under the rules of the relevant European regulatory body (the “Regulator”). This corresponds with Article 24 of the Markets in Financial Instruments Directive (“MiFID”), which provides that the best execution obligation under Article 21 of MiFID will not apply.

Market Practices

- In the wholesale over the counter derivatives and bond markets, which, for the avoidance of doubt, include derivatives in Equities, Energy and Commodities and in which GFI operates (and as recognised by the European

Commission) it is normal market practice for buyers and sellers to “shop around” by approaching several brokers/dealers for a quote. In these circumstances, there is no expectation between the parties that the broker/dealer chosen will owe best execution.

- As a sophisticated participant in the wholesale markets, unless you advise us to the contrary, we will assume that the above is your normal trading behaviour.
- Where you provide an exclusive instruction or where GFI provides either an “Indication of Interest” or a “quote on request” that you accept by executing a transaction, GFI will not in general be considered to be executing your order. In these circumstances, GFI will take your best interest into account but as GFI will not be deemed to be acting on your behalf “Best Execution” responsibilities under MiFID will not apply.
- Where GFI provides you with DMA (Direct Market Access) facilities, and you self direct all or part of an order directly to a regulated market or an MTF, we will not owe and therefore will not offer Best Execution for that order or part thereof.
- Transactions arranged in a name passing capacity

GFI, while acting in a name passing capacity, is deemed to be a receiver and transmitter of orders. However, in carrying out its activities, GFI does not receive and transmit orders for execution. Where orders are not transmitted for execution, the requirement to provide best execution will not apply.

- Client Instructions

Where you provide GFI with a specific instruction in relation to your entire order, or any particular aspect of your order, including an instruction for your trade to be executed on a particular venue, GFI will execute the order in accordance with your instructions. However, please note that in following your instructions, GFI will be deemed to have taken all reasonable steps to provide the best possible result for you in respect of that order, or aspect of the order, covered by your specific instructions.

When you give an offer, take a bid, or place an order on a multilateral trading facility (“MTF”), the best execution provisions of MiFID will not apply to the operator of the MTF and these obligations will fall on the user of the system. Your order will be classified as a specific instruction and hence the best execution provisions of MiFID will not apply.

Clients

Other than in exceptional circumstances, GFI will only deal with Eligible Counterparties and Professional Clients as defined in MiFID and by the Regulator.

Because GFI always intends to handle orders and expressions of interest in an equitable and consistent manner, once a client is classified as an Eligible Counterparty, for the purposes of a particular instrument, that client may not then elect to be re-classified for

the purposes of one transaction of a type it customarily undertakes. Exceptional circumstances may be taken into account at the time, with the consent of GFI, however GFI may decline to provide a service should a re-classification be requested.

Execution Venues

This Execution Policy sets out the venues on which GFI may transact your order. GFI has identified those venues on which it will most regularly seek to execute your orders and which GFI believes offers the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below.

GFI is able to transact trades on your behalf on any of the following execution venues:

- GFI's customer base in the over the counter markets;
- Any MTF operated by GFI or to which GFI subscribes from time to time; and
- Various Exchanges to which GFI has access and which are listed on GFI's website.

On occasions, in order to act in your best interest, GFI may execute orders using a Direct Market Access (DMA) mechanism or route an order via a Third party Broker for execution. In these circumstances, GFI retains execution control and will assess and seek assurances from the Third party Broker that they are consistently achieving the best results available in the relevant markets.

The list of execution venues on our website is not exhaustive but consists of the venues on which GFI places the most reliance. GFI reserves the right to use other execution venues where it deems it appropriate in order to comply with the "Best Execution" requirements of MiFID.

When selecting the venue on which to transact trades GFI will take reasonable measures to ensure that the selected venue obtains the best possible trading result for its clients, subject to the following factors:

- In the OTC markets in which GFI operates, it can only give clients visibility to prices that have been communicated to GFI by other clients that operate in the same market, accordingly any "best outcome" will solely be within these limits;
- GFI will provide details of all tradable bids and offers, subject to the other matters referred to below;
- Time availability of prices: in many markets there are lulls and spikes in trading, as negotiations align trading interests at different times and different parts of the curve. Accordingly the "real-time" price may not always be available, or act as a reliable indicator of current price;
- GFI cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is operationally capable of settling the relevant trade;

- GFI cannot control either the cost of credit (credit premium), or credit acceptance between its clients; and
- Rates of brokerage will vary between clients, based on agreements and levels of activity.

Execution Factors

In the absence of express instructions from you, whilst prices will ordinarily merit a high relative importance in obtaining the best possible results for the client, GFI will exercise its own discretion in determining the factors that GFI needs to take into account, for the purpose of providing you with the best possible result.

The execution factors that GFI will take into consideration, will include, but are not restricted to the:

- Classification of the client;
- Size, nature and characteristic of the order;
- Likelihood and speed of execution;
- Price and costs of execution; and
- Exchange settled block trades, or positions larger than standard market size, may be crossed at a particular stage in the trading day, or kept anonymous to the majority of market participants. Unless otherwise directed, GFI will only show the price and size to parties that it believes may have an interest in executing or crossing such a position.

Where GFI uses automated systems to route and execute client orders, it will be routed to the “best execution” venue as determined by the criteria above. Certain large orders that require special handling (for example to minimise market impact) will be managed by GFI’s trading desk in a manner consistent with the criteria set out above.

Monitoring and review

GFI will monitor the effectiveness of its order execution arrangements and order execution policy in order to identify and, where appropriate, incorporate any amendments to procedures. GFI will assess, on a regular basis, whether the execution venues included in the order execution policy provide for the best possible result for its clients, or whether GFI needs to make changes to its execution arrangements. GFI will review its order execution arrangements and order execution policy at least annually, or whenever a material change occurs in the market that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis. GFI will notify you of any material changes to its order execution arrangements, or order execution policy as described above, by posting the information on GFI’s website.

No Fiduciary Relationship

GFI's commitment to provide you with "best execution" does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it, or as may be otherwise contracted between GFI and yourself. You remain responsible for your own investment decisions and GFI will not be responsible for any market or trading loss you suffer as a result of such decisions.

Compliance with Regulatory or Legal Restrictions on Short Selling of Financial and other stocks

It is GFI's policy to ensure it complies with all relevant regulatory and legal restrictions associated with its broking services. However, by virtue of the nature of its intermediary role, it may need to rely on its customers' representations to ensure that the brokered transaction is not in breach of any such restrictions. GFI can accept no responsibility for the failure of any customer or connected party to comply with any legal or regulatory restrictions applicable to them.

In particular, in the light of the prohibitions and restrictions imposed by regulatory authorities on the short selling of certain financial and other stocks, in using the GFI's broking services customers are deemed to represent at each relevant sell order that :

- a) the sale of any securities is not a prohibited short sale, and
- b) unless the customer states specifically to the contrary, the sale of any security is a covered sale for which it has the relevant unencumbered stock available for delivery on trade date."

Annex 1

Financial Instruments As Defined by MiFID

- (1) Transferable securities;
- (2) Money-market instruments;
- (3) Units in collective investment undertakings;
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- (5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.