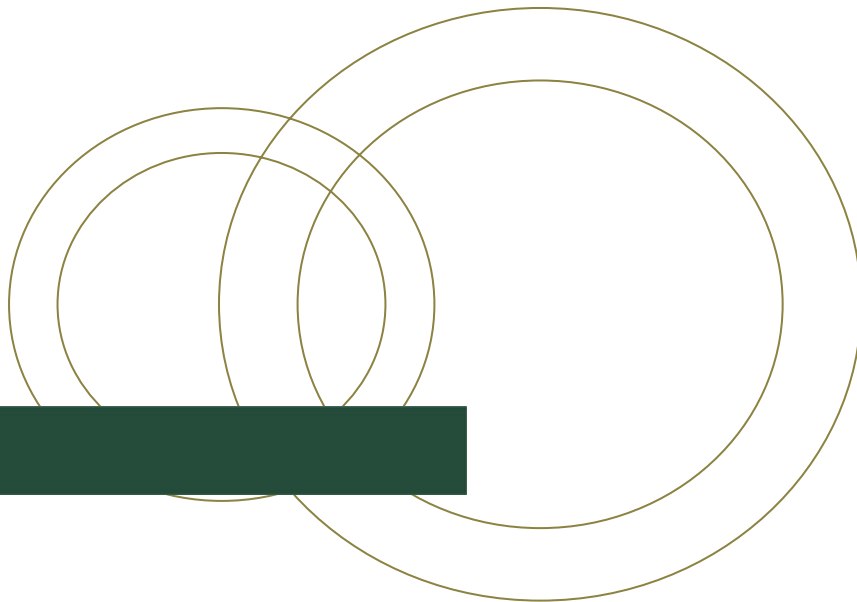


Nedbank London Order Execution Policy





NEDBANK LONDON MiFID ORDER EXECUTION POLICY

This Policy Statement takes effect from 1st November 2007 and specifically relates to the EU Markets in Financial Instruments Directive (**MiFID**). In terms of this directive Nedbank is required to put in place an order execution policy and to take all reasonable steps to obtain the best possible results (or “best execution”) on behalf of its **Professional Clients** either when executing client **Orders** or receiving Orders for execution.

This document summarises for Professional Clients information on Nedbank’s MiFID order execution policy. Definitions of those words highlighted in **bold italics** are provided at the end of the document.

Consent

We are also required to obtain consent from each Client with regard to the policy, however, the policy will not apply if you have been categorised as an **Eligible Counterparty**.

There are two consent requirements:

- i) Consent to our MiFID order execution policy by the Client – **this will be deemed to have been given on the basis of an Order being placed with Nedbank by the Client after 1st November 2007.**
- ii) For an instrument admitted to trading on a **Regulated Market** or **Multilateral Trading Facility (‘MTF’)**, we are also required to obtain your prior express consent before we execute an Order in such instrument outside of a Regulated Market or MTF. **The enclosed Consent Form provides for this requirement and, therefore, we should be grateful if you would provide such consent by signing same.**

Scope of Policy

Nedbank’s MiFID order execution policy applies only to Professional Clients and to regulated Financial Instruments.

Financial Instruments (see Glossary for full list) include:

1. transferable securities;
2. money-market instruments;
3. units in collective investment undertakings;
4. various 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, financial measures or commodities; and
5. derivative instruments for the transfer of credit risk;
6. and financial contracts for differences.

Client Order Execution Policy

Nedbank’s MiFID order execution policy applies where Nedbank in the UK either receives an Order(s) from a Client and/or executes an Order(s) on behalf of a Client’s behalf.

In the case where a Client approaches Nedbank and requests a quote, this will not be treated as an Order, the Client will conclude the transaction on the basis of the quote provided.

Client Order Execution Factors and Execution Criteria

When executing Orders on a Client’s behalf, and subject to any specific instructions that may be given, Nedbank will take all reasonable steps to obtain the best possible result for the Client taking into account the following Execution Factors:

- Price
- Costs
- Speed of execution
- Likelihood of execution



- Size of the Order
- Nature of the Order
- Any other consideration relevant to the execution of the Order.

We will determine the relative importance of each of the above factors taking account using the following Execution Criteria:

- The characteristics of the client
- The characteristics and nature of the Order
- The characteristics of the Financial Instruments that are subject to the Order
- The **Execution Venues** to which the Order can be directed

Ordinarily price will merit a high relative importance in obtaining the best possible result. However, in some circumstances we may appropriately decide that other factors are more important than price in obtaining the best possible execution result.

Execution Venues

Currently all transactions conducted with Nedbank will be 'Over – the – counter' rather than on-exchange or MTF.

Details of this Order Execution Policy will be made available on www.nedbank.co.uk. A list of Exchange Venue is subject to amendment from time to time and Clients should periodically check the list of Execution Venues on the site. You will not be automatically advised of changes.

Assessment of the Execution Venues will be periodically performed with regard to each type of Financial Instruments in which Nedbank provides execution to ensure we are able to obtain the best result for Clients when executing Orders.

In considering selection of the most appropriate Execution Venue, and subject to specific instructions that may be given by you, Nedbank will, after due regard to the Execution Factors and Execution Criteria set out above, adopt the following practice:

- i) Nedbank will act as the Execution Venue where it is believed that it is to the advantage of the Client or places the Client at no disadvantage;
- ii) Subject to the above, Nedbank will select the Execution Venue that we consider the most appropriate in cases when placing Orders on a Regulated Market or MTF.

We will consider all sources of reasonably available information, including MTFs, local exchanges, brokers and data vendors, to obtain the best possible result for the Client Order where Nedbank acts as the Execution Venue.

Methods of Execution

Subject to any specific instructions that may be given by you, Nedbank will implement its best execution policy using one or a mixture of methods.

Conditional on having obtained your prior express consent (please see the Consent section at the beginning of the document), in cases where we are executing outside a Regulated Market or MTF the Order may be matched with an Order from another Nedbank Client and/or Nedbank will act as the Execution Venue.

Execution can take place directly on a Regulated Market or MTF or, where we are not a direct member of the relevant Regulated Market or MTF, Nedbank will execute with a third party participant with whom we have entered into an agreement for handling Orders for that Regulated Market or MTF.

Specific Client instructions

Where you give us a specific instruction with regard to the execution of an Order, we will execute the Order in accordance with those specific instructions. Where instructions are given by you that relate to only part of the Order, Nedbank will continue to apply its MiFID order execution policy to those elements of the Order not covered by your specific instructions.

You should be aware that providing specific instructions to us in relation to the execution of a particular Order may prevent us from acting wholly or partly in accordance with our MiFID order execution policy to obtain the best possible result in respect of the elements covered by those instructions.



Monitoring and Review

Nedbank will monitor effectiveness of its MiFID order execution policy and, where applicable, correct any shortfalls that we may identify.

We will review our order execution arrangements periodically. We will also review our MiFID order execution policy annually and whenever a material change occurs that affects our ability to continue to obtain the best possible results for our Clients.

We will notify you of any material changes to our execution arrangements or our MiFID order execution policy by posting an update version of this document on www.nedbank.co.uk



Definitions

Throughout this document each of the terms that are highlighted in ***bold italics*** is defined as follows:

Client – has the same meaning as Professional Client - see definition below.

Eligible Counterparty – Each of the following is a *per se* eligible counterparty:

- (a) An investment firm;
- (b) A credit institution;
- (c) An insurance company;
- (d) A Collect Investment Scheme authorised under UCITS Directive or its management company;
- (e) A pension fund or its management company;
- (f) Another financial institution authorised or regulated under European Community legislation or the national law of an EEA state;
- (g) An undertaking exempted from the application of MIFID under either Article 2(1)(k)(certain own account dealers in commodities or commodity derivatives) or Article 2(1)(1)(locals) of that directive;
- (h) A national government or its corresponding office, including a public body that deals with the public debt;
- (i) A central bank;
- (j) A supranational organisation

Additionally, a firm may treat a client as an elective eligible counterparty if:

- (a) the client is an undertaking;
- (b) and is a *per se* professional client or
- (c) request such categorisation and is an elective professional client, but only in respect of the services or transactions for which it could be treated as a professional client; and the firm has in relation to MIFID or equivalent third country business, obtained express confirmation from the prospective counterparty that it agrees to be treated as an eligible counterparty. A firm may obtain a prospective counterparty's confirmation that it agrees to be treated as an eligible counterparty either in the form of a general agreement or in respect of each individual transaction.

Execution Venue – means a Regulated Market, an MTF, a market maker or other liquidity provider or an entity that performs a similar function performed by any of the foregoing.

Financial Instruments – includes instruments specified in Section C of Annex I of *MiFID*, that is:

- (a) transferable securities;
- (b) money-market instruments;
- (c) units in collective investment undertakings;
- (d) options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash;
- (e) 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);
- (f) 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;



(g) options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in (f) 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 (see articles 38(1), (2) and (4) of the MiFID Regulation);

(h) derivative instruments for the transfer of credit risk;

(i) financial contracts for differences; and

(j) options, futures, swaps, forward rate agreements and any other derivative contracts relating to

(i) climatic variables;

(ii) freight rates;

(iii) emission allowances;

(iv) inflation rates or other official economic statistics;

(v) telecommunications bandwidth;

(vi) commodity storage capacity;

(vii) transmission or transportation capacity relating to commodities, whether cable, pipeline or other means;

(viii) an allowance, credit, permit, right or similar asset which is directly linked to the supply, distribution or consumption of energy derived from renewable resources;

(ix) a geological, environmental or other physical variable;

(x) any other asset or right of a fungible nature, other than a right to receive a service, that is capable of being transferred;

(xi) an index or measure related to the price or value of, or volume of transactions in any asset, right, service or obligation;

For clarity, "Financial Instruments" do not include spot transactions, loans and certain exclusions apply to commodities.

MiFID – means the Directive 2004/39/EC of the European Parliament and the Council of 21 April 2004 on Markets in Financial Instruments and any implementing directives and regulations.

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 non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of MiFID.

Nedbank – refers to Nedbank Limited, London Branch, which is authorized and regulated by the Financial Services Authority.

Order – means as instruction to buy or sell a Financial Instrument which is accepted by Nedbank for execution or transmission to a third party.

Professional Client – The following are known as *per se* Professional Client unless otherwise treated as an eligible counterparty:

1) An entity required to be authorised or regulated to operate in the financial markets. Including the following:

- An investment firm;
- A credit institution;
- An insurance company;
- A Collect Investment Scheme authorised or its management company;
- A pension fund or its management company
- A commodity or commodity derivatives dealer
- Any other institutional investor



2) In relation to MiFID or equivalent third country business, a large undertaking meeting two of the following size requirements on a company basis:

- balance sheet total of EUR 20,000,000
- net turnover of EUR 40,000,000
- own funds of EUR 2,000,000

3) A national or regional government, a public body that manages public debt, a central bank, an international or supranational institution (such as the World Bank, the IMF etc..) or another international organisation.

4) Another institutional investor whose main activity is to invest in financial instruments (in relation to the firm's MiFID or equivalent third country business) or designated investments. This includes entities dedicated to the securitisation of assets or other financial transactions.

Elective Professional Clients – firms can decide to opt-up retail clients into Professional Clients based upon an assessment of their knowledge and experience and understanding of the risks involved.

Please see the criteria laid down in Annex II of MiFID for further details.

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 non-discretionary 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 II of MiFID.



Nedbank Order Execution Policy Consent Form

I hereby consent to Nedbank's Order Execution policy and provide consent for Nedbank to trade Financial instruments outside of a Regulated Market or MTF.

Client Name:.....

Signed:.....

Name:.....

Date: