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EXECUTION POLICY**Introduction**

This execution policy only relates to professional clients and eligible counterparties.
Part II of this policy, dealing with "best execution", only concerns eligible counterparties.

This policy applies for all entities of the CARAX group:

CARAX S.A. :
A.M.F. and B.D.F. regulated

CARAX UK Ltd. :
Authorised and regulated by the
Financial Services Authority

CARAX Monaco S.A.M. :
C.C.A.F. regulated.

1 Services and financial instruments**1.1 Services**

This policy applies when CARAX receives and routes an order to a third party broker on behalf of a client, in accordance with its authorisation.

1.2 Financial instruments

The financial instruments to which the execution policy refers are set forth in the MiFID (Markets in Financial Instruments Directive) and, more specifically, are the financial instruments offered by CARAX in respect of the financial services it proposes on all the relevant execution venues.

2 Methods of executing orders**2.1 Broker-dealers**

CARAX routes the orders to be executed to a third party broker-dealer. CARAX has its own panel of third party broker-dealers for each execution venue which it has personally chosen. Said third party broker-dealers are selected beforehand on the basis of a list of parameters including, in particular, regulations, technology and cost, as well as the "best execution" policy.

The panel of third party broker-dealers is periodically reassessed so as to gauge the quality of their execution. Should CARAX consider that a third party broker-dealer does not provide the expected quality of execution within the meaning of said execution policy, it shall be removed from the panel of third party broker-dealers unless it is able to provide proof of significant progress.

2.2 The execution venues

Clients' orders may be executed in the following venues:

- Regulated markets defined by the MiFID
- Multilateral Trading Facilities (MTF), as defined by the MiFID; or
- Other liquidity providers such as:
 - i. Other platforms without regulated market, or Multilateral Trading Facility (under the MiFID) status;
 - ii. Third party dealers, systematic internalisers and market-makers.

The execution venues on which CARAX shall have orders executed are set forth in the appendix. This list is revised at least once a year. Periodically, CARAX may have cause to execute orders on venues which do not appear on the list when it judges such to be appropriate and in compliance with this execution policy. An updated version of this list is available on the www.carax.com website.

2.3 Combining orders

CARAX may combine orders issued by a client with orders from other clients. By combining the client's orders with those of other clients, CARAX believes that it is able to reasonably record better results for all its clients. Nevertheless, the consequences of combining orders may sometimes penalise (a) client(s) in respect of a specific order.

2.4 Verification and monitoring

CARAX regularly monitors the effectiveness of the execution of orders and that of its execution policy. CARAX revises said execution policy at least once a year and whenever a change impacts on its ability to ensure the best-possible execution for its clients. CARAX provides notice of all changes to its execution process or execution policy by posting an updated version on its website.

3 Best execution for professional clients

3.1 “Best execution” criteria

The various criteria used by CARAX for execution are: price, probability and promptness of execution, the size and nature of the order and any other factor which is relevant as regards execution of the order.

Any specific instructions from the client shall take precedence over CARAX's execution policy which shall, in this case, only apply to elements not addressed by the instructions.

CARAX assesses the relative importance of the abovementioned factors on the basis of its business experience and judgment in the light of the information available on the markets at the relevant time, and by using “best execution” criteria according to the following features:

- The client's classification;
- The order, in particular, any specific instruction from the client relating thereto;
- The financial instruments relating to this order; and
- The execution venues to which the order in question may be routed.

3.2 Specific instructions from the client

When the client gives specific instructions in respect of the execution of an order (e.g.: to execute an order on a specific execution venue), the significant part of the order shall be executed in compliance with these instructions. Clients should be aware of the fact that giving specific instructions may prevent CARAX from completing the chosen stages in order to achieve the best-possible result for execution of such an order if CARAX complies with the terms of said instructions.

3.3 Terms and conditions for selecting the execution venues

If such is both relevant and appropriate, in order to achieve the best-possible execution, CARAX takes account of a certain number of factors when selecting the execution venue, including:

- the available price and the degree of liquidity available at this price;
- the transaction expenses (i.e. the commission invoiced for the execution of an order on a specific execution venue, clearing and settlement fees) borne either directly or indirectly by the client;
- the speed of execution on the market;
- the probability of execution and settlement (e.g.: the market's liquidity for the product in question);
- the execution venue's ability to handle complex orders;
- the clearing and settlement agreements; and
- any other relevant consideration as regards execution of the order.

The relative importance of these factors may vary according to the different financial instruments. For Professional Clients, price and costs generally represent the most important factors but, when such is justified, CARAX also focuses on other factors as dictated by the circumstances, including when there is an opportunity of obtaining a better price.

When there is only one possible execution venue where the transaction may be executed, best execution is achieved by means of execution on said execution venue.

Best execution is a duty of due care and not of achieving results. This means that when CARAX executes orders for its clients, it must execute them in accordance with its execution policy, without guaranteeing, however, that the best-possible price will be obtained in all circumstances. In all cases, the factors may lead to a different result being obtained within the framework of a specific transaction.

Moreover, the duty does not apply in certain circumstances such as serious disruption to the markets and/or a breakdown affecting the internal or external system (non-exhaustive list), in which case the duty is essentially reduced to routing orders in due time, or even simply routing them. In addition, in the event of a system-breakdown, CARAX may not have access to all the execution venues selected for the execution of orders.

4 Applicability

CARAX is bound to obtain its clients' prior agreement as regards its execution policy and, also, any order placed with CARAX shall represent acceptance of this policy by the client.

Moreover, when a financial instrument is admitted to trading on a regulated market or on a MTF, CARAX is bound to obtain its clients' agreement before executing their orders away from a Regulated Market or MTF. An acceptance form is available for this purpose.

3 APPENDIX: LIST OF EXECUTION VENUES

Venue Name	Venue Type	Membership
Copenhagen Stock Exchange	Regulated market	Third Party Broker
EUREX	Regulated market	Member
Euronext (Amsterdam)	Regulated market	Third Party Broker
Euronext (Brussels)	Regulated market	Third Party Broker
Euronext (Lisbon)	Regulated market	Third Party Broker
Euronext (Paris)	Regulated market	Third Party Broker
Frankfurt Stock Exchange	Regulated market	Third Party Broker
Helsinki Stock Exchange	Regulated market	Third Party Broker
Irish Stock Exchange	Regulated market	Third Party Broker
London Stock Exchange	Regulated market	Third Party Broker
Madrid Stock Exchange	Regulated market	Third Party Broker
Milan Stock Exchange	Regulated market	Third Party Broker
Oslo Stock Exchange	Regulated market	Third Party Broker
Stockholm Stock Exchange	Regulated market	Third Party Broker
SWX Swiss Exchange	Regulated market	Third Party Broker
Vienna Stock Exchange	Regulated market	Third Party Broker
Virt-x Swiss Exchange	Regulated market	Third Party Broker
Warsaw Stock Exchange	Regulated market	Third Party Broker
Chi-X Europe Exchange	Multilateral Trading Fund	Third Party Broker
BATS Exchange	Multilateral Trading Fund	Third Party Broker
NASDAQ OMX Europe	Multilateral Trading Fund	Third Party Broker
NYFIX Euro Millennium	Multilateral Trading Fund	Third Party Broker
Turquoise Stock Exchange	Multilateral Trading Fund	Third Party Broker