

This MiFID overview highlights some of the rules under the European Union “Markets in Financial Instruments” Community Directive (MiFID) of 21 April 2004, which is effective from 1 November 2007.

All financial institutions located within the European Economic Area are subject to the requirements set out under MiFID. Newedge Group therefore applies MiFID in relation to its interaction with clients.

In practical terms Newedge Group will continue to provide you with a seamless service with the same high standards as you have experienced before. The overview set out below is intended to provide you with a general understanding of MiFID.

1 Scope

This overview, together with any document which refers to it, only relates to services provided by Newedge Group, its branches and subsidiaries located within the European Economic Area.

1.1 Activities covered

1.1.1 Investment services

MiFID rules apply to the following services across the EEA financial sector where they relate to financial instruments:

- 1) Reception and transmission of orders: the receipt and transmission from one provider to another, on behalf of a client, of orders relating to financial instruments;
- 2) Execution of orders on behalf of clients: execution of client orders on a market;
- 3) Dealing on own account: this service notably covers transactions in derivatives, securities lending, sale of structured products, arbitraging, market making activities, counterparty activities, etc;
- 4) Buying financial instruments with a view to selling them (Underwriting): the subscription or acquisition of financial instruments directly from the issuer or seller, with a view to selling them on;
- 5) Placing of financial instruments: locating investors on behalf of an issuer or a seller of financial instruments. Placing may or may not be on a firm commitment basis.

1.1.2 Ancillary services

In addition to the investment services listed above, MiFID rules also apply to the following ancillary services:

- 1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management;
- 2) Providing credits and loans to clients to finance transactions in financial instruments, where the lender is also involved in the transaction;
- 3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;
- 4) Foreign exchange services which are connected with the provision of investment services;
- 5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- 6) Services related to underwriting;

7) Services and activities comparable to investment or ancillary services, relating to the underlying element of derivatives, of which the list is set by order, where they are bound to the provision of investment or ancillary services.

1.2 Legal information

Newedge Group has a registered capital of €395,130,489 and is registered as a Société Anonyme with the Registre du Commerce et des Sociétés de Paris under number 353 020 936. Its registered office is at 52/60 avenue des Champs-Élysées - 75008 Paris – France. It is a credit institution licensed to provide banking and investment services by the Autorité de Contrôle Prudentiel, located in the premises of Banque de France – 75001 Paris.

2 Main protection provided by the MiFID regulations

The protection referred to below applies only to the investment services listed in 1.1.1. It does not extend to ancillary services, with the exception of the fee information and client information obligations which apply equally to both investment and ancillary services.

Best execution

As part of our obligation to provide you with best execution, we are required to either execute our client orders directly, or through a third party, under the most favourable conditions reasonably achievable for you.

We invite you to consult our best execution policy which will be updated from time to time on our website (www.newedgegroup.com).

Evaluation of the appropriateness of the product or service provided

For order reception/transmission, execution of orders and dealing on your own account, we are obliged to consider whether the requested service is appropriate for you. To do so, we must ask you for information about your knowledge and experience so that we may consider whether you are able to understand the risks associated with the relevant service.

Client information obligations

We are obliged to provide you with complete information before providing a service to you. Once a transaction has been carried out, we must also send you transaction reports.

Information on fees

If we provide investment or ancillary services to you, we will disclose details of fees or commissions that we pay a third party or that we are paid by a third party in connection with such services.

Provisions on client order handling

We will apply procedures to ensure the timely and fair execution of your orders in relation to other orders or in relation to our own trading positions.

You should be aware that there may be differences in the transposition of these protections by each of the States of the European Economic Area.

3 Client categories and associated level of protection

MiFID has three client categories (in ascending order of protection):

- Eligible counterparty;
- professional client; and
- retail client.

In accordance with the regulations, the “eligible counterparty” category applies to investment services 1) to 3), listed in paragraph 1.1.1. only. For all other investment services and ancillary services, the minimum level of protection we must give you (where you are otherwise classified as an eligible counterparty) is that given to a professional client.

We have notified you in writing of the client category to which you belong. You will benefit from the protection which corresponds with your categorisation, notwithstanding any clause or statement to the contrary in any agreement entered into with you.

A disclosure statement relating to the categorisation of clients is available on our website www.newedgegroup.com.

3.1 Consequences of a higher level of protection

Please note that the higher your level of protection:

- the more information you must provide to us prior to any transaction;
- the more information you are likely to receive from us.

3.2 Eligible Counterparties

Eligible counterparties have the protection due to a professional client for investment services 4) to 5) listed in section 1.1 .1, as well as all applicable protection in relation to ancillary services. However, they do not have the protection detailed in section 2 of this overview.

3.3 Professional clients

Professional clients do not benefit from an evaluation of the appropriateness of the product or service provided. They receive the same protection as retail clients with regard to information on fees. They also benefit, to a lesser extent than retail clients, from the following protection:

Best execution

The application of the best execution protection for professional clients is set out in our best execution policy (www.newedgegroup.com). The criteria to be taken into consideration for best execution (price, likelihood of execution and cost and speed) may be different from those that are generally used for retail clients.

Client information obligations

For professional clients, some information is less detailed on safekeeping of the client’s financial instruments or funds.

Moreover, some information is not required, in particular on the conflicts of interest policy.

3.4 For all client categories

Regardless of your categorisation, we will comply with all MiFID organisational obligations in our dealings with you, including those intended to prevent conflicts of interest, those ensuring continuous and regular investment services and those intended to preserve client rights with regard to the assets entrusted to us.

4 Variations in the level of protection

4.1 Formalities

You may request a change of categorisation subject to:

- your compliance with the procedures set out in the regulations; and
- our agreement.

To change category, please contact your local Newedge Group representative.

4.2 Impact of category changes

We draw your attention to the fact that the category applicable to subsequent dealings in relation to a financial instrument (e.g.: exercising an option, restructuring, early repayment, etc.) will be the applicable categorisation when the subsequent event occurs (not the one that applied when the transaction was entered into).

4.3 Requests for additional information

For any question about this notice or, more generally about MiFID, you may contact the MiFID team in your local Newedge Group entity

- France : PAR-mifid@newedgegroup.com
- Germany : FKT-mifid@newedgegroup.com
- United-Kingdom : LDN-mifid@newedgegroup.com
- Spain : MDR-mifid@newedgegroup.com

5 Communicating with us

You may communicate with us in writing, orally, by facsimile, e-mail and by other electronic means of communications mutually agreed between us.

In order to allow us to communicate with you in any format (e-mail, facsimile, website, etc.) other than paper, please sign and return the MiFID consent form, which accompanied the letter informing you of your category.