

7 December 2011

1- Multi-execution services

Kepler Capital Markets provides best execution services to all clients (no matter location of the client) on all markets electronically connected.

To simplify the settlement process on the client side, Kepler Capital Markets will provide multi-execution services on the markets where Kepler Capital Markets has its own membership, between regulated stock market and any multi-trading facilities (MTFs).

Kepler Capital Markets is able to multi-execute the following securities:

Regulated Market	MTF
Euronext Paris	Chi-X, Turquoise, Bats
Euronext Amsterdam	Chi-X, Turquoise, Bats
Euronext Brussels	Chi-X, Turquoise, Bats
Euronext Lisboa	Chi-X, Turquoise, Bats
Virtx	Chi-X, Turquoise, Bats
Xetra Vienna	Chi-X, Turquoise, Bats
Affari	Chi-X, Turquoise, Bats
Xetra	Chi-X, Turquoise, Bats
Nasdaq OMX Copenhagen	Chi-X, Turquoise, Bats
Nasdaq OMX Helsinki	Chi-X, Turquoise, Bats
Nasdaq OMX Stockholm	Chi-X, Turquoise, Bats
Oslo Børs	Chi-X, Turquoise, Bats
London Stock Exchange	Chi-X, Turquoise, Bats
Irish Stock Exchange	Chi-X, Turquoise, Bats

Kepler Capital Markets will adhere to new MTFs as soon as new MTFs will be live and will be able to trade new stocks when the MTF's stocks market coverage will be extended.

For all markets not electronically connected, Kepler Capital Markets will select brokers in accordance with Kepler Capital Markets best execution policy.

2- Best execution tools

To satisfy the principle of the Best Execution, Kepler Capital Markets' traders will be helped by a Smart Order Router (SOR).

This algorithmic machine will constantly sweep between regulated stock market and MTF(s) in order to detect the best trading opportunities and place the market order on the corresponding market place.

3- Best execution market rules

The Smart Order Router will automatically detect the best trading opportunities based on different criteria:

- Price
- Liquidity

Kepler Capital Markets will always execute the order on the market where the gross price is in favour of the client. If a market order that cannot be executed immediately, the order will be placed in the most liquid market. If a trading opportunity happens on another market, the Smart Order Router will automatically decrease the size of the original order and take this opportunity in the other market (the SOR will never lose the priority in the market where the original order has been placed).

Without specific instructions, Kepler Capital Markets will always execute the order on all market places available (if possible).

Please note that Kepler Capital Markets can benefit from rebates from the MTFs when placing passive orders.

Facilitation orders are excluded from the Best Execution principle.

4- Key indicators definition

For volume or target VWAP care orders, Kepler Capital Markets will take as a reference the regulated Stock market data during the order's trading period.

Depending on clients' instructions, we could also take in consideration the aggregated information.

5- DMA orders

Kepler Capital Markets will offer the Direct Market Access service on MTF(s). DMA clients will have to specify the market reference when sending the order. If the market is not specified, orders will be routed on regulated stock market. These orders are excluded from the Best Execution process.

Kepler Capital Markets can also offer the SOR access to DMA clients.

6- Settlement

Settlement is managed by: PAREL SA (Groupe Société Générale), except for Spanish markets: Société Générale Securities Services Madrid.

Give up trades are managed by PAREL SA (Groupe Société Générale).

7- Best execution proof

Kepler Capital Markets will keep every single event on a client order during a period of 5 years.

If needed, client can ask about its best execution proof.

Two reports will be available:

- General report comparing the order to a benchmark (VWAP, % Volume ...)
- Detailed report comparing the decision taken by the Smart Order Router and the stock detailed market order book at this time.

8- Off Exchange trade transparency

In case of internalisation, Kepler Capital Markets will manage the Off Exchange regulatory and transparency reporting.

9- Facilitation

Kepler Capital Markets can offer to its clients a "facilitation service", in that case KCM acts as principal and is a direct counterparty to the client.

10- Short Selling

Kepler Capital Markets has to comply with all relevant regulatory and legal restrictions associated with its broking services.

However, due to the nature of its intermediary role, it may have to rely on its customers to ensure that the brokered transaction is not in breach of any regulatory and legal restrictions.

Regarding the prohibitions and restrictions imposed by regulatory authorities on the short selling of certain stocks, when using Kepler Capital Markets' broking services, customers are required to ensure that for each sell order, they comply with all relevant regulatory and legal restrictions.

Kepler Capital Markets can not be liable for the failure of its customers to comply with any legal or regulatory restrictions applicable to them.

11- Conflicts of Interest

Kepler CM and its affiliates have implemented written procedures designed to identify and manage potential conflicts of interest that may arise during the provision of any investment service, between Kepler CM and Clients or between Kepler CM clients.

The Kepler CM research analysts and other staff involved in issuing and disseminating research reports operate independently of KCM "Corporate Finance and Advisory" business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of Kepler CM or clients to ensure that price sensitive information is handled according to applicable laws and regulations.

12- Consent

By sending business to Kepler Capital Markets our Clients agree to and accept Kepler CM "Best Execution Policy". However, prior to the execution of an order outside a regulated market or an MTF, express consent of the client is mandatory.