



DUNBELL SECURITIES LIMITED

INTERNAL BEST EXECUTION & PROCEDURE

A. Application and Purpose

1 Application

1.1 DUNBELL SECURITIES LIMITED ("DUNBELL SECURITIES LIMITED") will execute orders for clients in the course of providing stockbrokerage service and portfolio management. This policy applies where DUNBELL SECURITIES LIMITED receives orders and other instructions from its clients.

1.2 The requirements on DUNBELL SECURITIES LIMITED where orders are received from clients for execution are expected to be executed according to laid down best execution policy and procedures.

1.3 Adherence to this policy is mandatory and any changes to this policy must be precleared with Compliance.

1.4 This policy must be followed in every transaction to which it applies. If you are in doubt about the application of this policy in any circumstance or extent of the obligation owed, consult the Compliance Officer.

2 Purpose

2.1 The Rules and Regulations of the Exchange and its implementation place obligations on DUNBELL SECURITIES LIMITED amongst other things to protect the interests of our clients, when providing stockbrokerage services and the service of portfolio management and to comply with the obligation to act in accordance with the best interests of our clients when executing placed orders.

2.2 This policy sets out the approach we take and the procedure we use in order to comply with the obligation and is one of a series of policies describing how we comply with the company's policies and procedures contained in the Compliance Manual.

2.3 This policy is being used as guidance on how to achieve Best Execution and sets our policy on order handling and aggregation and execution.

B. Our Obligations

1. What is Best Execution?

1.1 In order to comply with the obligation to act in accordance with the best interests of our clients when we execute an order, we must take all reasonable steps to obtain the best possible result for our clients taking into account the “execution factors”. The relative importance of these factors must be determined by reference to the execution criteria. Both the execution factors and the execution criteria are listed below.

1.2 We also have a duty to provide clients with certain information covered in the policy, which is contained in this document.

1.3 For retail customers, the best execution result is in total consideration, representing the price of the financial instrument and the costs relating to execution and settlement.

2 When Does Best Execution apply to DUNBELL SECURITIES LIMITED’s business?

2.1 When we have taken an order from a client that we have classified as a Retail or Institutional Client and we are preparing the execution of the transactions on the trading floor of The Exchange.

2.2 When we are preparing to carry out execution of the transactions, we must act in accordance with the Best Interest of our clients. We are required to take both the execution factors and the execution criteria into account when we act in this way.

3 Arranging Transactions in Client Orders

3.1 When executing orders for clients we must ensure beforehand that we put in place appropriate execution arrangements to satisfy the Best Execution obligations expected as stated in this policy and procedures.

4 What are the Execution Factors and the Execution Criteria?

4.1 Price, though important, will not be the only execution factor to take into account. The importance of each execution factor in the execution process will depend on the execution criteria which are the characteristics of the: client, client order, products being bought or sold and execution venue (if there is more than one). The execution factors are:

4.1.1 Price

4.1.2 Costs of transaction (ie the fees charged for executing an order on a particular venue) which are passed on the client whether directly or indirectly

4.1.3 Speed

4.1.4 Likelihood of execution (how liquid is the market in the particular product?)

4.1.5 Likelihood of settlement and

4.1.6 Size of order (for large orders, is it better to fill the order at a slightly higher price than to fill only part of the order at a lower price) and we must also take into account:

4.1.7 Any other relevant considerations

4.1.8 Whether there are specific client instructions (that override this policy)

5 What are our Execution Venues?

5.1 When preparing to execute transactions, we are required to identify in this policy the venue where these transactions will be executed according to each class of financial instrument.

6 When does Best Execution not apply (Exclusions)?

6.1 Best Execution obligations do not apply in the following situations:

6.1.1 Where we are following specific instructions from the client on an order. We must, in this case, take all steps necessary to obtain the best possible result for the client to the extent that we execute in accordance with those instructions.

6.1.2 In certain circumstances, where market practice in relation to a particular product or market dictates that it is not legitimate for the client to rely on us to protect its best interests.

6.1.3 If we deal in a product for which there is only one execution venue? In this case we will satisfy our Best Execution obligation by executing through that venue.

C Client Order Handling and Aggregation

7 Application and Scope

7.1 DUNBELL SECURITIES LIMITED will apply the process and controls below when arranging the execution of any client orders

8 Order Priority and Timely Execution

8.1 DUNBELL SECURITIES LIMITED is required to ensure that client orders are executed in a prompt, fair and expeditious manner for the the type of order in order in question. We satisfy this requirement by policies and procedures that ensure that:

8.1.1 Orders are passed to appropriate venues for execution as soon as practicable, unless postponing execution is in the client's best interest and must communicated to the client.

8.1.2 Priority is given to client orders over any related company transactions

8.1.3 Personnel involved in the dealing process are therefore expected to use their best endeavors to ensure that they complete the activities they are responsible for in a timely manner.

9 Aggregation and allocation of orders in Portfolio Management Service

9.1 For clients with similar mandates DUNBELL SECURITIES LIMITED may aggregate a client order or orders for other clients. We will only perform such aggregation if it is likely that the aggregation will work overall to the advantage of all the clients whose orders are aggregated.

9.2 Orders are allocated using either the price paid for each investment or at a volume weighted average of the prices of a series of transactions.

9.3 In the event of being able to partially fill an aggregated order, allocation will occur on a reduced pro-rata basis, unless allocation becomes uneconomic for a client. Where it is no longer in the client's interest to receive the reduced allocation, we may eliminate such clients from the allocation and reallocate the remaining part of the order on a pro-rata basis to the remaining clients so that there is no systemic bias for or against a client or clients.

9.4 Reallocation of an aggregated order will occur only in the case of error, or to ensure fairness over a series of partial executions as described above.

10 Order allocation records

10.1 A record of the intended basis of allocation is made when orders are aggregated for several clients. The actual basis of allocation for a transaction is recorded.

10.2 If the actual basis of allocation is to be changed once the record of allocation has been made, a record of reasons for the reallocation must be made and must not be done if it disadvantages one or more clients.

11 Monitoring and Updating

11.1 This policy will be updated whenever a material change occurs which affects the way we achieve Best Execution for clients.

11.2 Where we are arranging transactions in client orders we are required to monitor the execution quality of the execution broker's representatives we have chosen to pass orders on to as well as monitor the approach to execution that each broker's representatives takes.

11.3 It is not necessary, or practical for monitoring to cover every transaction, but rather to be based on sampling. For trades where there are high levels of liquidity and much trade data is available, a relatively small sample of transactions might be sufficient for monitoring. On the other hand, trades in less liquid stocks will need more detailed monitoring and hence larger samples.

11.4 In any transaction for or with a customer of another broker-dealer, DUNBELL SECURITIES LIMITED shall use reasonable diligence to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Among the factors that will be considered in determining "reasonable diligence" are:

(i) The character of the market for the security (e.g., price, volatility, relative liquidity, and pressure on available communications)

(ii) The size and type of transaction

(iii) The number of markets checked

(iv) Accessibility of the quotation and

(v) The terms and conditions of the order which result in the transaction

11.5 (i) In any transaction for or with a customer or a customer of another broker-dealer, DUNBELL SECURITIES LIMITED shall not interject a third party between the member and the best market for the subject security in a manner inconsistent with paragraph 11.4 above

(ii) When a DUNBELL SECURITIES LIMITED member cannot execute directly with a market but must employ a member broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so is on the member.

(iii) Failure of DUNBELL SECURITIES LIMITED to maintain or adequately staff a front office or other department assigned to execute customers' orders cannot be considered justification for executing away from the best available market, nor can channeling orders through a third party as described above as reciprocation for service or business operate to relieve DUNBELL SECURITIES LIMITED of its obligation under this Rule

(iv) If DUNBELL SECURITIES LIMITED allowed an order to be channeled through it and knowingly that it is a party to an arrangement whereby the initiating member has not fulfilled its obligation under this Rule, then DUNBELL SECURITIES LIMITED will also be deemed to have violated this Rule.

(v) The obligations described in (i) through (iv) of paragraph 11.5 above exist not only where the DUNBELL SECURITIES LIMITED member acts as agent for the account for its customer but also where transactions are distinct from the reasonableness of commission rates, which are governed by NSE Rules and Regulations.

12 Poor Execution

12.1 Where clear cases of poor execution are identified, we will investigate promptly and take appropriate remedial action where necessary, which include requiring the executing broker representative to amend the transaction price if appropriate.