

1. Introduction

Nedbank Limited, London Branch is required to establish and implement an Order Execution Policy under the Markets in Financial Instruments Directive (MiFID) best execution regime. Accordingly, Nedbank will take all reasonable steps to obtain the best possible result for its Professional Clients either when executing Client Orders or receiving Orders for execution.

2. Definitions

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

‘Eligible Counterparty’ means an entity that is authorised or regulated to operate in the financial markets and that is not given investment advice. Each of the following is a per se eligible counterparty:

- i. An investment firm;
- ii. A credit institution;
- iii. An insurance company;
- iv. A Collective Investment Scheme authorised under UCITS Directive or its management company;
- v. A pension fund or its management company;
- vi. Another financial institution authorised or regulated under European Union legislation or the national law of an EEA state;
- vii. 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;
- viii. A national government or its corresponding office, including a public body that deals with the public debt;
- ix. A central bank;
- x. A supranational organisation.

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

- i. the client is an undertaking and:
 - a) is a per se professional client; or
 - b) requests 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

- ii. 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’ means those instruments set out in Annex I, Section C of the Markets in Financial Instruments Directive (MiFID) and includes:

- i. transferable securities;
- ii. money-market instruments;
- iii. units in collective investment undertakings;
- iv. various options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, financial indices, financial measures or commodities;
- v. derivative instruments for the transfer of credit risk; and
- vi. financial contracts for difference.

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 authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

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

‘Professional Client’ means a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered a professional client, the client must comply with the following criteria:

- i. 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 Collective Investment Scheme authorised or its management company;
 - A pension fund or its management company;
 - A commodity or commodity derivatives dealer;
 - Any other institutional investor;
- ii. 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 or greater;
 - net turnover of EUR 40,000,000 or greater;
 - own funds of EUR 2,000,000 or greater;
- iii. A national or regional government, a public body that manages public debt, a central bank, an international or supranational institution or another international organisation;
- iv. 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 means that 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.

3. Scope

Nedbank is required to provide appropriate information to its Clients on its order execution policy and to execute Orders from Clients in a prompt, fair and expeditious manner, relative to other Orders or the trading interests of Nedbank. Nedbank must also comply with certain requirements in respect of the aggregation and allocation of Orders from Clients.

Nedbank’s MiFID order execution policy applies only to Professional Clients and covers regulated Financial Instruments. The policy does not apply to a client who has been categorised as an Eligible Counterparty.

In instances where highly customised Over the Counter (OTC) transactions are negotiated between the Client and Nedbank, Nedbank will typically not be acting on behalf of the Client. Consequently, Nedbank will not generally owe best execution obligations when conducting this type of transaction.

4. Key Principles

Consent

Nedbank is required to obtain consent from each Client with regard to the policy, however, the policy will not apply if a Client has been categorised as an Eligible Counterparty.

There are two consent requirements:

- i. Consent to Nedbank’s 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’), Nedbank is also required to obtain a Client’s prior express consent before executing an Order in such instrument outside of a Regulated Market or MTF. The enclosed Consent Form provides for this requirement and the Client must therefore sign and return the form to Nedbank.

Client Order Execution Policy

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

Nedbank will assess whether a Professional Client places legitimate reliance on Nedbank based on the following factors:

- Which party initiates the transaction
- Market practice and the existence of conventions
- The level of price transparency within a market
- Information provided by Nedbank and any agreement reached

In the event that a Client initiates a transaction by contacting Nedbank and requests a quote then the starting point of this assessment shall be that the Client does not place legitimate reliance on Nedbank to achieve best execution.

Client Order Execution Factors and Execution Criteria

When executing Orders on behalf of a Client who places legitimate reliance on Nedbank, 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 the following execution factors into account:

- 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.

Nedbank will determine the relative importance of each of the above factors by 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 and this is the case for all asset classes for which Nedbank executes an Order(s) on behalf of a Client. However, in some circumstances Nedbank 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 OTC rather than on a Regulated Market or MTF.

In considering selection of the most appropriate Execution Venue and subject to specific instructions that may be given by the Client, 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. Nedbank may match all or part of an Order with an Order from another Client where it is believed that it is to the advantage of the Clients or places the Clients at no disadvantage.

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

Specific Client Instructions

Where a Client gives Nedbank a specific instruction with regard to the execution of an Order, Nedbank will execute the Order in accordance with those specific instructions. Where instructions are given by a Client 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 the specific instructions.

A Client should be aware that providing specific instructions in relation to the execution of a particular Order may prevent Nedbank from acting wholly or partly in accordance with its 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 the effectiveness of its MiFID order execution policy and where appropriate, it may be updated.

Nedbank will review the order execution arrangements periodically and the MiFID order execution policy annually or whenever a material change occurs that affects Nedbank's ability to continue to obtain the best possible results for its Clients.

Nedbank will notify its Clients of any material changes to the execution arrangements or the MiFID order execution policy by posting an updated version of this document on www.nedbank.co.uk

Contacts

Questions regarding this policy or Nedbank's order execution arrangements should be directed to:

Gareth Allott

Head: Markets, London
gallott@nedbank.co.uk
 +44 (0)20 7002 3518

If a Client has concerns that Nedbank has not complied with this policy or the wider requirements of MiFID then please contact:

Adrian Hickman

Head of Compliance, London
ahickman@nedbank.co.uk
 +44 (0)20 7002 3420

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: