



## Guy Butler Limited

2 Broadgate  
London  
EC2M 7UR

Tel: 020 7000 5030

Fax: 020 7000 5945

e-mail enquiries @  
guybutler.co.uk

## Execution Policy

This document describes the Execution Policy of Guy Butler Limited (“Guy Butler”) for Professional Clients and Eligible Counterparties and should be read in conjunction with our standard terms of business.

### Introduction

When executing enquiries on your behalf, Guy Butler, in relation to financial instruments, will take reasonable steps to achieve the best overall trading result for you. This means that we will aim to provide “best execution” that is subject to, and taking into account: the nature of your requirements; the prices available to Guy Butler in the market; the nature of the market in question and a reasonable assessment of any overlapping and conflicting execution factors (detailed below).

Our intention, so far as is possible, is to exercise consistent standards and operate the same processes across all markets, clients and financial instruments in which we operate. Guy Butler also intends to provide you and other market participants with access (where possible) to tradable prices on a non-discriminatory basis. However, the diversity in those markets and instruments, our knowledge of your own trading intentions, and the kind of enquiries that you may make, mean that different factors will have to be taken into account in relation to any particular transaction.

### Exemptions from the provision of Best Execution

Notwithstanding the intentions expressed above, Guy Butler does not undertake to provide “best execution” in the following circumstances:

- Eligible Counterparties

If you are classified as an Eligible Counterparty you will not be entitled to best execution under the UK Financial Services Authority (“FSA”), or equivalent EU rule. This is in line with Article 24 of MiFID which provides that the best execution obligation under Article 21 will not apply.

- Market Practices

In the wholesale over the counter (OTC) derivatives and bond markets (and for the avoidance of doubt, this includes derivatives in Equities, Energy and Commodities) in which we operate, it is normal practice for buyers and sellers to “shop around” by approaching several brokers/dealers for a quote. This market practice is recognised by the European Commission. In these circumstances there is no expectation between parties that the broker/dealer chosen will owe best execution.

As a sophisticated participant in the wholesale markets, unless you advise us to the contrary we will assume that this is your normal trading behaviour.

- Transaction Arrangements in a Name-Passing Capacity

Brokers acting in a name -passing capacity are receivers and transmitters of orders but in carrying out their activities they do not receive and transmit orders for execution. Where orders are not transmitted for execution, the requirement to provide best execution will not apply.

Guy Butler Limited

Registered Office: 2 Broadgate, London EC2M 2UR. Registered in England & Wales No. 3869802

Guy Butler Limited is regulated by the Financial Services Authority and is a member of the London Stock Exchange

- Client Instructions

Where you provide us with a specific instruction in respect of your enquiry including an instruction for your trade to be executed on a particular venue, we will execute the work your enquiry in accordance with your instructions. However, please note that in following your instructions, we will be deemed to have taken all reasonable steps to provide the best possible result for you in respect of the enquiry, or aspect of the enquiry, covered by your specific instructions.

Clients

Except in exceptional circumstances, Guy Butler will only deal with Eligible Counterparties and Professional Clients as defined by MiFID and by the FSA.

Because Guy Butler always intends to handle enquiries and expressions of interest in a equitable and consistent manner, once a client is classified as an Eligible Counterparty for the purposes of a particular instrument, that client may not then elect to be reclassified for the purposes of any transaction of a type it customarily undertakes. Exceptional circumstances may be taken into account at the time, with the consent of Guy Butler. However we may decline to provide a service should a reclassification be requested.

Execution Venues

This Execution Policy sets out the venues on which Guy Butler will seek to execute your requirements and which we believe offers the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below. Guy Butler may use one or more of the following venue types:

- Regulated markets;
- Other exchanges that are not regulated markets;
- Multilateral Trading Facilities;
- Guy Butler principal positions (Guy Butler's own positions);
- Third party investment firms, brokers, and/or affiliates acting as a Market Maker or other liquidity providers; and/or non EU entities performing similar functions.

When selecting the venue on which to transact trades, Guy Butler will take reasonable measures to ensure that the selected venue obtains the best possible trading result for its clients, subject to the following factors:

- In the OTC markets in which Guy Butler operates, it can only give clients visibility to prices that have been communicated to it by other clients that operate in the same market, accordingly any "best outcome" will solely be within these limits;
- Guy Butler will provide details of all tradable bids and offers (subject to the other matters referred to below);
- Time availability of prices – in many markets there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve, accordingly the "last traded price" may not always be available or act as a reliable indicator of current price;
- Guy Butler cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is operationally capable of settling the relevant trade;
- Guy Butler cannot control either the cost of credit (credit premium) or credit acceptance between its clients;
- Rates of brokerage will vary between clients, based on agreements and levels of activity.

Guy Butler Limited

Registered Office: 2 Broadgate, London EC2M 2UR. Registered in England & Wales No. 3869802

Guy Butler Limited is regulated by the Financial Services Authority and is a member of the London Stock Exchange

### **Execution Factors**

In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with the best possible result. These will include:

- Classification of the client;
- Size, nature and characteristic of the enquiry;
- Likelihood and speed of execution;
- Price and costs of execution;
- Exchange settled blocks, or positions larger than standard market size, may be crossed at a particular stage in the trading day, or kept anonymous to the majority of market participants, and unless otherwise directed, Guy Butler will only show the price and size to parties that it believes may have an interest in executing or crossing such a position;
- Any other consideration relevant to the efficient execution of the enquiry.

### **Monitoring and review**

Guy Butler will monitor the effectiveness of its execution arrangements and execution policy to identify and, where appropriate, incorporate any amendments to procedures. Guy Butler will assess on a regular basis whether the execution venues included in the execution policy provide for the best possible result for its clients or whether it needs to make changes to its execution arrangements. We will review our execution arrangements and execution policy at least annually or whenever a material change occurs that affects our ability to continue to obtain the best possible result for the execution of client requirements on a consistent basis using the venues included in our execution policy. We will notify you of any material changes to our execution arrangements or execution policy.

### **No Fiduciary Relationship**

Guy Butler's commitment to provide you with "best execution" does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between Guy Butler and yourself. You remain responsible for your own investment decisions and we will not be responsible for any market trading loss you suffer as a result of those decisions.

June 2008

Guy Butler Limited

Registered Office: 2 Broadgate, London EC2M 2UR. Registered in England & Wales No. 3869802

Guy Butler Limited is regulated by the Financial Services Authority and is a member of the London Stock Exchange