

# Summary Best Execution Policy

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This document is prepared by Nomura Code Securities Limited (referred to hereafter as “NCS”), as required by the Markets in Financial Instruments Directive (“MiFID”). MiFID will be in force in the UK from 1 November 2007.

## 1. Our Duty

- 1.1 We, NCS, have a duty to take all reasonable steps to obtain the best possible result for you when we execute orders directly on your behalf. We will satisfy this obligation by selecting ‘execution venues’ where we consistently achieve best execution.
- 1.2 Similarly, when we receive orders from you and pass them on to a third party for execution, we have a duty to act in your best interests and to take all reasonable steps to obtain the best possible results for you on the execution of your orders by a third party. We will satisfy this obligation by selecting entities which have execution arrangements in place that enable us to comply with our obligations to you. In practice this will mean choosing the entities most likely to deliver the best possible results for you on a consistent basis.

Please see Sections 5 and 7 of this Summary Best Execution Policy (‘Policy’) for further information on our execution venues and execution entities.

- 1.3 Part of the duty on us is to obtain two forms of consent from you when we are executing your orders directly:
- 1.3.1 consent to the application of this Policy to your orders, which will be demonstrated by you placing orders with us after receiving this Policy.
- 1.3.2 For an instrument admitted to trading on a Regulated Market or MTF, we are also required to obtain your **prior express consent** before we execute an Order in such instrument outside of a Regulated Market or MTF (save where no Regulated Market or MTF is included in the list of Execution Venues for that particular asset class).  
Whilst it is NCS’ intention to always trade on an exchange, in certain circumstances it may be in our clients’ best interests to trade outside of a Regulated Market or MTF.  
We should be grateful if you would provide such consent by one of the means provided in the accompanying Consent Form.

## 2. Application

- 2.1 This policy applies only to those customers whom we have classified as ‘professional clients’.
- 2.2 Clients classified as ‘eligible counterparties’ are not entitled to any of the protections set out in this Policy.
- 2.3 This Policy will not apply in the situations set out in Section 4 below and we recommend that you read Section 4 carefully.

## 3. Determining ‘Best Execution’ and ‘Best Interests’

- 3.1 When executing orders on your behalf, we will take all reasonable steps to achieve best execution of your orders. This means that we have in place a Policy and procedures which are designed to obtain the best possible execution result, taking into account the price, costs, speed, likelihood of execution and settlement, size and nature of your order and any other consideration relevant to your order. These are known as the ‘execution factors’. The relative importance of the execution factors on each of your orders will be influenced by the nature of your order, the financial products the order relates to, your own priorities and the nature of the venue available for execution of your particular order, which are known as the ‘execution criteria’. In most cases we will prioritise using price and speed of execution as the most important factors, although we may use any of the other factors if we believe this will provide a better overall result.

- 3.2 When passing orders to be executed on your behalf to a third party entity (which may be part of the Nomura Group), we will act in your best interests by taking all reasonable steps to obtain the best possible results for you. We have in place a Policy and procedures according to which your orders will be passed to entities which have best execution policies and procedures in place, whether because they are located in the EEA and therefore subject to MiFID or whether they are located outside the EEA but follow equivalent best execution standards.
- 3.3 In a similar way to executing your orders directly, we will take into account the execution factors and the execution criteria when we are placing or passing on your orders for execution.
- 3.4 We have set out below information on the criteria which determines how we select the different venues on which we may execute your order. These venues include, but are not limited to, regulated markets and multilateral trading facilities. We have also set out information on how we select the different entities on which we place an order on your behalf or to whom we pass an order for execution. We will also assess, on a regular basis, the quality of execution afforded by those execution venues and entities and whether we need to change our execution arrangements.

#### 4. Policy application

- 4.1 Best execution will **not apply** in the following situations:
  - 4.1.1 where you have made your own trading decisions using your discretion and you are not relying on us to act in your best interests to obtain the best possible result;
  - 4.1.2 where you deal with us on the basis of a quote published by us, or on the back of a quote we have provided at your request. In some cases you may choose not to accept the quoted price but will ask us to accept the order on your behalf and to wait for market conditions to allow for execution. In those instances we will owe you best execution but best execution will be considered to be met if the order is executed at, or better than the limit price as soon as market conditions allow;
  - 4.1.3 where we are otherwise dealing with you as principal and we are not acting on your behalf;
  - 4.1.4 where your order is in relation to an investment product which is not a regulated investment, such as FX transactions;
- 4.2 Best execution **may be modified** in the following ways:
  - 4.2.1 where you have given us specific instructions in relation to your order and we execute the order in accordance with those instructions, this will override our duty of best execution to the extent of those instructions (although we may still have an obligation of best execution to the extent, for example, your instructions concern the price of execution but not a particular execution venue); and
  - 4.2.2 where you have given us an order which can only be executed on one particular execution venue, we will have complied with our best execution obligation by executing on that venue.
- 4.3 This Policy will not apply at a time of severe market turbulence, and/or internal or external system failure where instead the ability to execute orders on a timely basis, or at all, will become the primary factor. In the event of system failure we may not be able to access all of our chosen execution venues.

#### 5. Execution venues and execution entities

- 5.1 In selecting venues for direct execution of your orders, or in selecting execution entities to whom we are placing or passing orders for you, our primary considerations are price, liquidity, cost, speed of execution, likelihood of execution and settlement and any others relevant to the execution of your order. We will determine the relative importance of such considerations using our commercial judgement and by reference to the attributes of your order, the financial instrument to which the order relates and the available execution venues.
- 5.2 Where there is only one appropriate venue or broker entity available for execution of your order, we will only use that single venue or entity to fill the order.

5.3 Where the use of one of our usual execution venues or entities would not, in a particular situation, result in the best possible result on your order, we will consider other execution venues and entities where available.

5.4 A list of NCS' current execution venues and entities is provided in section 7 below.

## 6. Monitoring and review

6.1 The execution venues and entities we use to execute your orders will be monitored to ensure that they are providing the best possible result on a consistent basis. Changes to our selected execution venues and entities will be made where appropriate to maintain adherence to this Policy. In addition, this Policy will be reviewed at a minimum annually and you will be informed of any material changes.

6.2 Where we execute orders directly for you and upon your request, we will demonstrate that we have executed a particular order or series of orders in accordance with this Policy.

## 7. Execution Venues and Entities

Regulated Markets	London Stock Exchange (LSE)
MTFs	AIM - Alternative Investment Exchange POSIT
Systematic Internalisers	None
Other Liquidity Providers	None

For markets where NCS is not a member, execution is via a local broker

NB: Systematic Internalisers and other liquidity providers will be assessed as and when they become available. If they are considered capable of providing Best Execution in accordance with this policy and NCS has the required infrastructure to execute client orders via them, NCS will add them to the above list of execution venues. The list will be kept updated at [www.nomuracode.com/executionvenues](http://www.nomuracode.com/executionvenues).

If you have any queries about this policy, please direct them, in the first instance, to the compliance officer at [mail@nomuracode.com](mailto:mail@nomuracode.com)

*This Policy may be updated from time to time in order to reflect developments affecting Nomura Code's business or internal organization or changes to applicable regulatory rules and guidance. The latest version of this document will be available at [www.nomuracode.com/bestexecutionpolicy](http://www.nomuracode.com/bestexecutionpolicy).*