

Policy & Procedures for the Allocation and Aggregation of Orders October 2013

This document sets out the policy and procedures (the “**Policy**”) of Religare Capital Markets in relation to the aggregation (defined below) and allocation of securities. This Policy will apply to Religare Capital Markets (Singapore) Pte Ltd and Religare Capital Markets (Hong Kong) Limited (collectively, “**RCM**”).

RCM is required by regulators to establish and effectively implement a policy for the fair allocation of aggregated orders and transactions in order to ensure the fair treatment of clients and the management of conflicts of interest. This policy is designed to ensure that our allocation process in RCM is conducted on a fair and equitable basis.

AGGREGATION

“Aggregation” means the aggregation of a client order to buy or sell a security (an “**Order**”) with an Order or Orders for other Clients or market counterparties.

For clients with similar Orders, it may be possible to aggregate one Order with an Order or Orders for other clients or market counterparties where:

- it must be unlikely that the aggregation will work to the disadvantage of each of the clients concerned;
- RCM has explicitly disclosed to each customer (via telephone or Bloomberg communication – which has been acknowledged) concerned that the effect of the aggregation may operate on some occasions to his disadvantage.
- No unfair priority is given to orders received from IBD clients (including such clients’ Directors) or other clients, RCM staff members or their connections (as defined under the Personal Account Dealing Policy) or from entities within RCM.
- Where aggregation of orders does occur, RCM is required to disclose this to all affected clients as soon as reasonably practicable.
- In general, if the full aggregated order is executed, each client order will be executed at the same price, which will be an average of the aggregate price.
- Partially filled aggregated orders are required to be allocated to clients on a pro-rata basis regardless of whether one client has a larger underlying position to fill.
- Proprietary and client orders received / placed simultaneously in the same security and in the same direction should not be filled concurrently to avoid the potential for conflict. Only once the client orders have been completed should the proprietary order be filled.

RCM must ensure that, in the event of only being able to partially fill an aggregated order, allocation of the purchased or sold securities will occur in accordance with RCM’s duties to provide best execution to its clients and to ensure their fair and equal treatment.

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.

Reallocation is only permitted with express approval from the Head of Equities.

ALLOCATION OF AGENCY ORDERS

RCM is required to ensure that Orders executed are promptly and accurately recorded and allocated in accordance with this Policy no later than by the close of business on the day of execution.

In addition to complying with this Policy, RCM must comply with applicable local regulatory requirements and fiduciary duties owed to its clients including, but not limited to, obtaining “best execution”.

After an order has been allocated, a reallocation can only occur if, as an effect of that reallocation, unfair precedence is not given to RCM or any other person, including a senior executive of an existing or potential IBD client in consideration for the future or past award of IBD business or an institutional equity client who promises excessive compensation in respect of unrelated services, e.g. higher rates of commission or high volumes of businesses as a direct result of receiving an increased allocation.

Reallocation should only occur with the permission of the Head of Equities.

The allocation or aggregation records cannot be changed if the revisions are likely to disadvantage one or more clients. Provided that no disadvantage is likely, records can be amended and a new record made. Both the original and revised aggregation or allocation records should be retained for five years.

ALLOCATION ON IBD TRANSACTIONS

Due to the conflicts of interest that can arise among RCM’s IBD clients, its institutional equity dealing clients, its market makers (where applicable) and its own proprietary or facilitation books, the allocations and pricing of any securities offering by a corporate client is solely the responsibility of the Head of Equity Capital Markets (ECM) or their designate and not Sales or Research.

Following the approval of a transaction by the New Business Group (“NBG”) and subject to a signed engagement letter, before or after ECFC, a member of ECM Team will engage with the IBD client and discuss:

- The client’s allocation and pricing objectives.
- The process that RCM proposes to follow in order to determine what recommendations it will make about allocations for the offering;
- How RCM proposes to target the investor group to produce an appropriate spread of investors (for example between long term holders and providers of liquidity), with a view to achieving an orderly aftermarket with sufficient liquidity and reasonable price stability;
- Whether RCM might place securities with its institutional equity dealing clients;

- In relation to the Chairman's List/Friends and Family allocations, RCM will not generally place directly with the individuals on these lists but may suggest a private client stockbroker who will take the allocation on the individual's behalf. RCM should not add people to this list; and

Final allocation will be by agreement with the client but will be at the sole discretion of the ECM.

Valuation and the pricing of equity issues are complex processes which normally involve a strong element of judgement and experience. In the context of an issue of securities, there will often be a tension between the wish to maximize the proceeds of the offering, a client's interest in the aftermarket performance, and investor perception of and interest in the future performance, of a client's securities.

The basis of allocations of securities in IBD transactions should be done in a fair and equitable manner taking into account the various discussions that have been had with the client regarding its desired investor base. Whilst RCM's sales staff should not attend the pricing meeting, ECM may obtain input from the appropriate sales staff regarding:

- The expression of interest report;
- Informal commentary from investors regarding the size of the funds managed; &
- Whether the investors have a minimum or maximum potential investment in securities offerings generally or in this specific offering;

NB: The level of commission business received from an institutional client should not be a determining factor in the amount of allocation they receive -save so far as it correlates to the size of the institution's portfolio.

RECORD KEEPING

For all instances where allocation and aggregation occurs, RCM must be able to demonstrate that

- RCM has acted in the best interests of its clients;
- No client has been disadvantaged;
- RCM has managed its conflicts of interest;
- Where an IBD transaction is oversubscribed that a meeting minute is on file which documents the discussion held between the IBD Project Sponsor and Legal & Compliance which documents the basis of the agreed allocation; and
- Records of the basis of the allocation or aggregation are retained for a minimum of five years after execution or transaction completion.