



Religare Capital Markets Plc ('RCM') Research Policy

RCM is committed to providing customers with research of the highest quality and acts in accordance with the Financial Services Authority ('FSA') principles. Specifically, in the production and distribution of research, RCM endeavours to ensure that the research is clear, fair and not misleading and that it manages its conflicts of interests fairly. RCM believes that it is in its clients' interest to set out the policies it has in place for the production of research which aim to achieve this.

RCM currently produces both independent and non independent investment research under COBS 12.2. Where research is independent, RCM has no corporate relationship with the subject of the research and has received no payment for investment banking or broking activities from the issuer(s) who are the subject of the note in the preceding 12 month period.

Where research is non-independent research under COBS 12.3, this means it is a marketing communication under the Markets in Financial Instruments Directive ('MiFID') and is not required to be prepared in accordance with the legal requirements designed to promote the independence of investment research. Non independent research is not subject to any prohibition on dealing ahead of the dissemination of investment research. However, RCM is required to have policies to manage the conflicts which may arise in the production, including preventing dealing ahead (see Means and timing of publication).

This policy details RCM's compliance with the FSA rules and is not intended to create third party rights or duties or to form part of any contractual agreement between RCM and any client. The policy covers research communicated only in formal publications or through other written comments prepared by persons described in the publication as analysts but does not cover technical analysis concerning the supply for a security or industry based on trading volume and price without any analysis of the specific security itself.

Communications from sales, trading or sales trading are not regarded as research for the purpose of this policy. A Research Recommendation, for the purpose of this policy and RCM research publications, includes research or other information produced by an analyst which:

1. Explicitly or implicitly, recommends or suggests an investment strategy; or
2. Directly or indirectly, expresses a particular investment recommendation; or
3. Expresses an opinion as to the present or future value or price of such instruments.



It does not include trading ideas or comments produced by RCM sales persons or sales traders and such documents published to clients will make clear that they are produced by sales or trading.

General

RCM believes that its policy and procedures are suitable for its size, organisational structure and business model. Furthermore, it believes that the policy outlined in this statement enables it to act in the best interests of its investment clients and that its research is clear, fair and not misleading. RCM research is distributed only to those persons who fall within the FSA's definition of Eligible Counterparty or Professional Client. RCM's policies and procedures are regularly reviewed by senior management to ensure their ongoing effectiveness and appropriateness for identifying and managing potential conflicts of interest within the firm, both in relation to the production of research and within other areas of the business. This policy will be updated to reflect any changes in RCM policies on the production of research.

Supervision and remuneration of analysts

RCM ensures that its organisational structure and reporting lines are such that an individual involved in advising or raising capital for corporate clients (thus having responsibilities that might reasonably be considered to conflict with the interest of RCM institutional clients) is not responsible for:

1. The day-to-day supervision or control of analysts.
2. Decisions on the subject matter or content of a research publication or the timing of that publication. The final decision on such matters rests with the relevant analyst, in conjunction with the Head of Research, as appropriate. RCM writes research on both corporate and non-corporate clients.
3. The remuneration of analysts. Analysts are incentivised in a way that is consistent with providing clear, fair and non-misleading research. Their remuneration is not linked to specific corporate broking transactions, nor to recommendations contained in research, but is determined by the general profitability of RCM.

Analysts are free to express their own views in research reports and procedures are in place to prevent inappropriate influence by non-research staff or subject companies over the content of research reports. Non-research staff and subject companies are prohibited from reviewing or approving the content of draft research reports before publication other than for the purpose of verifying the factual accuracy of information in these reports.



Involvement of analysts in other activities

1. Relationship with Corporate Broking

Chinese walls are barriers to the passing of information. RCM has established policies, procedures and physical arrangements (collectively "Chinese walls") to manage confidential information and prevent the inadvertent spread and misuse of inside information.

Corporate Broking, which routinely has access to information which is confidential and/or inside is located in a separate restricted-access area of the building and its activities and the information connected thereto, where confidential and/or price sensitive are behind the Chinese wall.

If Corporate Broking is acting as adviser to a client company on a confidential matter, then that information is segregated behind a Chinese Wall. The policy of RCM normally allows an analyst to continue to comment on the company, even though colleagues in Corporate Broking are aware of the impending transaction.

There are occasions when an analyst is taken over the Chinese Wall to assist in corporate broking activities. This process is controlled by the Compliance Department. The normal activities of such an analyst are restricted and controlled during the period that they are over the wall.

An analyst may put forward ideas to the corporate broking department; he may assist it in researching business opportunities (subject to controls to prevent him receiving price sensitive information).

The FSA's guidance on the appropriate policies required to ensure independent investment research (see COBS 12.2.9) advises that it is likely to be inappropriate to allow a firm to use its analysts in a marketing capacity (for example, in pitches to solicit or obtain corporate finance or corporate broking business or in attendance at road shows relating to issues or allocations).

RCM business model and size means that analysts do attend pitches for new business, subject to any constraints required by maintaining an effective Chinese Wall in respect of any price-sensitive matter. In particular, sector analysts may attend pitches for new brokerings and may in exceptional circumstances attend road shows for a new issue, although the analyst cannot present on behalf of the issuing company. For this reason RCM believes that this part of its research cannot be independent in accordance with FSA COBS 12.2.



However, RCM does make clear to any potential or existing corporate client that the company cannot influence the contents of that research except where there are issues of a factual nature.

2. Relationship with Sales and Trading

Analysts are segregated from the sales and trading floor and they may not be told or have access to specific information concerning the firm's current trading positions. An analyst may generate ideas for sales and trading staff and provide information and advice to the firm's institutional investment clients.

Traders and sales traders are not allowed to know the contents of planned research material, or the intention to publish a piece of research until that information has been notified to clients (see Means and Timing of Publication below). This prevents any allegation of dealing ahead of the publication of research material before clients have had a reasonable opportunity to act upon it.

Policies concerning inducements given to analysts

RCM procedures prohibit any of its analysts or other employees from offering or accepting inducements or remuneration to provide favourable research.

These restrictions do not preclude the acceptance of reasonable corporate hospitality or de minimus gifts in accordance with the firm's general policies regarding inducements. They do not prevent a company from reimbursing reasonable travel expenses incurred by an analyst to enable the analyst to carry out research on the company.

Means and timing of publication

RCM procedures require research to be published or distributed to its clients in an appropriate manner. Save for exceptional circumstances that are monitored by compliance, written research is communicated via email to internal and external recipients simultaneously. Employees may not communicate the substance of any research other than in accordance with RCM policy and procedures, which include a requirement that analysts generally are prevented from disclosing the timing, subject matter or content of forthcoming research reports to any salesperson, sales trader or trader. RCM Compliance monitors these procedures.

RCM procedures lay down guidelines for restrictions on the publication of research in certain circumstances (for example, around the time of an investment offering or in a takeover code offer period), where RCM has a corporate relationship with the relevant company.



RCM does not have a policy covering frequency of updates on research recommendations.

Ceasing Coverage

The decision to cease coverage on an issuer by an analyst must be approved by the Head of Research or in their absence the Head of the London Listings Business.

Disclosures

RCM discloses any relationship, interest or conflicts of interest it has with any company the subject of the research, as required by COBS 12.4. This disclosure is made within the research publication in respect of most publications, however in respect of shorter publications where such disclosures would be disproportionate in relation to the length of the publication, disclosures are made by hyperlink within the body of the text. An example of such shorter publications would be the RCM early morning comments or a company specific intra day email update. It should be noted that if Corporate Broking is giving advice to a company on a confidential basis, the analyst will not normally be aware and thus it will not be possible to disclose this on a research publication.

Personal Account Dealings

RCM personal account dealing restrictions prevent analysts from dealing in the shares of companies within their sector, save where such dealing has taken place in a discretionary managed portfolio over which the employee has no control. In the event of analysts having a holding in a company within their sector that pre-dates their employment with RCM, sales of that holding will be allowed in a supervised and carefully controlled manner. No RCM employees are permitted to deal personally in the securities of companies with whom we have a corporate advisory or broking relationship, save as aforementioned in the case of a holding that pre-dates employment with RCM.