



Linkbrokers Derivatives Corporation

Customer Policies

The following information describes Linkbrokers Derivatives Corporation (“Link” or the “Firm”) policies and practices such as how we protect your privacy, and handle your personal information, including among other things, our disclosures related to Order Handling and Execution, CIP Customer Identification Procedures, and Business Continuity Plans.¹ Link is also a subsidiary of ICAP, (an ICAP group co.), and also enclosed are ICAP’s Brokerage Practices.

Privacy Policy:

Linkbrokers collects nonpublic personal information about you to help us serve your financial needs, provide customer service, offer new products or services, and fulfill legal and regulatory requirements. This may include information we receive from you on applications and other related forms (name, address, Social Security number, assets and income), and records of your transactions with us (purchases, account balances and payment history).

Linkbrokers restricts access to your personal account information on a need to know basis in order to better serve your requirements. Our procedures mandate confidentiality and maintain physical and electronic safeguards to protect your nonpublic personal information.

In the course of conducting business, we may disclose some or all of the previously described information about you within our Company, including our parent company (ICAP), and to non-affiliated third parties, as allowed by law, in order to:

- Provide customer service or account maintenance;
- Respond to a subpoena, to prevent fraud, or to comply with an inquiry by a government agency or regulator; or on behalf of our clearing firms.
- Perform service for us or on our behalf to develop or maintain our electronic systems.

We do not share your personal information with the outside entities for marketing purposes. This information is not sold to other companies for inclusion on mailing lists or for any other unsolicited purpose. As a result, an opt out provision shall not be necessary.

If at any time you decide to close your account(s), we will adhere to the privacy policy described in this notice.

¹ Linkbrokers Customer Policies are provided at account opening, available upon request, distributed annually, and accessible within Link’s Corporate Webpage www.linkbrokers.co.uk/PRODUCTS/US_DISCLOSURE.html
(Revised 05/20/10)

Statistical Reporting:

The following describes the three methods of retrieving and reviewing Linkbrokers statistical reporting as required by Regulation NMS Rule 606, including references to any Payment for Order Flow Programs² or Rebates with respect to Electronic Communication Networks:

- www.linkbrokers.co.uk/PRODUCTS/US_DISCLOSURE.html
- http://asplegacy.tagaudit.com/r6viewpub_v2.asp?user=link
- Write to us directly at:
- **Linkbrokers Compliance Department**
- 107 Grand St., 2nd Floor
- New York, NY 10013

We value your business and we are committed to keeping your trust. Thank you for giving us that opportunity.

SIPC Notification:

Please be advised that SIPC Information is available, including the SIPC Brochure, by contacting SIPC at (202) 371-8300 or by visiting their website at www.sipc.org

Options Clearing Corporation:

Prior to buying or selling an option, investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document (ODD). It explains the characteristics and risks of exchange traded options.³ A copy of the current (ODD), is available from Link Compliance Dept, or below:

<http://www.optionsclearing.com/components/docs/riskstoc.pdf>

http://www.optionsclearing.com/components/docs/December_2009_ODD_Definitive_Supplement.pdf

Order Handling and Execution:

AGENCY

LINKBROKERS is predominantly an Agency Only Broker Dealer transacting with both foreign and domestic institutional B/D clients. Specifically Linkbrokers typically obtains unsolicited complex order flow, and researches its extensive client base to provide a match to such orders including but not limited to options and equities, equities only, and ADR/ORD Crossbook Trading.

Linkbrokers will often handle your orders via electronic access to NYSE and NASDAQ securities on an agency basis. Your official confirmation will display the execution price, or an average execution price in the case of multiple executions, and separately identify the explicit remuneration you paid us for executing your transaction. At your request, we will provide you a report detailing each transaction that we affected on your behalf.

OPTIONS - ISE: International Securities Exchange

ISE Rule 716(e)(3) - When handling an order of 500 contracts or more on your behalf, Link may solicit other parties to execute against your order and may thereafter execute your order using the International Securities Exchange's Solicited Order Mechanism. This functionality provides a single-price execution only, so that your entire order may receive a better price after being exposed to the Exchange's participants, but will not receive partial price improvement. For further details on the operation of this Mechanism, please refer to International Securities Exchange Rule 716, which is available at www.ise.com under "Membership, Rules and Fees – Regulatory-ISE Rules."

² CSI's practices on payment for order flow: "In accordance with SEC Rule 11Ac1-3, please be aware that the routing practices of Calyon Securities (USA) Inc. do not include any payment for order flow."

³ The Options Clearing Corporation (<http://www.optionsclearing.com/about/publications/character-risks.jsp>)

Held or Not Held Orders

Your orders will be designated as “not held” unless you advise us otherwise on an order-by order basis. In designating your order as “not held”, we are permitted to exercise our reasonable trading judgment, and are relieved of any responsibility with respect to the time and price of execution. In addition, consistent with our use of reasonable trading judgment to obtain best execution, we are required to display or protect a “not held” limit order.

Absent specific instructions to the contrary, when you place an order with Linkbrokers, you are directing that Link handle your order on a “not held” basis, which means you are giving the Firm and its brokers, discretion to exercise their brokerage judgment to seek to obtain the best execution of your order. “Held” orders do not permit discretion in handling your order.

Depending on whether your order is a market or limit order, “held” orders obligate a Firm to execute your market order immediately at the then prevailing market price or your limit order at your price (or better), which may not necessarily be the best price that can ultimately be obtained, by using its discretion. “Not held” orders, on the other hand give the Firm the flexibility and discretion to act in your best interest by working your order to seek to obtain the best execution possible. LINK believes that by exercising appropriate judgment and discretion (that is, on a not held basis) with respect to your order, it can achieve the best execution possible under the surrounding facts and circumstances. Therefore, unless you give LINK specific instructions to treat such an order differently at the time you place the order, LINK will treat the order as “not held” and will work that order accordingly. Please be advised that under NASD Rules, a “not held” order is not a priced order.

Extended Hours Trading Risk Disclosure

NASDAQ Rule 4631 requires that we disclose to you the following potential trading risk if you engage in securities transactions outside of regular market hours.

- ***Risk of Lower Liquidity.*** Liquidity refers to the ability of market participants to buy and sell securities. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may be only partially executed, or not at all.
- ***Risk of Changing Prices.*** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during normal market hours.
- ***Risk of Unlinked Markets.*** The prices displayed on a particular extended hours system may not reflect the prices on other concurrently operating extended hours trading systems dealing in the same securities.
- ***Risk of News Announcements.*** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- ***Risk of Wider Spreads.*** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- ***Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”).*** For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. As a result, implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

FINRA Rule 2267. Investor Education and Protection

To help investors research the professional backgrounds of current and former brokers of Link, our clients have the right to access FINRA’s BrokerCheck System, and is available at the following locations:

- BrokerCheck toll-free hotline at (800) 289-9999
- <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/index.htm>



Linkbrokers Derivatives Corporation

CIP Statement

TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

Procedures for identifying customers are set out below and will include:

1. Verifying the identity of any customer seeking to open an account,
2. Maintaining records of the information used to verify include: name, address, and other identifying information
3. Determining whether the customer appears on any government lists.
4. Request financial statements based upon criteria set by our parent co. (ICAP).
5. All previous and perspective accounts are subject to initial credit approval and ongoing risk monitoring by our parent company's (ICAP) credit and risk departments, and our clearing firms where applicable.

Linkbrokers uses the services of MIS McDonald Service, Inc. to perform such action, and will at least request tax id number and/or social security number, and address where applicable from perspective clients to ensure compliance in identifying customer identity.

Customer Risk Assessment Criteria:

1. Foreign Banks subject to Foreign Bank Certification in the USA will receive a rating of HIGH RISK regardless of any other mitigating factors
2. Customers with prior history of money laundering, criminal activity, and/or significant past regulatory actions as a result of MIS queries may receive a rating of HIGH RISK

Linkbrokers will support a process to monitor internal compliance with the above-mentioned policies. This process will include periodic reviews to ensure compliance with laws, regulations, and rulings. In addition, reviews of reporting and control systems will be independently audited as required.



ICAP Broking Practices

This summary is intended to provide to customers of ICAP an overview of certain practices employed by ICAP in its provision of broking services (“Broking Practices”). It is not intended to be an exhaustive summary of all practices. ICAP believes that its own long-term commercial interests, as well as the interests of its customers and the marketplace, are best served when customers understand the key aspects of how ICAP provides its services. ICAP encourages its customers to familiarize themselves with these practices, to ask ICAP any questions they have about these or other practices, and more generally, to maintain a regular and open dialogue with ICAP regarding their expectations and preferences with regard to how ICAP provides its services.

Scope

The Broking Practices described in this document address ICAP’s provision of broking services in its wholly-owned businesses in the United States, with regard to the provision of voice and/or electronic brokerage of securities, futures, commodities, currencies, and non-security derivatives.

Many of ICAP’s brokerage activities are regulated activities and/or are conducted in entities subject to regulation. As a result, there are many laws, regulations, and self-regulatory organization (“SRO”) rules that may govern ICAP’s conduct of its activities and its treatment of its customers, including those of the SEC, FINRA, the CFTC, the NFA, and numerous exchanges (such legal, regulatory, and SRO requirements, collectively, “Regulatory Requirements”). Many of ICAP’s activities are not regulated. These Broking Practices are designed to be consistent with Regulatory Requirements where applicable, and to address issues that are not the subject of Regulatory Requirements.

Given the breadth and diversity of ICAP’s brokerage activities, these Broking Practices necessarily reflect general practices that as indicated herein may vary for certain activities and/or products. ICAP encourages its customers to inquire and familiarize themselves with the specific practices associated with particular activities and products in which they are interested. In addition, in instances where ICAP and a customer have contractually agreed to particular arrangements and understandings (“Contractual Commitments”), these Broking Practices do not modify or supersede such Contractual Commitments, and in the event of and to the extent of any conflict, such Contractual Commitments shall govern.

The Role of ICAP

ICAP offers to its customers the provision of brokerage services whereby ICAP acts as an intermediary or arranger of transactions. In this capacity, ICAP seeks to facilitate the agreement between and among principals of mutually acceptable terms upon which to consummate a transaction. ICAP’s client mix will vary by product, but across its businesses ICAP provides broking service to broker-dealers, banks, and a range of institutional investors and other sophisticated institutional wholesale market participants. ICAP strives to add value to its customers by (i) improving price discovery and transparency, (ii) enhancing liquidity, (iii) facilitating information flow, and (iv) providing a degree of anonymity and confidentiality appropriate to each marketplace.

ICAP does not serve as a fiduciary to its customers. In addition, in the absence of a contrary Regulatory Requirement, when a customer employs ICAP to provide broking services ICAP does

not act exclusively for the benefit of that customer. This is because in its role in sourcing liquidity for its customers and facilitating trades ICAP will necessarily be working with multiple customers whose interests may very well be in conflict as to the outcome of a particular potential transaction (i.e., in simplest terms, both the potential seller and potential buyer are customers of ICAP, but each would like the transaction to occur at the price most favorable to them, as is true when customers deal directly with each other). ICAP strives to balance the interests and expectations of multiple participants involved in or contemplating a particular transaction, as well as to act in a manner that furthers the interests of all participants in the maintenance of a liquid, transparent, and active marketplace on an ongoing basis.

While ICAP will necessarily be required to exercise its judgment in this regard when appropriate, it will seek to do so in a consistent and neutral fashion. Because ICAP's customers may also utilize comparable brokerage services offered by ICAP's competitors, ICAP understands and fully expects that its long-term commercial viability and growth will be determined by the success with which it balances these interests in a manner that its customers regard as fair, efficient, transparent, and predictable.

Capacities in which ICAP Acts

ICAP provides brokerage services in two capacities, depending upon the nature of the particular product:

1. **“Name Give Up” Capacity.** For certain products, ICAP acts in an agency capacity, whereby it connects buyers and sellers and may assist in the negotiation of the price and other material terms of the transaction. At the point at which the parties agree to terms, ICAP leaves the buyer and the seller to clear and settle, for certain products, through the relevant exchange, and for other products, directly with one another through the appropriate market mechanism.
2. **“Matched Principal” Capacity.** For certain products, ICAP acts in the capacity of a “matched principal” whereby it acts as a “middleman” or intermediary by serving as the counterparty for identified buyers and sellers in matching, in whole or in part, reciprocal back-to-back trades.

Circumstances Under Which ICAP May Act as Principal and its Handling of Any Resulting Positions

Because ICAP acts as a broker, it is the beneficiary of a waiver of certain capital requirements to which it would otherwise be subject under the supervision of the UK Financial Services Authority. In order to satisfy the requirements of the waiver, ICAP must adhere to certain restrictions on its risk-taking activities. As a result, ICAP does not engage in proprietary trading, i.e., it does not systematically initiate or carry positions for its own account solely for the purpose of putting the firm's capital at risk or to earn a profit based on a view of the market. ICAP therefore does not operate a “trading book.”

However, ICAP may and does from time to time, consistent with the requirements of the waiver, acquire unmatched positions as principal in the following scenarios:

- When facilitating customer transactions in “matched principal” marketplaces by framing markets. When framing markets in “matched principal” marketplaces,

ICAP posts or provides live, executable bids and offers at minimum acceptable quantities in an effort (i) to display appropriate markets where none exist, or (ii) to present spreads that are more reflective of market sentiment. In such cases, ICAP's efforts are intended to add liquidity for ICAP customers and to attract market participants to its screen. Sometimes the act of posting or providing quotations may result in ICAP acquiring a position as principal on an unmatched trade;

- As a result of errors or out trades. From time to time, as a result of a bona fide error, ICAP may in "Matched Principal" or exchange-based "Name give up" marketplaces acquire a position in resolution of such error; and
- Facilitating and executing orders on behalf of customers prior to those positions being novated, given-up or settled by the relevant customer(s) and/or for the purposes of gaining the customer(s) access to any applicable clearing and settlement system.

When ICAP acquires a position in the aforementioned circumstances, it is required by its internal policies to close, manage and mitigate the risk associated with that position in a timely fashion. Accordingly, ICAP seeks to liquidate or hedge such positions as soon as reasonably practicable by accessing any appropriate and available market. While ICAP seeks to do this in a manner that minimizes disruption to the marketplace and respects the trading priority protocols typically employed for a particular product (see "Price Discovery and Trading Priority," below), ICAP may, where not contrary to Regulatory Requirements, depart from these protocols, typically in more illiquid markets, and prioritize the liquidation or hedging of its own position over expressions of interest from customers. However, in doing so ICAP will necessarily execute another customer's order in the course of closing any such position, at what it reasonably believes is an appropriate market level.

Price Discovery and Trading Priority

Electronic Marketplaces. For electronic marketplaces, as well as for hybrid marketplaces that permit customers to transact either with a voice broker or through the electronic system, the price discovery process takes place through information posted on the electronic screens.

Voice Brokered Marketplaces. In voice brokered marketplaces, price discovery is generally done by voice over dedicated telephone lines and through electronic price dissemination screens and other electronic communication tools. In certain situations, ICAP will seek to find the other side to a transaction based on a firm request from a customer that specifies some or all of the trade parameters that the customer is interested in transacting in (i.e., price, counterparty credit, full or partial transaction size). In other situations, ICAP may be asked or expected to work a contingent order, whereby it is understood and expected that in facilitating the customer's transaction ICAP may adjust the contingent order to reflect changes in the price of, or shifts in the curves relating to, underlying instruments or indices with which the instrument(s) that is the subject of the order correlate.

For certain products, and in certain situations, ICAP may on an arms-length basis seek out price discovery from competing wholesale market brokers in order to facilitate a customer's trading interest. Complete counterparty details for trades executed with the involvement of competing brokers are disclosed at the time of trade.



For certain products and order types, applicable Regulatory Requirements may dictate the manner and priority of execution. For other products and order types, and in markets where customers do not submit executable orders but rather indications of interest, ICAP does not take on any obligation to satisfy any customer's interest in whole or in part, regardless of the time, price, size or other terms of the customer's order or indication, and regardless of whether such order or indication could have been satisfied. For example, on many trades ICAP is necessarily working with multiple customers whose interests may be in conflict as to price and volume, and there may be more interest in a particular transaction than can be satisfied by the volume of interest on the other side of that transaction. It is thus frequently the case that the circumstances around a particular trade make ICAP unable to meet the interests of each of its customers to their full satisfaction. Subject to applicable Regulatory Requirements, ICAP reserves the right in its discretion to determine how to prioritize allocations of executions.

However, ICAP recognizes that the long-term viability of its marketplaces depends upon its customers' confidence that the actual prioritization and satisfaction of indications and orders occur in a manner that is efficient, fair and predictable, and that encourages continued participation in the marketplace. As such, each of ICAP's voice brokered marketplaces operate pursuant to general market practices that address issues such as the entitlements of the aggressor (e.g., the "price taker") with regard to counteroffers, the prioritization of customers responding to an aggressor, the ability of customers to join existing bids or offers, time/price/size prioritization, and the ability of customers to participate in a trade. These practices may vary from product to product, and they have been developed and refined over time based on the expectations and preferences of the customers who participate in a particular marketplace. While ICAP reserves the right without prior notice to depart from the typical protocols in any and all situations, its normal interest and intent is to employ those practices on a regular and consistent basis.

ICAP encourages its customers to familiarize themselves with the typical priority practices utilized in a particular marketplace, and to raise any questions they may have in that regard.

How ICAP is Compensated

ICAP is primarily compensated for its role in facilitating and consummating transactions by charging a brokerage fee. In "Name Give Up" marketplaces, the fee will typically take the form of an invoiced commission. In "Matched Principal" marketplaces, the fee will typically take the form of a markup or markdown which is added to or subtracted from, as the case may be, the agreed-to transaction price.

For certain products, a brokerage fee is paid by both participants in the trade. For other products, the brokerage fee is paid by one of the participants in the trade. Sometimes the participant that pays will be the aggressor (e.g., the "price taker"), and sometimes it will be the passive party (e.g., the "price maker").

In certain cases, the brokerage fee paid to ICAP may, with customer approval, deviate from the normal rate due to the level of service provided, i.e., facilitating a particularly difficult trade.

ICAP may receive revenue from other means as well. As described earlier, ICAP may acquire positions in certain situations, and in connection with doing so and in managing and liquidating such positions, it may earn a profit or a loss. As noted, ICAP does not engage in such activities with the intent to make a profit, and expects the net result of any such activities will be modest gains or losses.



In addition, in certain fixed income markets, where not contrary to Regulatory Requirements, ICAP may when acting in a “matched principal” capacity earn a profit by buying a financial instrument at one price and simultaneously or shortly thereafter selling it at a higher price (or vice versa), such that ICAP receives the benefit of the “spread” on the trade in addition to any markup or markdown it charges.

Extent of Anonymity or Disclosure

As a general rule, ICAP seeks to operate each of its different product marketplaces in an anonymous fashion. Except as noted below, ICAP believes that liquidity and transparency in the marketplace are best served by maintenance of confidentiality and anonymity.

In “matched principal” marketplaces, ICAP generally seeks to employ reasonable efforts to maintain the confidentiality and anonymity of the identity of customers involved in or contemplating participating in a transaction. Similarly, in “name give up” markets, ICAP seeks to employ reasonable efforts to maintain anonymity during the pre-matching period, and during the post-trade period, it will generally disclose the identity of a customer participating in a trade only to the other participants in that trade (except as described below). In addition to the efforts that ICAP engages in to maintain confidentiality and anonymity, ICAP asks that its customers respect and honor this level of confidentiality and anonymity by not seeking or requesting information that may not be shared.

There are two situations in which the aforementioned level of anonymity may not apply, both of which are limited to marketplaces that are not fully electronic. First, there may be circumstances where the identity or creditworthiness of a customer is a material term of the transaction or price that could adversely affect the broker’s ability to reflect an accurate market. In such situations, ICAP reserves the right without prior notice to disclose the identity of a customer to the extent it reasonably believes such information could constitute a material term for another party contemplating participating in such a transaction.

Second, in certain non-securities marketplaces, customers have as a matter of custom and preference participated with the expectation that identifying information about those participating or contemplating participating in a particular trade would be available upon request. This preference reflects the specific characteristics of the particular product marketplace, participants’ views on the importance of anonymity or disclosure to liquidity and transparency in that marketplace, and historical experience and practice. Where participants in a marketplace have manifested their support for such a preference, ICAP seeks to accommodate that preference, and to make information available on a consistent and neutral basis when asked.

ICAP encourages its customers to familiarize themselves with the confidentiality and anonymity standards applicable to particular marketplaces they participate in, to raise any questions they may have in that regard, and to express their views and preferences to ICAP so that ICAP can continue to maintain a marketplace that meets the evolving needs and expectations of its participants.

Publication of Off Screen Trades

For certain products, ICAP provides both voice brokerage and electronic brokerage services (“hybrid markets”). In hybrid markets, when a transaction is consummated with a voice broker, ICAP is able to publish a record of that transaction on the screen utilized for electronic brokerage of that product so that it is made available to other participants in the marketplace. In the absence



of a request from its customer to not publish the transaction, ICAP will publish the record of such transactions on its electronic screen. (All transactions executed in ICAP's fully electronic marketplaces are automatically recorded on screen.)

ICAP recognizes that its customers may in certain situations prefer that such transactions not be published on the screen, and when requested to refrain from such publication, ICAP will seek to honor its customer's request to the extent practicable, and to the extent that other participants in the trade agree to the request. In such situations, information regarding that transaction will not be posted on the screen, nor included in any market data feed compiled and supplied by ICAP, but ICAP will upon request provide oral information regarding the occurrence of the transactions and its terms. ICAP believes that in most circumstances the marketplace is best served when trades conducted through voice brokers are published on screen, and encourages its customers to share and act upon that view.

Provision of Indicative Valuations

From time to time, in response to customer requests or on its own initiative, ICAP may provide or publish information expressing a view of an indicative valuation of particular financial instruments. These indicative valuations reflect ICAP's good faith view as to a reasonable indication for that particular instrument, assuming an institutional market, round lot trade sizes, and the absence of unusual market conditions (i.e., distressed selling).

ICAP does not accept liability for the completeness or accuracy of any such indicative valuations, nor does ICAP represent that parties would or will be able to transact at the levels indicated. All such valuations are subject to any disclosure and disclaimer language that accompanies them and ICAP's then prevailing terms of use for such data. ICAP will typically provide such valuations based on the transactional activity that it participates in, though ICAP may provide valuations based on transactional activity that takes place away from ICAP if ICAP reasonably believes it to have occurred.

Policy Regarding Customer Entertainment

ICAP competes in the marketplace based on the quality and price of the services it provides, and expects its customers to judge it by those criteria. ICAP views business entertainment with its customers as an opportunity, outside of the regular office setting, to strengthen its business relationships with customers and ICAP's and its customers' mutual understanding of each other's business needs and concerns.

ICAP's entertainment policies are designed to facilitate compliance with applicable Regulatory Requirements as well as internal firm policies. These policies include requirements that ICAP representatives be present for all customer entertainment, that entertainment not be excessive, overly frequent, lavish or inappropriate, and that the provision of entertainment may not serve as a quid pro quo for a customer to transact with ICAP at all and/or on particular terms.

Customers are responsible for ensuring that their employees are in compliance with their internal entertainment policies and requirements when participating in entertainment events with ICAP employees. ICAP is not in a position to and does not take responsibility for a customer's adherence to its own entertainment policy, even if ICAP has been made aware of such policy. ICAP encourages its customers to familiarize themselves with their internal entertainment policies and to respect what has been communicated to them regarding the requirements of ICAP's entertainment policies.



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ICAP reserves the right to amend and depart from these Broking Practices at any time, and without prior notice. The Broking Practices herein are not intended to and do not create any contractual or other legal rights in or behalf of any party.

**LINKBROKERS DERIVATIVES CORPORATION
BUSINESS CONTINUITY PLAN (BCP) 2010⁴**

Emergency Contact Persons

Our firm's emergency contact persons are:

(Registered Principals)

BORIS KOWAL	(212) 925 0116	bkowal@linkbrokers-usa.com
DAN LAGO	(212)-925-0116	dlago@linkbrokers-usa.com
CHARLES DAVIES	(212) 925-0116	charles@linkbrokers.co.uk
JAMES GILBERT	(212) 925-0116	jgilbert@linkbrokers-usa.com

IT DEPT		
STEPHEN MYERS	(212) 925-0116	smyers@linkbrokers-usa.com

These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

Rule: NASD Rule 3520

Firm Policy

Our firm's policy is to respond to a Significant Business Disruption (SBD) by Safeguarding employees' lives and firm property, making a financial and operational Assessment, quickly recovering and resuming operations, protecting all of the firm's books and records, and allowing our customers to transact business. In the event that We determine we are unable to continue our business, we will assure customers Prompt access to their funds and securities.

- **Significant Business Disruptions (SBDs)**

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs Affect only our firm's ability to communicate and do business, such as a fire in Our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

Approval and Execution Authority

- **Boris Kowal**, a registered principal, is responsible for approving the plan and for conducting the required annual review but may designate this last function.
- **Boris Kowal, Dan Lago, Charles Davies, and Stephen Myers** have the authority to execute this BCP.

⁴ Revised - 02/08/10

Plan Location and Access

Our firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is located on the LINK NYC Shared G:\Drive\Compliance\Policies & Procedures. Our plan is also available and easily accessible to members of senior management and relevant technical (IT) staff of our parent company, The Link Asset & Securities Co Ltd, in London.

Business Description

Our firm:

- a. Engages in the matching of institutional clients to large-ticket, over-the-counter or exchange-traded equity, fixed income, and derivative securities transactions;
- b. Engages in a commission recapture business; and
- c. Services only institutional customers and other broker/dealers.

Our firm does not perform any type of clearing function for itself or others. Furthermore, we do not generally hold customer funds or securities, although we are permitted to engage in Commission Recapture programs and as such we have an agreement with our clearing broker whereby an account similar to those required under SEC Rule 15c3-3 may be maintained for the purpose of rebating commissions to customers. We accept and enter orders. All exchange transactions are sent either directly to our clearing firm, which executes our orders, compares them, allocates them, clears and settles them; OR to a third-party (execution) broker who will execute an order before 'flipping' it to our clearing firm for clearing & settlement. Our clearing firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services only institutional customers. We do not deal with retail customers, nor do we engage in any private placements.

We engage two clearing firms for different parts of our business:

Goldman Sachs Execution & Clearing LP
30 Hudson Street
Jersey City, NJ 07302

Contact: Ian J. Miller
Tel: (212) 357-6690
Email: ian.miller@gs.com
Website: www.gs.com

&

Calyon Securities (USA) Inc
1301 Avenue of the Americas
New York, NY 10019

Contacts: Joe Imperato, Dominick Romano, or Christopher Trupiano
Tel: (212) 261-7038, (212)-261-3855, (732) 590-7437,
Email: Joe.Imperato@us.calyon.com, Dominick.Romano@us.calyon.com
Website: www.calyon.com

Office Locations

Our firm has a single office in the USA, located at:

107 Grand Street
2nd floor
New York, NY 10013

The main telephone number is 212 925 0116. Our employees may travel to the office by means of foot, car, subway, train, bus and boat (ferry). We engage primarily in order taking and entry at this location.

Our parent company, The Link Asset & Securities Co Ltd is located at:

The Courtyard
12 Sutton row
London
W1D 4AD

The main telephone number of this office is +22 207 663 4300.

Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from affected offices to the closest of our unaffected office locations. It is likely that our staff, or a 'skeleton' of staff, would be moved to our London office (address given above).

Rule: NASD Rule 3510(c)(6).

Customer's Access to Funds and Securities

Our firm does not maintain custody of customers' funds or securities, which are maintained at one of our clearing firms – either **Goldman Sachs** or **Calyon Securities**. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, and if our Web access is available, our firm will post on our Web site that customers may access their funds and securities by contacting the relevant clearing firm. Relevant details will be included on the website at the time. The firm will make this information available to customers through its disclosure policy.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulations.

Rules: NASD Rule 3501(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

Data Back-Up and Recovery (Hard Copy and Electronic)

Our firm maintains its primary hard copy books and records and its electronic records at 107 Grand Street, 2th floor, New York NY 10013. Boris Kowal (a registered principal of the firm whose contact details are given above) is responsible for the maintenance of these books and records.

Our firm maintains its back-up hard copy books and records at The Link Asset & Securities Co Ltd, The Courtyard, 12 Sutton Row, London W1D 4Ad, United Kingdom. These records are paper copies. Derek Wilks, Finance Director (Tel: +44 207 663 4302) is responsible for the maintenance of these back-up books and records. Our firm backs up its paper records by copying and taking them to our back-up site.

The firm backs up its electronic records daily by storing all file directories, databases, emails, server systems states on a nightly basis. A data storage firm ('Iron Mountain') collects the tape of such data every morning. Iron Mountain is located at:

Iron Mountain
203 Moonchie Road
Moonachie, NJ 07074-1309
Tel 201 807 0100

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our back-up site. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

Rule: NASD Rule 3510(c)(1).

Financial and Operational Assessments

- **Operational Risk**

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include our website and the usual communication methods (phone, email) from our other office locations (in the United Kingdom and Hong Kong). In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: NASD Rules 3501(c) (3) & (f) (2).

- **Financial and Credit Risk**

In the event of an SBD, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks, and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps.

Rules: NASD Rules 3510(c) (3), (c) (8) & (f) (2).

Mission Critical Systems

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. More specifically, these systems include our execution platform on the ISE (International Securities Exchange), which is the ISE Terminal; our execution platform and order management system for executing cash equities trades (REDI); our ADR Desk uses Calyon, and the means we use to transmit data and instructions to our clearers (which is commonly by means of File Transfer Protocol).

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking, entry and execution. Our clearing firms provide, through contract, the execution, comparison, allocation,

clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

We expect our clearing firms to maintain a business continuity plan and have the capacity to execute that plan. Our clearing firms represents will advise us of any material changes to their plans that might affect our ability to maintain our business. In the event our clearing firms execute their plans, they represent that they will notify us of such execution and provide us equal access to services as their other customers. If we reasonably determine that our clearing firms have or can not put their plans in place quickly enough to meet our needs, or are otherwise unable to provide access to such services, we expect our clearing firms to assist us in seeking services from our alternative source.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure – particularly telecommunications – can affect actual recovery times. Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption.

Our Firm's Mission Critical Systems

- **Order Taking**

Currently, our firm receives orders from customers via telephone, email, or other messaging service (e.g. Bloomberg). During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by the most immediate method available. If necessary, we will advise our customers to place orders directly with our clearing firm.

- **Order Entry**

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. Additionally, we placed customer orders through the trading platform and order management system, REDI. REDI maintain their own BCP and the time frames in which we could expect to resume normal service under their BCP would be determined by the nature and scope of the SBD.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include email, fax or FTP (File Transfer Protocol). In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operations. In addition, during an internal SBD, we may need to refer our customers to deal directly with our clearing firm for order entry.

- **Order Execution**

We currently execute orders by electronic (REDI, ISE, 'Click' Terminal) means. In the event of an internal SBD, we would take all available measures to ensure that such electronic execution could continue with least possible disruption, most likely by outsourcing our execution to a 3rd party whose ability to execute using the same systems was not compromised. This may mean transmitting our orders for execution to Goldman Sachs (REDI's owners) or (in the case of stock options) directly to the ISE. In the event of an external SBD that had compromised our own execution arrangements, we would complete any orders received via an external, unaffected 3rd party execution agent or broker.

- **Mission Critical Systems Provided by Our Clearing Firm**

Our firm relies, by contract on our clearing firm to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts

Rule: NASD Rules 3510(c) & (f)(1).

Alternate Communications Between the Firm and Customers, Employees, and Regulators

a. Customers

We now communicate with our customers using the telephone, e-mail, our Web site, fax, U.S. Mail, and in person visits at our firm or at the others location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means we have used in the past to communicate with the other party. For example, if we have communicated with a party by e-mail but the internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Rule: NASD Rule 3510(c)(4)

b. Employees

We now communicate with our customers using the telephone, e-mail, our Web site, fax, U.S. Mail, and in person visits at our firm or at the others location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means we have used in the past to communicate with the other party. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers.

Rule: NASD Rule 3510(c)(5)

c. Regulators

We are currently members of the following SRO's
NASD
ISE (International Securities Exchange)
BATs

We communicate with our regulators using the telephone, email, fax, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

Rule: NASD Rule 3510(c)(9).

Critical Business Constituents, Banks, and Counter-Parties

- **Business constituents**

We have assessed our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our firm.

Rules: NASD Rule 3510(c)(7).

- **Banks**

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining our operating account is (list bank name, address, phone number, and contact). The bank maintaining our proprietary account of Introducing Brokers/Dealers (PAIB account) is Goldman Sachs (contact details are listed above).

Rules: NASD Rule 3510(c)(7).

- **Counter-Parties**

We have contacted our critical counter-parties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work our clearing firm or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

Rules: NASD Rule 3510(a)(c)(7).

Regulatory Reporting

Our firm is subject to regulation by: NASD and SEC. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, NASD, and other Regulators to determine which means of filing are still available to us, and use the means closest in speed and form (written or oral) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

Rule: NASD Rule 3510(c)(8).

Disclosure of Business Continuity Plan

We provide in writing a BCP disclosure statement to customers at account opening. We will also post the disclosure statement on our website and to customers upon request.

(Rule: NASD Rule 3510(e).

Updates and Annual Review

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually in order to modify it for any changes in our operations, structure, business, or location, or those of our clearing firm.

We value your business and we are committed to earning and keeping your trust. Thank you for giving us that opportunity.

For questions related to any of the above mentioned policies,

Linkbrokers Compliance Department

107 Grand St., 2nd Floor
New York, NY 10013
(212) 925- 0116