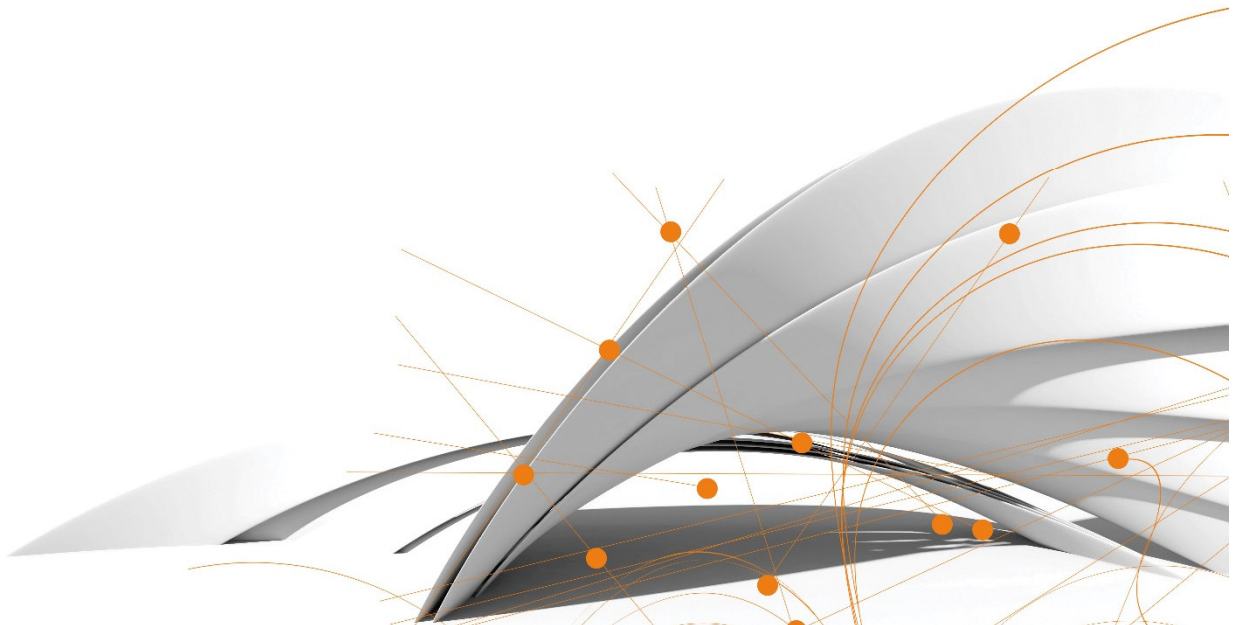


Counterparty selection process



## Preamble

This procedure describes broker selection process for trades executed on behalf of TOBAM's clients (mandates and OPCVMs).

This procedure consists in approving counterparties according to various criteria  
New proposed counterparties are identified by investment management team.

## Methodology

- Based on fund manager suggestions, new broker is approved according to specific criteria:
  - Best execution including fees
  - Reputation
  - Cooperation
  - Financial reliability
  - Quality of investment advisory services
  - Ability to provide liquidity
  - Robustness of STP process
  - Quality of order execution and monitoring
- A rating from 1 to 5 is established for each counterparty.
- This rating is based on Investment management feedback
- This rating is also based on the transaction reporting with the brokers on the control made by the middle office (Middle-Office of TOBAM is approached to provide feedback specifically on STP issues and monitoring of orders.)

## Approval

- Formal approval of counterparties (which have been selected) takes place during quarterly meeting or ad hoc meetings. This meeting includes TOBAM France members, fund managers, a representing of the middle office and the RCCI.
- Existing brokers are also reviewed to be re confirmed or not, according to specific reasons and particularly when the counterparty is no more able to provide best execution
- An update list of authorised counterparties is then issued and circulated to investment management team.

Minutes will be prepared by a secretary. He will be designated by the president one week before the committee.