



MiFID

Guide with General Information

Edition 1/3/09

Banca March has put together, merely for your guidance, the details contained in this guide. Such data is only for your information. Banca March does not accept any liability resulting from the contents of this document.

1. IDENTIFICATION DETAILS. SUPERVISING AUTHORITIES.

Banca March is a Spanish credit institution and has its headquarters in Palma de Mallorca, Avda. Alejandro Rosselló, nº 8. VAT no. A-07004021.

In Spain, to set up a credit institution a previous authorization by the Ministry of Economy is required. Once this authorization has been obtained and the entity has been duly created, it must be entered onto the Register of Banking Institutions, monitored by the Bank of Spain. Banca March has been recorded onto the aforementioned Register with number 0061. The contact details for the Bank of Spain are as follows:

BANCO DE ESPAÑA

c/ Alcalá, nº 48

28014 Madrid.

Tel. 913 385 000

www.bde.es

As for the stock market, the supervising authority in Spain is the Comisión Nacional del Mercado de Valores (CNMV) [National Stock Market Commission], whose contact details are shown below:

CNMV

Paseo de la Castellana, nº 19

28046 Madrid.

Tel. 902 149 200

www.cnmv.es

2. MEANS OF COMMUNICATION AND LANGUAGES USED.

Communications between Banca March and its Customers can be carried out in the following ways:

- Through the branch network of Banca March;
- Through the general information telephone numbers 901 111 000 (for calls from Spain) and +34 971 779 111 (for calls from abroad);
- Through postal mail sent to the following address: Banca March, Palma de Mallorca-07002, Avda. Alejandro Rosselló, nº 8;
- Through e-mail by writing to telemarch@bancamarch.es and, for claims and complaints, to atencion_cliente@bancamarch.es;
- Through the On-line and Telephone Banking Service, available to customers who have subscribed the Home Banking Service.

Such communications can be made, at the Customer's choice, in any of these four languages: Spanish, Catalan, English and German. Catalan will be used in branches located in Autonomous Communities where it is also an official language.

3. PROTECTION MEASURES FOR FUNDS AND FINANCIAL INSTRUMENTS OF CUSTOMERS.

Banca March is a credit institution with a well-known solvency and is adhered to the Guarantee Fund of Deposits in Banking Institutions, the objective of which is to guarantee holders their deposits in cash and securities, which have been opened in credit institutions, up to a maximum amount of Euro 20,000 per deposit holder, in accordance with the regulations of the Spanish system for the guarantee of deposits held at credit institutions, which is basically explained in Royal Decree 2606/1996, of 20th December, on Guarantee Funds for Deposits in Credit Institutions.

Moreover, Banca March has established certain procedures to guarantee the safeguard of the assets it holds on behalf of its Customers, concerning both funds and financial instruments. Such measures can be found in the **Assets Safeguard Policy**, a summary of its most relevant points being reproduced below.

3.1. General principles for the protection of financial instruments.

The principles ruling the management of Banca March, aimed at protecting the financial instruments of its Customers and that support the Assets Safeguard Policy, are as follows:

- a) To maintain separate registers and accounts for every Customer, with the following objectives:
 - Distinguish between the assets of a given Customer and the rest belonging to other Customers or to Banca March.
 - Guarantee the accuracy and correspondence of the information related to the accounts of Customers with the financial instruments maintained by them.
- b) To reconcile accounts and internal registers on a regular basis with those of third parties that are dealing with the assets of Customers.
- c) To guarantee that the instruments of Customers deposited by a third party distinguish themselves from the financial instruments held by this investment company and from those held by Banca March. For this purpose Banca March:
 - Will require any third party to use accounts with a different denomination for accounting purposes.
 - If the aforementioned paragraph cannot be complied with, it will require the third party to implement similar measures.
- d) To assure that, in the event that the cash of Customers was deposited in a central bank, credit institution or bank authorized by a third country or in a qualified money market fund, for accounting purposes such funds will be processed separately from the cash held by the Company.
- e) To implement organizational measures aimed at carrying out a continuous monitoring process, with the objective of minimizing the risk of loss or the decrease of value of the assets held by Customers.

3.2. Aspects observed for the purposes of subcustody.

The chosen subdepository entities are those offering us higher security and protection levels when it comes to safeguarding the financial instruments and cash of our Customers in accordance with the **Assets Safeguard Policy**.

The aspects to be considered when subdepositing financial instruments of Customers are as follows:

- the need to take into account the experience and prestige of the subdepository;
- the requirements and market practice in relation with holding such assets that may negatively affect the Customer and his rights;
- the impossibility to subdeposit assets of Customers in companies of third countries that are not subject to specific regulations and supervision of their country in relation to the maintenance and custody of financial instruments;
- the non-viability of depositing financial instruments in those countries which are not subject to specific regulations and supervision of their country in relation to the maintenance and custody of financial instruments;
- the impossibility to deposit financial instruments in those countries that do not regulate the safeguard of financial instruments on behalf of a third person.

3.3. Aspects observed with respect to safeguarding the cash held by Customers.

At present Banca March acts as the depository entity of the cash accounts held by its Customers and does not receive any cash from Customers meant for any other purpose than that of deposits held. Banca March, as a credit institutions with official administrative authorization by the Bank of Spain, will take the necessary measures to safeguard the rights of its Customers.

3.4. Use of financial instruments held by Customers.

Banca March does not use the financial instruments held by Customers with any other aim than their administration and custody.

4. POLICY MANAGING CONFLICTS OF INTEREST.

In compliance with the EU Regulation on MIFID, adapted to the Spanish legislation through the Stock Market Law, Banca March has established a Conflicts of Interest Management Policy to deal with conflicts that may arise through the delivery of investment services between Banca March (including its directors, advisers, employees and agents) and its Customers or between several Customers. Below you will find a summary of the main terms of this policy.

For a conflict of interest to come up it will not be sufficient that Banca March (or its directors, advisers, employees or agents) can obtain a benefit if there is not also a prejudice against the Customer being offered an investment service; or that another Customer can make profits or avoid a loss, if there is no possibility of concomitant loss for the Customer being offered a given investment service.

The Conflicts of Interest Management Policy:

- a) identifies, not thoroughly and with respect to the delivery of investment services, the circumstances which may result in a conflict of interest; and
- b) specifies the proceedings and measures to be implemented in order to prevent and manage such conflicts.

When the steps taken in order to deal with a conflict of interest are not sufficient to guarantee, with reasonable certainty, that any risks of prejudice against the interests of its Customers will be prevented, Banca March will notify the Customer on the nature and origin of such conflict before the delivery of an investment service can be affected. In this way the Customer will have the necessary information to make the right decision with respect to the investment service to be offered.

5. ORDER EXECUTION POLICY.

Banca March has established an Order Execution Policy which details the relevance of the price, costs, rapidity and efficiency in the order execution and settlement as well as of any other element which may be of significance for an optimal order execution. Below you will find the main terms of this Policy:

5.1. Scope of the Policy.

The operating procedure for those financial instruments on which Banca March does not make any decision on order executions will not be subject to this Policy, thus being the Customer who accepts a specific quotation from Banca March for the purchase or sale of a financial instrument of his own portfolio.

5.2. Achieving the best possible result for our Customers.

Banca March will take all necessary steps in order to execute the orders of its Customers, therefore it will produce a detailed analysis of the quantitative factors required by current law as well as of a series of qualitative factors which are also considered in order to make a final decision.

Based on all these factors, Banca March has made a selection of potential execution centres or intermediaries in accordance with the pre-selection factors established in the 3rd section of this document. Once the aforementioned selection has been carried out, the ones being finally chosen will be determined through a series of assessment factors.

5.3. Factors.

The factors mentioned in the Stock Market Law are the following ones: price, cost, execution speed, settlement probability, order size and nature or any other consideration which may affect the order's execution.

In addition to these quantitative factors, Banca March has used other qualitative factors such as: recognized prestige, optimal technologic systems and the possibility to render additional services.

In most cases the price and costs will be the key factors in order to choose the execution centres. However, Banca March reserves the right to modify the selected factors as well as its relevance for certain Customers, orders, financial instruments or markets, without prejudice of always seeking the best result for the Customer.

5.4. Criteria.

The criteria used by Banca March in order to achieve the optimal execution of orders are the features of the type of financial instrument or group of financial instruments, type of Customer (by differentiating between retail and professional

ones, although at present Banca March does not make any distinctions between the factors to be considered for both types of Customers), type of order and type of investment service offered by Banca March, by distinguishing between the task of executing market orders and the delivery of reception services plus the remittance of orders.

5.5. List of execution centres.

Below you will find a list of execution centres and intermediaries which usually operate together with Banca March.

Financial Instrument	Execution Centre / Preferential Intermediary
Spanish equities	Inversis
International equities	Inversis
Spanish bonds	AIAF, Iberclear
International bonds	AIAF, Euroclear
Public debt	CADE-Iberclear, Internacional Inversis
Preferential shares	AIAF, Euroclear
Investment funds	Banca March
Structured Notes	Issuer

Banca March will be able to approach any other centre which is not listed above on special occasions, when it is deemed necessary, always with the objective of achieving the best result for its Customers.

In addition, Banca March will make periodical revisions of these centres so that any of them can be deleted from or included in the list, a fact which will be notified to Customers.

5.6. Supposition of specific instructions from Customers.

In those cases when specific instructions are given by the Customer with respect to the way in which a transaction should be made, such instructions will preferentially observe the terms established in this Policy. As for the remaining attributes of the transaction for which instructions are made available, it will be acted as described in this Policy.

5.7. Revision of the Policy and notification to Customers.

Banca March will annually check the efficacy of this Policy and, in particular, the execution quality levels of the entities involved. The supervision and monitoring procedure will be applicable to all types of financial instruments, regardless of the channel through which it is operated as well as in those cases when Banca March acts as the executing entity or as the receiving and order transmitting entity. To conduct such analysis there will be a revision of the previously determined qualitative factors.

However, it will be necessary to make additional assessments of the design of the Policy, provided there is a "material change" within the context of the market, so that it can affect the ability of Banca March to continue to achieve an optimal result in the execution of the orders of its Customers, by using execution centres or intermediaries which are defined according to the established in this Policy.

6. INCENTIVES POLICY.

Incentives are fees or non-monetary benefits that Banca March pays or receives from third parties in connection with the delivery of investment services to Customers. With the objective of ensuring that the incentives paid to or received by third parties strictly comply with the legal duty of acting with diligence and transparency and in the interest of Customers, Banca March has established an Incentives Policy, the main terms of which are summarized below.

6.1. Scope of implementation.

The most frequent situations when incentives are received from a third party correspond to the marketing process of collective investment institutions or other financial instruments as well as during the remittance of orders from our Customers to a third party for their execution.

Through the investment fund selection process, Banca March provides a comprehensive offer which stands out for its diversity, performance and for obtaining the best conditions on the market. This practice allows Banca March to develop an extensive and competitive offer and to work in the interest of the Customer, thus distinguishing itself from the procedures from other entities. Thanks to such agreements Customers can benefit from better economic conditions than when directly contracting the same investment funds.

With respect to the remittance of orders, Banca March can receive or pay incentives to another financial institution or to a third party, depending on the case, in order to obtain the best conditions for its Customers. The aim of this service is to be able to execute orders in those markets where Banca March is not a member as well as, for the markets where the institution does fulfil this condition, to be able to opt for the services of another entity due to its greater knowledge and presence in a specific market.

6.2. Additional information on Incentives.

Customers intending to contract the delivery of a financial service provided by Banca March, for the development of which there may be an incentive as described in this document, will have the express right to request further details from Banca March.

6.3. Revision and evaluation of the Incentives Policy.

The Unit for the Compliance of Regulations at Banca March will carry out an analysis of the new incentives which may be proposed within Banca March before reaching any type of agreement that may put it into place, with the objective of ensuring that no incentive is paid or collected by Banca March that is not acceptable according to the established in the regulations to be applied for investment services.