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Instinet Crossing®

News Policy

INSTINET
THE INSTITUTIONAL BROKER

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The goal of Instinet Crossing is to create an efficient, fair, and level trading environment for all of its clients.

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After-Hours Trading at Benchmark Prices

Instinet Crossing provides an after-hours equity-trading product designed to help lower transaction costs by providing a passive trading environment, where Instinet clients reap the benefits of anonymity, neutrality, and confidentiality while relying on benchmark prices. These benchmark prices are the last sale price on the primary exchange and the midpoint of the closing inside bid and offer for OTC securities.

Maximize Opportunities to Increase Trading Performance

Instinet Crossing seeks to provide a fair and level trading environment for all of its clients and to maximize trading performance with minimal risk. Frequently, however, news information is disseminated immediately before or after the close of the market. When this information is pertinent to a specific company or industry, it can have an impact—either positive or negative—on the value of the underlying stock that may not be reflected in the closing price. Instinet Crossing strives to avoid executing transactions in these situations. The Instinet Crossing *News Policy* is designed to address these situations.

The Policy

The *Policy* has several elements. First, Instinet requests that its clients refrain from entering orders in the affected securities into Instinet Crossing. Second, Instinet reserves the right not to trade any specific security at any time. Third, if Instinet determines that a client's trading style is reactive or event-driven, i.e., the client places an order to purchase or sell securities that may be impacted by, or in response to, information disseminated immediately before or after the close of the market, that client will be categorized as an "Event-Driven Client."

An "Event-Driven Client" will be able to trade only with other Event-Driven Clients and with those Passive Clients who choose to expose their orders to them. (Both Event-Driven and Passive Clients will continue to receive all of the benefits of the Instinet Crossing *News Policy*.) Every

Instinet Crossing client will be informed of the category in which it has been placed, as well as any subsequent change in category.* Finally, Instinet reserves the right to suspend or terminate service to any client that Instinet, in its sole discretion, reasonably believes to be acting in a manner inconsistent with the *Policy*.

Monitored News Sources and Publications

To determine whether news information has been disseminated, Instinet Crossing monitors multiple major information sources, such as cable networks, television networks, and real-time news wire information from Reuters and Dow Jones News Services, as well as several other smaller, electronic news feeds.** Instinet Crossing staff strives to monitor news information from 3:30 P.M. until the cross is executed.

Instinet Crossing monitors news that may impact pricing, including, but not limited to, the following:

- Primary exchange trading halts
- Major market events (e.g., exchange circuit breakers)
- Corporate earnings announcements
- Major market index company deletions or additions
- Analysts' revisions
- Significant corporate press announcements
- Court decisions and injunctions
- Corporate takeover announcements (M&A)
- Governmental announcements

If you have any questions about, or wish to discuss, the *News Policy*, please contact your Instinet Crossing account representative.

*These determinations will be made based on the trading activity of individual identification numbers. Accordingly, it is possible that not all individual traders affiliated with a particular client will be placed in the same category.

**Instinet Crossing cannot and does not guarantee that it will review each item of information disseminated or information source prior to or after the markets close, or that it will refrain from trading every stock that has had information disseminated about it. Instinet will not be liable for any direct, special, indirect, incidental or consequential damages, which in any way arise out of, relate to, or are a consequence of Instinet's compliance or noncompliance with this news policy.