



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CAYMAN ISLANDS MONETARY AUTHORITY

AND

THE CAYMAN ISLANDS STOCK EXCHANGE

ON THE EXCHANGE OF INFORMATION

GEORGE TOWN, GRAND CAYMAN

12 FEBRUARY 2009

Whereas:

- A.** The Cayman Islands Monetary Authority (hereinafter “**CIMA**”) and the Cayman Islands Stock Exchange Company (hereinafter “**CSX**”) and together hereinafter referred to as “**the Authorities**”, recognise the need for mutual cooperation between them in carrying out their regulatory and supervisory functions under the relevant laws.
- B.** The functions of the CIMA include *inter alia* the regulation and the supervision of the financial services business carried on from or within the Islands in accordance with the Monetary Authority Law (2008 Revision), the Monetary Authority (Amendment) Law, 2007, the Securities Investment Business Law (2004 Revision) and the regulatory laws, as well as to monitor the compliance of the financial industry with the Money Laundering Regulations.
- C.** The CSX is the exclusive operator of the securities markets for the listing and trading of securities in the Cayman Islands.

In furtherance of these functions and to this end the Authorities have reached the following understanding:

1. SCOPE AND USE OF THE INFORMATION EXCHANGE ARRANGEMENTS

- 1.1. To the extent permitted by existing law governing the Authorities, each of the Authorities may exchange with the other, information to which it has access or which may come into its possession and which is relevant to the function and duties performed by each Authority.
- 1.2. Without prejudice to the generality of the foregoing, the scope of this Memorandum of Understanding (hereinafter “this Memorandum”) includes the following:
 - (a) ensuring that parties conducting securities investment business under the relevant laws and regulations are properly monitored and regulated pursuant to the relevant laws and regulations;
 - (b) any other matters agreed upon between the Authorities from time to time which are permitted by the relevant laws governing the Authorities.

2. CONSULTATION

The Authorities will have regular consultations with each other to improve the operation of this Memorandum and resolving any matters that may arise.

3. CONFIDENTIALITY

- 3.1. All information exchanged by the Authorities will be subjected to strict controls and safeguards to ensure that the information is used only in a manner authorized by this Memorandum and the relevant laws and such information will be treated in a confidential manner.
- 3.2. The Authorities must not disclose to any third party, any information exchange between them, without the consent of the Authority which provided the information, except where required or compelled by law to do so or by an Order of the Grand Court.

- 3.3. In the event that an Authority is required or compelled by law, or an application has been made to the Grand Court to disclose any information shared under this Memorandum, the Authority disclosing or intending to disclose such information (“the disclosing Authority”) will, to the extent permissible by law and in accordance with the prevailing circumstances, notify the Authority which provided the information, in order to enable such Authority a reasonable opportunity to make any objections which it may be entitled by law to make, prior to any disclosure being made to any third parties. Where it is not permitted or practical to advise the other Authority prior to disclosing information as indicated in this paragraph, the disclosing Authority will advise the other Authority as soon as reasonably practical or permitted, of the disclosure.

4. LIMITATION

Nothing in this Memorandum compels either of the Authorities to provide information to each other beyond the extent already required or permitted by relevant laws. If an Authority decides not to provide information following a request, the Authority receiving the request will advise the requesting Authority of its decision and as permitted by law, indicate the reason for not providing the information sought.

5. DUTY OF EXCHANGE IN RELATION TO BROKER MEMBERS

- 5.1. As provided for by the relevant laws and regulations, CSX shall, as soon as practicable, submit a written report to CIMA in relation to any specified matter, as defined under the relevant laws and regulations affecting a broker member.
- 5.2. Correspondingly, CIMA shall, as soon as practicable, submit a written report to CSX in relation to any specified matter, as defined under the law, the relevant laws and regulations which affects a broker member licensed with CIMA.
- 5.3. In each of the above instances, a copy of such report will be sent to the relevant broker member.

6. ENFORCEMENT POWERS

For the purposes of effective supervision and to the extent permitted by their respective governing laws, both Authorities will cooperate and exchange relevant information in taking any enforcement action authorized by law against a licensee or regulated mutual fund listed on CSX.

7. FORM OF CORRESPONDENCE

- 7.1. Except where it is impractical to do so, all requests for information from one Authority to the other and all responses and information provided, shall be in writing.
- 7.2. All requests and responses between the Authorities shall be between the Chief Executive of CSX and the Managing Director of CIMA.
- 7.3. Where the Authorities agree to nominate contact persons other than those in subparagraph 7.2, the Chief Executive of CSX and the Managing Director of CIMA may designate in writing any persons who will serve as the contact persons between the Authorities.
- 7.4. Nothing in subparagraph 7.3 above would prevent communication between staff of CSX and staff of CIMA, following a request from either Authority through the channels in that

subparagraph in order to expedite the carrying out of a request by one Authority to the other.

8. AMENDMENT

The Authorities may amend this Memorandum at any time, by mutual agreement, in writing signed by or on behalf of the Authorities.

9. TERMINATION

9.1. This Memorandum may be terminated at any time by mutual agreement, in writing signed by or on behalf of the Authorities.

9.2. Except as set out at paragraph 9.3 below, where one Authority is desirous of terminating this Memorandum, it must notify the other Authority of its intention to do so in writing to the designated contact person specified at paragraph 7. A termination will take place 30 days after the date of such notification. Any information already provided by the Authority shall be kept confidential after the termination of the Memorandum and subject to the same conditions in paragraph 3 that would be applicable if the Memorandum were in effect.

9.3. Notwithstanding any provisions to the contrary, where one Authority discloses or uses information provided by the other Authority in a manner contrary to the provisions of this Memorandum and without the consent of the other Authority, the other Authority may in writing, immediately and without notice terminate the Memorandum.

10. COUNTERPARTS

This Memorandum may be executed in any number of counterparts and by different parties in separate counterparts, all of which together shall constitute one and the same agreement.

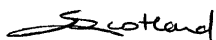
11. EFFECTIVE DATE

This Memorandum will be effective from the date of its signing by the Authorities.

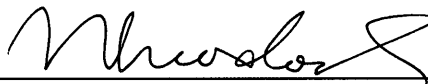
Signed this 12th day of February 2009

For and behalf of the Cayman Islands
Monetary Authority

For and on behalf of the Cayman Islands
Stock Exchange



Managing Director, CIMA



CEO, CSX