BEST EXECUTION POLICY

Instinet Australia Pty Limited

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Version Control

Document version	Date	Author	Key changes
1.0	20 May 2010	Stephen Newton	New Policy
2.0	Oct 2011	Stephen Newton	Amended to comply with ASIC Market Integrity Rules and take account of stakeholder feedback
2.1	Sept 2013	Stephen Newton	Review and update
2.2	Dec 2015	Liwen Foo	Reviewed.
2.3	May 2017	Liam Madden	Reviewed and updated.
2.4	June 2018	Liam Madden	Scheduled review
2.5	January 2021	Liam Madden	Review and update

1. Introduction

1.1. Instinet Australia Pty Limited (**IAPL** or **Instinet**) recognises that it has a duty to take all reasonable steps to obtain the best outcome for the handling and execution of client orders. This means that Instinet has in place a policy and procedures that are designed to obtain the best outcome for clients when executing orders on their behalf, subject to, and taking into account any specific instructions from the client, the nature of the particular orders and the nature of the markets concerned.

1.2. The Australian Securities & Investments Commission (**ASIC**) has published the *ASIC Market Integrity Rules (Securities Markets) 2017* (**MI Rules**). Chapter 3 of the MI Rules sets out the requirements for *Best Execution* including requirements for documented policies and procedures (Part 3.2) and client disclosure (Part 3.3).

1.3. This document sets out Instinet's Best Execution Policy (the **Policy**) in accordance with Part 3.2 of the MI Rules

2. Instinet

2.1. Instinet operates in Australia as an institutional agency stock broker providing trading, clearing and settlement services to its clients. All of its clients are *wholesale clients* in terms of the Australian *Corporations Act 2001.*

2.2. Instinet is an Australian Securities Exchange (**ASX**) participant for trading, clearing and settlements and is a trading participant of Chi-X Australia (**CXA**). Instinet holds Australian Financial Services Licence number 327834.

3. Scope

Instinet owes a duty of best execution when it handles and executes orders on clients' behalf. For the purposes of this Policy Instinet is in receipt of an order and acting on a client's behalf when an execution instruction is given which gives rise to contractual or agency obligations owed by Instinet to a client. Instinet believes this to be the case where it exercises its discretion in relation to the execution of a client order.

4. Interpretation

4.1. Terms defined or described in the MI Rules have the same meaning in this Policy as they have in the MI Rules. To the extent that there is any inconsistency between the terms of this Policy and Chapter 3 of the MI Rules the MI rules prevail.

4.2. The term "***standing instruction***" means an order execution instruction addressed to Instinet by a client which is intended to remain in force for a particular period of time or until specifically changed or withdrawn by the client.

4.3. The term "***venue***" refers to any or all of the order books and systems referred to in paragraph 6.1 below.

5. Specific Instructions

5.1. Where a client provides Instinet with a specific instruction in relation to -
- an order,
- a class of orders,
- a particular aspect of an order or orders, or
- its orders generally,

Instinet will take reasonable steps to execute the orders in accordance with such instructions.

5.2. Instinet will deem the receipt of an order via its Direct Market Access offering where the client has selected the venue as a "specific instruction".

5.3. However, specific client instructions may prevent Instinet from fully following this Best Execution Policy which is designed to obtain the best outcome on a consistent basis for the execution of client orders. In following client instructions Instinet will be deemed to have taken all reasonable steps to provide the best outcome.

5.4. Therefore, if a client requires its order to be executed in a particular manner and not in accordance with Instinet's Best Execution Policy the client should clearly state its desired method of execution when the order is placed and such instruction must be clear and not ambiguous.

5.5. Standing instructions must be confirmed by the client at least once every twelve months. The Compliance and Risk Management Committee ("CARM") has a yearly task to review standing instructions to make sure they are renewed as appropriate.

6. Execution Venues
6.1. In meeting its obligations to take all reasonable steps to consistently obtain the best outcome, Instinet may use one or more of the following order books and systems when executing the order on the client's behalf:
- The CXA Order Book,
- The ASX Trade Order Book,
- The Instinet Australia BLX Crossing Network,
- Any other alternative trading system (including broker pools and crossing engines) - subject to client's consent, and
- Instinet's global client base when it can cross a client order – subject to client's consent.

6.2. Instinet will periodically assess each of the execution venues and order books it access when executing Australian stocks to determine if alternative sources of execution provide a material opportunity to achieve best execution. This task is undertaken by the Regional Best Execution Committee. The Regional Head of Operational Risk Management, who chairs the Best Execution Committee, will communicate any relevant findings to the CARM for its consideration in relation to execution venues.

7. Execution Factors
7.1. Instinet uses smart order routing ("SOR") technology to undertake its best execution obligations.

7.2. In the absence of specific instructions from the client, Instinet may consider any, or any combination, of the following factors to determine the manner in which a client order will be executed.
- Price;
- Speed;
- Likelihood of execution or settlement;
- Size of order;
- Nature of order;
- Costs;
- Total consideration; and,
- Any other factor relevant to the execution of the order.

7.3. Instinet will take all reasonable steps to obtain the best outcome when executing orders on behalf of a client and will ordinarily place a higher importance on price. However, Instinet will, in certain circumstances, determine that other execution factors are more important than price; and in such cases, will take into account the characteristics of:
- The client;
- The client order;
- The security subject to the order; and,
- The execution venue.

7.4. Instinet's Smart Order Router will not route any orders to the CXA order book until the ASX primary market is open. It will not send orders to CXA during the ASX pre-open auction.

8. Prior Express Consents
8.1. In order to provide clients with best execution, Instinet may, on occasion, trade outside the execution venues set out in clause 6, above. In order for Instinet to be able to do this it is required to obtain the client's prior express consent. Instinet is also required to obtain prior express consent should the client not wish Instinet to make public any limit order that the client places with it.

8.2. To ensure that Instinet is able to handle client orders as efficiently and effectively as possible Instinet may request that a client executes and returns a prior express consent form. Giving prior express consent will not preclude the client from requesting different execution arrangements at the time of placing the order.

9. Instinet's Conflicts & Responsibilities
9.1. Instinet is an execution-only, institutional broker. It does not engage in proprietary trading (other than to rectify errors), does not pick and choose when its smart order router is turned on and every routing decision is based only on best execution and not any other matter . Instinet does not preference one venue because it is has cheaper exchange fees, because it has a connection to the venue or because there is any other advantage to it in sending orders to a particular venue.

9.2. Instinet and CXA were part of the same corporate group, however they are no longer related.

9.3. Instinet's commitment to provide "best execution" does not mean that it owes any of its clients any fiduciary responsibilities over and above any specific regulatory obligations placed upon it or as may be otherwise contracted between Instinet and any individual client. Each client remains responsible for its own investment decisions and Instinet will not be responsible for any market or trading loss that a client might suffer as a result of those decisions.

10. Monitoring & Review
10.1. Instinet will monitor the effectiveness of its order execution arrangements (including the performance of its order router) and Best Execution Policy in order to identify and, where appropriate, incorporate any amendments to procedures.

10.2. All client standing instructions will be reviewed at least once every twelve months to ensure that it remains possible for Instinet to satisfactorily perform the instructions.

10.3. Instinet will assess on a regular basis, whether the execution venues included in this Policy provide the best outcome for its clients or whether it needs to make changes to its execution arrangements. Instinet will review its order execution arrangements and this Policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best outcome for the

execution of client orders on a consistent basis using the venues included in this Policy. Instinet will notify clients of any material changes to its order execution arrangements or Best Execution Policy as described above by posting the information on its website or by email.

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