Best Execution Policy

Macquarie Securities (Australia) Limited

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MACQUARIE

Contents

1. Introduction

This policy should be read in the context of Macquarie Securities (Australia) Limited's ("**MSAL**") Terms and Conditions of Business and applies to wholesale clients only (as defined under Section 761G of the Corporations Act 2001 (Cth)).

In accordance with Part 3.8 of the *ASIC Market Integrity Rules (Securities Markets) 2017* ("**ASIC MIRs**"), MSAL must take reasonable steps to obtain the best outcome (or best execution) when handling and executing client orders.

This policy describes how MSAL complies with its obligations in relation to best execution of orders.

2. Scope

MSAL's best execution arrangements apply where it executes orders in Equity Market Products on behalf of a client. Equity Market Products as defined in the ASIC MIRs include:

- shares;

- managed investment schemes;

- the right to acquire by way of issue shares and managed investment schemes; and

- CDIs admitted to quotation on ASX.

3. Achieving Best Outcomes

MSAL has an established framework to take reasonable steps towards achieving the best outcome for each client order.

MSAL generally considers best price as a key component of best execution and will execute orders on this basis where relevant, and in the absence of any specific instructions from the client (see section 8). However, in certain circumstances the best price may not always represent the best outcome. MSAL may therefore consider other relevant factors, including but not limited to:

- size of the order;

- explicit and implicit costs;

- likelihood of execution; and

- timing risk.

MSAL will consider the following criteria when determining the relative importance of the above factors:

- the client;

- the client's order instruction;

- the relevant product; and

- the order books and execution venues to which the order can be directed.

(collectively, "Execution Factors")

4. Execution Venues

MSAL will execute orders through various Order Books (as defined in the ASIC MIRs) and execution venues listed below at its discretion.

- ASX TradeMatch

- ASX Centre Point

- Cboe Australia

- Cboe Hidden

MSAL may amend available order books or execution venues at its discretion. Where new venues are introduced, MSAL may execute selected client orders (with prior consent) on an Order Book that is not listed above for the purposes of testing.

5. Trading Hours

Trading hours may vary across Order Books. As Cboe does not operate an opening or closing auction, where a client provides a "Market on Open" or "Market on Close" order, MSAL will treat the order as reference to the ASX opening or closing auction price.

Transactions completed prior to market open or after-market hours, such as overnight or overseas transactions, will be reported in accordance with ASIC MIRs and ASX Operating Rules.

6. Handling Client Orders

When an order is placed with MSAL, Smart Order Routing ("**SOR**") may be employed to direct the order to one or more venues for execution. MSAL will utilise the default SOR setting unless otherwise agreed with the client.

Market Outages

In the event an order book is made unavailable for trading, MSAL will endeavour to trade on the remaining execution venue(s) at its discretion, taking into consideration best execution, maintaining a fair and orderly market and technical stability.

Limit Orders

MSAL will abide by the client's limit when executing orders. Limit orders will be handled with consideration of the Execution Factors.

Pre-trade Transparency and Price Improvement

Where MSAL executes an order as permitted under the pre-trade transparency exceptions in the ASIC MIRs, MSAL is required to execute the transaction at the mid-point of the national best bid and offer, with price improvement or as otherwise provided by the relevant rules. If these conditions are not met, all orders are required to be made pre-trade transparent where applicable.

7. Order Execution

Electronic Execution

Execution via MSAL's Direct Market Access ("**DMA**") platform enables clients to control and place their own orders directly into the market subject to MSAL's filters, either directly (DMA), or via MSAL's suite of algorithms (DSA). Orders will be executed according to the specific instructions entered by the client.

MSAL Managed Execution

Clients may send orders to MSAL for execution. MSAL's traders will exercise discretion on how the order should be executed taking into account the client's instructions, prevailing market conditions, their knowledge of the client and the Execution Factors.

8. Specific Client Instructions

MSAL considers its clients will always require best execution, unless they expressly state otherwise. Where a client provides a specific instruction in relation to an order that may be inconsistent with MSAL's framework in obtaining the best outcome, MSAL will take reasonable steps to satisfy that instruction while seeking to achieve best execution in relation to other factors where applicable and consistent with the client's specific instruction.

Under this section, a client must provide MSAL with specific instructions that are:

a. clear and unambiguous;

b. in writing or provided verbally; and

c. not contained within MSAL's standard terms and conditions of business.

In following the client's specific instruction, MSAL will consider this to be achieving the best outcome for

the client. MSAL may accept specific instructions on an order- by-order basis or as a standing instruction.

Where a client has provided MSAL with a non-standard standing instruction, MSAL will periodically review that instruction with the client to ensure it remains current. MSAL will confirm client preferences in the event an order book is unavailable for trading and will take into consideration these preferences and the Execution Factors when trading during a Market Outage

MSAL will not take steps to induce a client to provide instructions that are inconsistent with obtaining the best outcome for the client.

9. Monitoring and Review

MSAL will monitor and assess the effectiveness of its best execution arrangements on an ongoing basis.

10. Demonstration of Compliance

On receipt of a reasonable request by a client, MSAL will demonstrate to the client that its orders have been executed in accordance with this policy. Reasonable requests should be made shortly after the client receives confirmation of the transaction.

MSAL may provide information to a client to evidence that best execution was achieved including but not limited to:

• details relating to the order;

• description of how the order was handled and executed;

• prevailing market conditions at the time of execution; and

• rationale for choice of execution venue used.

MSAL will respond within a reasonable time after receiving the request from a client.

11. Notification of Changes

MSAL may review this policy and make amendments where applicable. Clients will be informed of any material changes to this policy. The latest version of this policy will be made available on our website.