



Best Execution Policy

1. Introduction

Under Chapter 3 of the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011, FinClear Execution Ltd (**FinEx**) has an obligation to take reasonable steps to obtain the best outcome for its clients when handling and executing equity market product orders (**Best Execution**).

FinEx has established and implemented policies and procedures to comply with its Best Execution obligation and this document sets out our Best Execution Policy.

In determining what the best outcome is for its clients, FinEx will generally give price a higher relative importance. However, depending on the type of client (Wholesale or Retail) FinEx may also take into consideration a range of different factors, including the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), price of the equity market product, speed, likelihood of execution and settlement, potential price impact, execution certainty, the size of the order and the nature of the financial transaction.

A **Retail** client means a person who is a 'retail client' within the meaning of subsection 761G(1) of the Corporations Act being a client other than a Wholesale client.

A **Wholesale** client where s761G(7) or 761GA of the Corporations Act 2001 applies, is a client where any of the following apply:

- (a) the price or value of the transaction is \$500,000 or more;
- (b) the financial product or service is provided for use in connection with a business that is not a small business;
- (c) the client does not receive the financial product or service for use in connection with a business, and a qualified accountant certifies that the client has (i) net assets of at least \$2.5 million or (ii) gross income for each of the last two financial years of at least \$250,000 a year.
- (d) the client is a professional investor (as defined in s9 of the Corporations Act); or
- (e) the client is a sophisticated investor (as defined in s761GA of the Corporations Act) or with demonstrated experience in using financial services and investing in financial products.

2. Scope

FinEx's Best Execution obligation applies when we execute orders to buy or sell Equity Market Products on our client's behalf. Equity Market Products include:

- shares
- interests in managed investment schemes (including exchange-traded funds);
- rights to acquire shares or interests in managed investment schemes under a rights issue; and
- CHESS Depository Interests (CDIs)

which are admitted to quotation on an Australian exchange.

The Best Execution obligations set out in this Policy does not apply to international securities.

3. Best Execution for Retail Clients and Wholesale Clients

a) No execution instruction provided

For Retail Clients who have not given an execution instruction, best outcome means the best Total Consideration which means for a:

Buy transaction: the lowest possible price plus Transaction Costs

Sell transaction: the highest possible price minus Transaction Costs

that FinEx can achieve in the trade venues it executes in.

Transaction Costs may include, for example: execution costs imposed by a licensed market; clearing and settlement fees and commissions paid to us by you.

For Wholesale Clients who have not provided an execution instruction, best outcome may occur as a result of price, costs, speed, likelihood of execution or any other relevant order consideration or any combination of these.

b) Execution instructions provided

Where we receive clear and unambiguous order execution instructions from a retail and wholesale client that is specific to a particular order and those instructions are inconsistent with FinEx achieving the best outcome (price), we will take reasonable steps to handle and execute the order in a way which satisfies your instructions and as a result may not achieve the best price or outcome for you. We will only follow your execution instructions if those instructions don't conflict with our other obligations under the FinEx Terms and Conditions, the Corporations Act 2001, the ASIC Market Integrity Rules and any other relevant laws.

4. Order Handling and Execution Arrangements

FinEx will rely on ASX Tradematch to meet the best execution obligation

FinEx accepts orders to buy and sell securities either by telephone, in writing (e.g. by email) or through one of the FinEx automated order processing systems (E.g. LDIS, IRESS Order System). The default venue being ASX TradeMatch.

FinEx will place all client orders in time priority, which means the first valid order that is received at a given price for a particular security will be the first order that is submitted to the market.

All orders are subject to review (via ASIC approved vetting or manual assessment) and may be rejected or referred to one of FinEx's Designated Trading Representatives (DTR) for review and manual entry. Where an order is executed via one of the AOP systems, the parameters of the trade are selected by the client. This includes the price, timing and size of the order. When FinEx receives an order from the client, it will transmit the order to the market as soon as reasonably practicable. This will obtain the best price available in the market for the order, and accordingly fulfil the requirement of best execution. When an order has been referred to a DTR and is considered acceptable to enter into the market, it will be handled in accordance with this Policy.

5. Market Outage

In the event of a Market Outage from one or more Market Operators (regardless of whether FinEx is a member of the impacted venue(s)), FinEx will endeavour to achieve the best possible price using the remaining available venues. FinEx may choose not to execute the order if, in its absolute discretion, the resulting trades would not be in the interests of the client, FinEx or the Market Operator.

6. Monitoring and Review

FinEx will undertake ongoing monitoring of its Best Execution Policy and arrangements and these reviews will be carried out at least annually. This policy replaces the previous Best Execution Policy dated March 2013 and takes effect from 7 October 2016.

In the event there is a material change to this policy, you will be able to see the updated policy via our website.

Date: 23 February 2017