

FinClear Services Pty Ltd

BEST EXECUTION POLICY

1. Introduction

- 1.1 FinClear Services Pty Ltd (FinClear) is required to take reasonable steps to obtain the best outcome (Best Execution) for clients in accordance with Part 3.8 of the ASIC Market Integrity Rules (Securities Markets) 2017 when executing orders in equity market products. Equity market products includes shares, managed investment schemes, the right to acquire by way of issue shares and managed investment schemes and CDIs.
- 1.2 This statement sets out FinClear's approach to providing Best Execution including, the differences for retail and wholesale clients, our execution methods and how we manage client instructions. If there is a material change to this policy that affects the way your orders are handled and executed FinClear will update this statement and a copy is available from your intermediary.

2. Best Execution arrangements for retail clients

FinClear's Best Execution policy for retail clients is to obtain Best Total Consideration for the executed order(s). Best Total Consideration means the best displayed price on all the order books (see section 5) plus transaction costs for a purchase and minus transaction costs for a sale. Transaction costs means costs related to the execution, clearing and settlement of a transaction and include costs of the market provider for these services.

3. Best Execution arrangements for wholesale clients

FinClear will take into account (if directed by a wholesale client) outcomes relevant to a wholesale client when a wholesale client provides instructions to execute an order. These include, but are not limited to, price, execution costs, speed, likelihood of execution and settlement, size, nature or any consideration relevant to the execution of the order (Relevant Outcomes). Unless otherwise directed, FinClear's Best Execution policy will be to achieve Best Total Consideration unless directed otherwise by the wholesale client.

4. Specific Instructions that are inconsistent with Best Execution

- 4.1 Whenever FinClear receives a specific instruction from or on behalf of a client, FinClear will take reasonable steps to execute the order in accordance with the specific instruction. This may include instructions about the execution venue, execution time, likelihood of execution and other matters. Complying with such an instruction may prevent FinClear from obtaining Best Execution for that order. Specific instructions must be clear and unambiguous and in writing.
- 4.2 FinClear reserves the right to decline an order which includes instructions which are not consistent with obtaining Best Execution and trading rules may however prevent FinClear from following the client's instructions or achieving Best Execution.
- 4.3 A wholesale client may provide a standing instruction to FinClear including that the FinClear Best Execution policy does not apply to its orders. A standing instruction applies only for a 12-month period and FinClear will periodically review whether it can continue to comply with the standing instruction.

5. Order handling and execution venues

- 5.1 Orders may be executed via FinClear's DMA facility or manually by FinClear's DTRs.
- 5.2 As a participant of both the Australian Securities Exchange (**ASX**) and Chi-X Australia (**Chi-X**), FinClear will consider the merits of both ASX and Chi-X order book(s) and execute an order on the order book(s) that offers the best outcome for the client, unless directed by client to execute on a particular venue. Order Books include:
- ASX TradeMatch
 - ASX CentrePoint and
 - Chi-X market
- As more licensed markets emerge or order books become available, FinClear will also consider the merits of placing orders on these trading venues. At present FinClear does not operate internal order books (i.e. internally crossing or liquidity pools), but should this become available FinClear will also consider the merits of placing orders on these trading venues.
- 5.3 In instances where an order cannot be satisfied on an order book (i.e. symbol not available, no available quote/market), the execution of such orders will be routed to the primary FinClear considers will achieve Best Execution.
- 5.4 FinClear may, without notice, cease to send orders to a particular order book temporarily or indefinitely if an order book becomes unavailable.
- 5.5 FinClear may employ its smart order router (**SOR**) to direct orders to venues to in a specific order and seek Best Execution. However, the execution achieved will depend upon the order in which the venues are visited, whether they are lit or dark, the latency involved in reaching these venues and the available volume in each of the venues. For wholesale clients FinClear will accept an instruction not to use the SOR for an order.
- 5.6 Different markets may have different operating hours and may not run an opening or closing auction or similar mechanisms. Orders received by FinClear to execute at "Market on Open" or "Market on Close" will be treated as having reference to ASX opening and closing auction prices until and unless other venues offer similar or equivalent market open and close pricing mechanisms which FinClear will consider in obtaining Best Execution.

Date: 28 July 2021