

COMMONWEALTH SECURITIES LIMITED – BEST EXECUTION POLICY DISCLOSURE

As a market participant, Commonwealth Securities Limited (We/CommSec) has an obligation to obtain the best outcome for its clients when handling and executing client orders, the Best Execution Obligation. This disclosure sets out how CommSec meets its Best Execution Obligation.

CommSec will take all reasonable steps to obtain the best possible outcome for its clients. Best outcome means different things for different clients. For retail clients best outcome will mean best total consideration – in other words, the purchase or sale price after brokerage and GST. If you are a retail client, this will mean that CommSec will always attempt to obtain the best total consideration for your order unless you instruct us otherwise.

For wholesale clients, best outcome will include price, cost, speed, likelihood of execution and any other relevant order consideration. CommSec will generally give price a higher relative importance when obtaining the best outcome but may also take into consideration a range of different factors, including the requirement for timely execution, the liquidity of the market, potential price impact and the size of the order.

For both retail and wholesale client orders, we will choose a venue or venues that satisfy our Best Execution Obligation.

Execution venues considered by CommSec when executing orders are ASX TradeMatch, ASX CentrePoint and Chi-X Australia. At present due to limited liquidity, CommSec will not send orders to the ASX PureMatch order book. CommSec does not operate a crossing system.

Where part or all of an order does not trade immediately, the remainder of that order will be sent to one of the available execution venues. During the opening and closing phases of the trading day, CommSec will send orders to participate in the ASX TradeMatch opening and closing auctions. The closing price of a security will be determined by the ASX TradeMatch closing price. When an execution venue is unavailable (for example, due to a market outage, differing trading hours for trading venues or outside of trading hours), CommSec may execute existing and new orders on any remaining open execution venues provided we believe that our Best Execution Obligation can be achieved in taking this action.

Orders can be executed via different methods being an automated order router or by human intervention.

Where we receive specific instructions from you, we will take reasonable steps to execute those instructions, even though they may not achieve the best outcome for you, provided they do not conflict with other obligations under the Corporations Act, the Market Integrity Rules or other relevant laws. Wholesale clients may provide standing instructions or execution requirements which can include instructions to opt-out of our Best Execution Policy.

On receipt of a reasonable request by a client we will provide the client with evidence that the order has been executed in accordance with our policies and procedures. On receipt of a request we will advise the client of the estimated time to provide the necessary information.

CommSec will periodically review and monitor its Best Execution procedures, practices and connections to alternative trading venues. We will review annually any opt-out or standing instructions received from a wholesale client.