Best Execution Policy

Macquarie Capital Cash Equities ASIA

April 2024

MACQUARIE

Contents

Disclaimer To Clients

- This Policy describes the procedures to be applied by Macquarie Capital Cash Equities Asia ("Equities" or "Macquarie") when executing your orders and is to be taken as a statement of our current intention rather than any legally binding agreement.

- Nothing in the Policy should be taken as being a representation by Macquarie and failure to comply with these procedures does not mean, by itself, Macquarie has breached any obligation to you.

- Macquarie reserves the right to amend this Policy at its discretion without notice. Updated versions of the Policy will be made available on the website of Macquarie.

- This Policy is not legal advice and must be read in the context of Macquarie's Customer Agreement, local law, applicable market rules, regulations and custom.

- Macquarie owns the copyright of this Policy and it may not be distributed to third parties or reproduced without Macquarie's written consent.

1. Introduction

It is the policy of Macquarie Capital – Cash Equities Asia ("Macquarie", "Equities" or "We") to take all reasonable steps when executing a client's orders to achieve the best overall result for the client. The purpose of the Best Execution Policy (the "Policy") is to establish the framework for achieving this objective.

For the purpose of this Policy, Macquarie means any of:

- Macquarie Asia Securities Limited

- Macquarie Capital Limited

- Macquarie Capital Limited Taiwan Securities Branch

- Macquarie Capital Securities (India) Pvt Limited

- Macquarie Capital Securities (Japan) Limited

- Macquarie Capital Securities (Malaysia) Sdn Bhd

- Macquarie Capital Securities Philippines Inc

- Macquarie Capital Securities (Singapore) Pte Limited

- Macquarie Securities Korea Limited

- Macquarie Securities (Thailand) Limited

- PT Macquarie Sekuritas Indonesia

To the extent of any inconsistency between this Policy and the country-specific addendum set out in the Annexure, the country-specific addendum will apply.

2. The Quality of Execution

2.1 Best outcome

Macquarie's policies and procedures are designed to obtain the best possible execution result for each order. This Policy and other Macquarie's policies / procedures do not, however, seek to impose a requirement to achieve the best possible price, viewed in isolation in each case - rather the focus is on establishing and adhering to a process whereby we are likely to achieve the best outcome.

"Best outcome" for a particular order will take into account many factors including price, cost, speed, likelihood of execution and any other relevant factors. Macquarie 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. In certain cases, it will be necessary to balance conflicting factors to achieve the best outcome. An order which may appear to not have been executed at the best possible price does not by itself necessarily mean the client did not receive the best outcome for the order, or that Macquarie has not complied with this policy.

Adherence to this Policy is not intended to replace the exercise of judgment by Macquarie representatives, but rather to provide a framework within which that judgment can be exercised in a consistent and appropriate manner.

Macquarie operates in the capacity of a broker (executing agency and principal orders) for all transactions to which this Policy applies. Its ability to execute a specific transaction to achieve the best outcome for a client can be limited by its place in the chain of execution. Macquarie's commitment to providing best execution does not give rise to any fiduciary responsibilities owing to a client that are over and above specific and applicable regulatory obligations.

2.2 Application

Best execution applies from its initial receipt of an order instruction through to settlement.

2.2.1 In-scope Clients

This Policy applies where clients enter into **agency or back-to-back**[1] principal transactions with Macquarie. In the execution of these transactions Macquarie is required to exercise discretion to protect the clients' interest.

In the instance where Macquarie deals on its own account with clients, a four-fold cumulative test is applied to determine whether clients legitimately rely on Macquarie to protect their interests in order execution.

The four-fold cumulative test comprises:

- Which party initiates the transaction;
- Questions of market practice and the existence of a convention to "shop around";
- The relative levels of price transparency within a market; and
- The information provided by the firm and any agreement reached.

This Policy will apply if the clients are deemed by Macquarie to be legitimately reliant on Macquarie.

2.2.2 In-scope Products

Macquarie executes client transactions in multiple asset classes. The asset classes that fall under the scope of this Policy include:

- Listed cash equities
- Exchange-traded instruments (e.g. depository receipts)

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[1] In a back-to-back principal transaction, the dealing price is determined by the execution price of a corresponding hedging trade in the underlying asset by Macquarie on the clients' instructions and Macquarie does not take any market risk in the transaction.

- Exchange-traded derivatives (e.g. warrants)
- OTC-traded products (e.g. private equities, swaps and PNotes)

2.3   Exceptions to Application

This Policy does not apply in the following circumstances:

2.3.1   Request for Quote

Macquarie will not be providing a client with best execution where it publishes a quote or provides a quote at the request of a client. Where price transparency for the relevant product (the product itself or the underlying asset) is high, and client can "shop around" or choose to execute differently before responding to or accepting a quote from Macquarie acting in a principal capacity, it is unlikely that the client is placing reliance on Macquarie under the four-fold cumulative test to obtain the best available terms.

2.3.2   Negotiated trades

Where Macquarie acts as agency in a negotiated trade for the buyer and / or seller, the negotiation can involve specific instructions and agreements between the parties on how the trade is to be executed. The negotiated price may be executed away from the bid/offer price in the market. This Policy will not apply to matters covered by specific instructions in a negotiated order trade.

2.3.3   Specific instruction orders and Direct Market Access orders

Where the client provides Macquarie with a specific instruction as to the execution of an order (or part-order) that Macquarie accepts. In these circumstances, Macquarie will execute the order (or part-order) in accordance with those specific instructions, and this Policy will not be applied to those aspects of the execution in relation to the specific instruction. Where the specific instruction only applies to part of that order, the remaining parts of the order will be subject to this Policy.

IMPORTANT NOTICE: If a client provides Macquarie with a specific instruction, as contemplated above, this may prevent Macquarie from taking the steps that it has in place to obtain the best possible result for execution of client orders (or part-order).

Where we provide direct electronic access arrangements to an execution venue, or where you calibrate the parameters of an execution algorithm or otherwise provides specific instructions in relation to a trade or all trades via a particular execution channel, our best execution obligations would be limited to those elements of the execution not covered by your specific instructions or, in the case of direct electronic access, not within your control.

3. Relevant Factors

Macquarie will consider a number of inter-dependent factors in determining how it may achieve the best possible execution result for a client. The relevant factors are discussed in broad terms below. The weight to be attributed to each in respect of an order or type of order will vary depending upon the relevant equity market product, characteristics of each order, our knowledge of the client, their execution preferences and may involve discussion with the client. It is important to note that these factors are all inter-dependent and as such there will be trade-offs between them in the exercise of Macquarie's judgment.

3.1   Client instructions

Where clients have particular instructions about how aspects of their order(s) should be executed, Macquarie will endeavour to meet these requirements and will consider this to be achieving the best outcome for the client. However, this is only the case where all elements of the order are covered by the client's instruction. Where a client provides specific instructions in relation to any aspect of an order, but is not specific as to other aspects, Macquarie will endeavour to meet the client's instructions while adopting any other approaches set out in this Policy consistent with those instructions.

3.2   Price

Macquarie generally considers price to be of primary importance, unless the client has indicated otherwise. In assessing each venue or approach (including over-the-counter) to execution, Macquarie will consider whether that venue or approach will generally achieve a price as good as or better than other approaches. This assessment may be made manually by a trader or may be automatic; for example, using a Smart Order Router ("SOR").

However, Macquarie may also take into consideration a range of different factors, including the need for timely execution, the likelihood of execution, the liquidity of the market, potential price impact and the size of the order. Macquarie may prioritise such other factors where there is insufficient immediately available liquidity on the relevant execution venue(s) to execute the client order in full, or where the client instructs us to work the order over a period of time or by reference to a benchmark calculated over a period of time or where Macquarie determines that there are other circumstances such that obtaining the best immediately available price may not be the best possible result for the client.

3.3   Order Size

The best price for an order is also dependant on order size. Where an order is larger than the available liquidity on the bid or offer or several bids or offers, part of the order (for example) may be traded at a certain price and subsequent execution may be at a more favourable or less favourable price, as the available volume at the initial price is consumed and the market reacts to the larger size. Alternatively, execution of the entire volume may be more important to the client than price.

3.4   Likelihood and Speed of Execution

Likelihood of execution depends on liquidity across venues. Macquarie will consider the depth of trading opportunities at a particular venue or available methods of execution in assessing the likelihood of being able to complete a client order within an appropriate time frame. This assessment may be manual or automatic.

Speed of execution depends on latency of order flow to execution venues. Macquarie is required to address all applicable risk check and internal controls to ensure market integrity of the order prior to and during execution. Macquarie will consider the impact of technological latency to orders as and when they occur.

Macquarie recognizes that other factors may outweigh speed, particularly for large orders, orders for less liquid securities and orders with price away from the market.

3.5　Cost

Macquarie will consider the infrastructure costs that it will need to bear in offering different execution venues. We will offer different venues where it is commercially viable to do so. Macquarie discloses that some of the venues may offer financial advantages to it. Macquarie may, at its discretion, not execute or report transactions on some available venues if it considers the relative advantages are outweighed by higher costs or disadvantages.

3.6　Crossings

Where there is an appropriate opportunity and where permitted by local market rules, orders may be crossed off market with other agency orders, or Macquarie proprietary orders, unless the client requests otherwise. Generally, clients may benefit from the crossing of an order for the following reasons:

- An off-market crossed trade is more likely to have limited impact on the market as it will provide no information to the market prior to execution;

- A crossed trade is less susceptible to market movement during the course of execution as it offers an opportunity for the order to be filled immediately, limiting timing risk;

- Crossing systems which match orders provide anonymity including non-disclosure to Macquarie traders. They may also provide price improvement.

4. Execution Venues/ Brokers

It may be possible to execute and/or report transactions and crossings through various execution venues / brokers, each offering different opportunities and advantages to the client. These may include internal Macquarie liquidity pools, external pools, affiliate and third party brokers and securities exchanges. Macquarie will endeavour to execute each order in the manner and through the venue / broker which is able to provide the best outcome for the client unless directed by the client to execute on a particular venue or with a particular broker. Factors taken into account are identified above.

In directing trades to one or more of a number of venues / brokers for execution, Macquarie may employ a proprietary SOR. These will seek to achieve the best outcome but opportunities will depend on the order in which venues / brokers are visited, whether they are dark in nature and the latency involved in reaching these destinations.

Macquarie may remove orders placed in one venue for matching or execution on other venues in response to price movements and liquidity or volume changes. This may result in loss of priority at venues if orders need to be resubmitted and may also result in mixed executions. In terms of achieving the best outcome, the occasional impact of missed opportunity is expected to be outweighed by a more frequent optimal outcome.

Clients may elect to instruct Macquarie not to use a SOR for the execution of their orders.

Where possible, Macquarie will execute through affiliate brokers covered by this Policy to enable it to meet on a consistent basis the best execution requirement for the execution of client orders. When it is not possible to use affiliate brokers, the selection of a third party execution venue / broker is done through a due diligence process, which includes screening the entity from an anti-money laundering (AML) and know-your-client (KYC) perspective and one or more quantitative and qualitative factors:

- Quality of execution and service, both historical and current;

- The cost of trading with the particular venue or broker;

- Access to markets, alternative markets and trading venues;

- Promptness / speed / latency of execution;

- Credit-worthiness and risk profile;

- Clearance and settlement efficiency and capabilities;

- Competitiveness of commission rates or spreads provided;

- Macquarie's commission and costs [received / incurred] as a result of executing on the relevant venue;

- Provision of delegated regulatory reporting; and

- Reputation

As new execution venues / brokers are introduced, Macquarie will connect only if their addition will enhance Macquarie's best execution performance.

If Macquarie receives any payments from execution venues / brokers (known as payment for order flow) then it shall only do so if they comply with the rules on inducements and conflicts of interests. Macquarie will provide clients with information about any such payments it receives from venues / brokers it uses.

4.1   Crossing Systems – Liquidity Pool

Crossing systems and other internal electronic venues facilitating matching of buy and sell orders confer advantages in terms of speed of execution, price improvement, reduced market impact and confidentiality. They can significantly reduce visibility of orders and transactions prior to their execution and reporting. This in turn limits the potential to impact market price and can be particularly beneficial where a client has a significant volume for execution.

While the use of crossing systems generally results in better execution compared with the order being placed on an external market, it can cause latency as a result of:

- Checking the availability of potentially matching orders, and / or

- Requirements for reporting matched trades to the stock exchange.

Subject to availability and best execution policy in each regime and jurisdiction, clients may instruct Macquarie to opt-in or opt-out available liquidity pools (dark/lit) or alternative venues. Where applicable, clients may instruct Macquarie to interact or not to interact with the type of counterparties within the pools and/or alternative venues.

4.2   Market Stability

The operational stability of an execution venue is a factor which will be taken into account so that Macquarie may, without notice, cease executing or reporting on a venue it considers operationally unstable, either on a temporary or permanent basis.

Macquarie may elect to gradually connect its execution systems to new venues upon becoming a participant thereof, in order to test and ensure operational stability.

Where a security is in trading halt or suspension on the listing market, it is anticipated it will automatically be treated similarly on other markets on which it trades, so that Macquarie will not execute trades in the security unless the transaction type is allowed under the applicable laws or regulations.

5. Roles and Responsibilities

5.1   Senior Management

Senior management has the oversight for best execution, by ensuring that trade exceptions and other matters related to best execution (e.g., trade exception reports capturing execution delay and trade performance reports comparing execution outcomes with benchmarks) brought to their attention are timely reviewed.

5.2   Sales Trading and Dealing

Execution staff should follow this policy in handling client orders.

5.3   Compliance

As a second line of defence, Compliance performs review on the executions in addition to the review carried out by the business and makes enquiry to the business where necessary. Compliance is also responsible for arranging training on best execution to relevant staff.

5.4   Internal Audit

As a third line of defence, Internal Audit conduct reviews to assess the effectiveness of the control framework in relation to best execution and report to the Senior Management any deficiencies identified and / or make recommendations on improvements.

5.5   Escalation

Trade exceptions and other matters related to best execution must be brought to the Senior Management's attention for timely review. Sales Traders and Dealers are also responsible for identifying and escalating dealing errors in accordance with the Dealing Error Protocols.

6. Review and Monitoring

Macquarie will monitor the effectiveness of its order execution arrangements and this Policy in achieving the best outcome when handling and executing client orders. Macquarie will assess, from time to time, whether the execution venues included in this Policy provide for the best possible result for its clients or whether it needs to make changes to the policy. As part of the review process, Macquarie retains order and execution records to be able to demonstrate that an order has been executed in accordance with this Policy and client instructions.

The Best Execution Committee is chaired by senior management and is composed of both first line (business heads and COO) and second line (Business Operational Risk Management and Compliance) defences.

Best Execution Committee members meet regularly to:

1. Monitor and evaluate relevant execution quality by reviewing the effectiveness of execution venues and brokers used in trading.

2. Review reports and management information in relation to relevant order execution and application of the best execution requirements within Macquarie's relevant business units.

3. Examine internal and external parties' execution for and on behalf of clients.

4. Conduct regular structural reviews, applying appropriate discretion when selecting trading venues / Alternative Liquidity Pools for in scope clients.

5. Select the brokers/venues on performance, liquidity, and other relevant factors.

6. Identify and implement any appropriate enhancements.

7. Review any material changes that could affect Macquarie's ability to comply with best execution obligations. The materiality aspect will be determined on the nature/scope of any change(s).

7. Annexure

Annexure A – Macquarie Capital Securities (India) Limited

Annexure A – Macquarie Capital Securities (India) Limited

This addendum sets out the features of Smart Order Routing ("SOR") facility offered by Macquarie Capital Securities (India) Private Limited ("MCSIPL") to its clients, as per the guidelines issued by the Securities and Exchange Board of India ("SEBI") and circulars, notices, clarifications and guidelines issued by National Stock Exchange of India and BSE Limited (collectively referred to as "Stock Exchanges" and individually as "NSE" or "BSE") from time to time. SOR is applicable to stocks listed on both Stock Exchanges. The SOR System will make all routing decisions (i.e. client's election of exchange is irrelevant for SOR orders).

This addendum supplements Macquarie Securities Group Asia Best Execution Policy ("Policy"). The SOR engine will work SOR order (whether it is a normal order or a direct market access order) on the basis of the SOR functionality described below.

The SOR algorithms provide a means to meet best execution requirements and discover the best available price and volume across Stock Exchanges. MCSIPL shall route orders in a neutral manner.

MCSIPL shall carry out appropriate validation of all risk parameters before the orders are placed through the SOR system.

1. Client Preferences

SOR will be enabled on a client-by-client basis. Clients which decide to opt in for SOR will be sent the Terms and Conditions Applicable to Usage of Smart Order Routing Systems (as set out in the Schedule to this Annexure B) and such terms and conditions will be binding on the clients.

Once a client is enabled for SOR, all its orders regarding stocks listed on both Stock Exchanges will be sent via SOR by default. A client who is enabled for SOR can opt out of SOR on an order by order basis, regardless of the client's default.

For DMA flow, clients may opt out of SOR on an order by order basis by setting a specific FIX tag.

2. Availability

The SOR will only operate when stocks are matching in regular trading sessions. Auction orders will not pass through the SOR and will go direct to the primary venue of the stock, or if a venue has been specified for the order, such specified venue.

3. Flows

The SOR will be made potentially available to orders from all Macquarie flow types in India:

- Manual Trader splits
- Algo splits
- DMA orders

4. Order Types

SOR will support the following India Order types:

- Limit orders
- Market To Limit orders
- Limit Iceberg orders
- Market Iceberg orders

The BSE's GIS (good for session) expiry type will also be supported.

5. SOR Process Overview

Each SOR order will go through the following general steps:

Sweep – check the NSE and BSE for volume at best possible price and send Immediate or Cancel (IOC) orders to take this volume where possible.

Reflect – place any residual on the NSE.

Dynamic Price Monitoring – if Dynamic Price Monitoring is enabled for an order (Dynamic Price Monitoring is only applicable for certain types of orders such as limit orders), the SOR will check the BSE for any executable volume. If existing, the residual will be amended down by the amount found and an IOC order sent to the BSE to try and capture this. If the IOC order misses this volume, it will be held in reserve (won't be placed on any exchange) until:

- the SOR sees appropriate volume again on the BSE, or
- the remaining residual quantity on the NSE is fully executed after which the reserve volume will be placed back on to the NSE

Dynamic Price Monitoring may be applicable to other order types in the future without further notification. Clients may check with the relevant sales trader for details.

6. Sweep Stage

For each SOR order, the SOR will sweep the Stock Exchanges multiple times at best bid or offer before resting any residual volume on the NSE. This is useful for markets where there is a lot of hidden volume (e.g. re-loading iceberg orders in India).

The process is:

1. Check the order book and work out the virtual depth
2. Check for the "best" bid or offer price on each of the markets
3. Send IOC order(s) to the venue(s) with the best price
4. Re-sweep again (steps 1-3) X number of times depending on configuration
5. On the final sweep, IOC orders will be sent up to the limit price of the order – i.e. not limited by BBO price
6. Any residual quantity will be placed (reflected) on NSE

The number of sweeps done is configurable and will be set at an optimal level for best execution given India market conditions over time.

7. Sweep stage priority (IOC order generation)

The sweep stage priority works as follows.

If the same price is available across both venues and the order can be fully filled on either, then:

- Give priority to the venue with the most volume (higher chance of executing)
- If the volumes are the same then NSE will set as the first choice venue

8. Reflect Residual

The SOR will place any residual for any dual listed stocks on the NSE, no matter whether the original order specified NSE or not.

9. Dynamic Price Monitoring

Dynamic Price Monitoring will effectively be enabled for orders resting on the NSE.

As such, the SOR will place any residual for any dual listed stocks on the NSE, no matter whether the original order specified NSE or not. The SOR will then monitor for better prices/volume on the BSE and, if found, try to take that.

SCHEDULE

TERMS AND CONDITIONS APPLICABLE TO USAGE OF SMART ORDER ROUTING SYSTEMS

The provision of smart order routing ("SOR") system shall be subject to the terms and conditions as set out herein and any legends, disclaimers, terms and conditions notified to clients from time to time. If a client trade via our SOR, it is considered as having reviewed and accepted these terms and conditions.

Risks Associated with System Failure

Trading through a SOR system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered via SOR. System or component failure may also result in loss of orders or order priority. In the case of failure of the SOR, the system can be turned off for all new orders and the existing orders will be cancelled. Subsequent orders can still be placed on the exchange manually over the phone, Bloomberg or email and then entered into NEAT/BOLT terminals but will not pass through the SOR and hence will not be governed by these terms and conditions. You acknowledge and represent by deciding to opt in for SOR that you are aware of, and accept, the risks described herein.

1. Background

Macquarie Capital Securities (India) Private Limited ("MCSIPL") is registered as TRADING MEMBER of National Stock Exchange of India and BSE Limited.

MCSIPL is eligible to provide SOR facility to clients as per the rules of the Stock Exchanges and SEBI which allows MCSIPL trading engines to systematically choose the execution destination based on factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Client is desirous of investing / trading in those securities admitted for dealing on the Stock Exchanges as defined in the Bye-Laws of the Stock Exchanges, including terms stipulated under the Member Client Agreement. Further for this purpose, the client is desirous of using SOR facility which allows MCSIPL trading engines to systematically choose the best execution destination based on factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

MCSIPL shall establish and implement effective arrangement so as to ensure best execution for its clients taking into account factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

2. Basic features of SOR facility

MCSIPL shall route orders in a neutral manner.

MCSIPL has explained the best execution policy and its features for SOR facility to the client and the same are set out in the rest of this document.

Client has understood the features of best execution policy and by requesting the SOR facility, it has given its consent for executing orders using SOR facility by conduct.

MCSIPL shall carry out appropriate validation of all risk parameters before the orders are placed through the SOR system.

3. Obligations / Rights

a. All the rights and obligations of both MCSIPL and the client as stipulated under the model Member Client Agreement and provisions as may be applicable from time to time shall continue to be binding to both parties.

b. MCSIPL has formulated a best execution policy in accordance with specifications provided by SEBI/ Stock Exchanges from time to time.

c. MCSIPL hereby notifies you the Terms and Conditions applicable to the usage of SOR.

d. MCSIPL has brought the features, possible risks, rights, responsibilities and liabilities associated with the SOR facility to the notice of client. The client agrees that it understood the features, possible risks, rights, responsibilities and liabilities associated with the SOR facility policy.

e. MCSIPL has brought the contents of the best execution policy to the notice of client and made it aware of the significance of the said document. The client agrees that it has understood the contents of the best execution policy.

f. MCSIPL shall notify clients of any material changes in its order execution policy. Such change needs to be preceded by a notice of 15 days.

g. MCSIPL shall demonstrate to their clients at their request, that it had ensured best execution of client orders in accordance with its best execution policy.

h. MCSIPL and client agree that in case the client has availed SOR facility and does not want to use the same for a particular order, the same shall be well documented by MCSIPL.

i. MCSIPL shall ensure that alternative mode of trading system is available in case of failure of SOR facility and client understands that in case of failure of SOR facility alternative modes are available to it to place orders.

j. MCSIPL agrees to maintain logs of all activities to facilitate audit trail, maintain record of orders, trades and data points for the basis of decision.