

Macquarie



---

MACQUARIE EUROPE

INFORMATION ABOUT OUR ORDER EXECUTION POLICY

Version 2.0 – May 2009

## MACQUARIE ORDER EXECUTION POLICY

---

### Table of Contents

<b>1</b>	<b>Application &amp; Scope of the Policy</b> .....	<b>3</b>
1.1	When the Policy Applies .....	3
1.2	When the Policy Does Not Apply .....	3
<b>2</b>	<b>Our Obligations Under the Policy</b> .....	<b>3</b>
<b>3</b>	<b>Execution Venues</b> .....	<b>4</b>
<b>4</b>	<b>Use of other Brokers - Reception and Transmission of Orders</b> .....	<b>4</b>
<b>5</b>	<b>Monitoring, Policy Review and Updates</b> .....	<b>5</b>
5.1	Monitoring and Policy Review .....	5
5.2	Policy Updates .....	5
	<b>Appendix – Execution Venues</b> .....	<b>6</b>

## 1 APPLICATION & SCOPE OF THE POLICY

---

This document explains the order execution policy of Macquarie, in accordance with regulatory obligations in the Financial Services Authority (FSA) Conduct of Business Sourcebook (COBS). Macquarie is required to establish and implement an Order Execution Policy (the Policy) which ensures it obtains the best possible result for its clients when dealing in financial instruments (as defined in COBS). This document sets out information about the Policy.

“Macquarie”, “we”, “us” or “our” for the purposes of the Policy means any of:

- Macquarie Capital (Europe) Limited;
- Macquarie Bank International Limited; or
- Macquarie Bank Limited, London Branch.

The operating divisions within Macquarie to which the Policy apply are the Macquarie Securities Group (“MSG”) and the Treasury and Commodities Group (“TCG”).

### 1.1 When the Policy Applies

The Policy applies where we have classified you as a professional client and you have placed an order in financial instruments which we have agreed to execute on your behalf.

### 1.2 When the Policy Does Not Apply

The Policy does not apply in the following circumstances:

- We have categorised you as an Eligible Counterparty;
- You provide us with a specific instruction as to the execution of an order (or part-order) that we accept. In these circumstances, we will execute the order (or part-order) in accordance with those specific instructions. This may prevent us from taking the steps that we have implemented to obtain the best possible result for execution of your order (or part-order). Where the specific instruction only applies to part of that order, the remaining parts of the order will be subject to the Policy;
- You have accepted a quote provided by us or we negotiate the terms of a transaction with you and you decide to execute an order on that basis. In these circumstances, this Policy will only apply where you request that the Policy apply and we agree to that request.

## 2 OUR OBLIGATIONS UNDER THE POLICY

---

When executing orders on your behalf, we will take all reasonable steps to achieve the best possible result for you subject to and taking into account the nature of your order, the priorities you give us in filling those orders and the market in question. Specifically, we will take into account a range of different factors in deciding how to execute your order. These include:

- price;
- the cost of execution;
- the need for timely execution;
- the execution venue (which may affect Our ability to execute and settle your order);
- the size of the order; and
- the nature of the financial instrument including whether it is executed on a regulated market, multi lateral trading facility (“MTF”) or over-the-counter (“OTC”).

Where we aggregate orders of different clients, such aggregation will occur fairly and proportionately, in accordance with our policy on order handling, execution and allocation.

In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with best execution. Generally, the highest priority is placed on price. From time to time, we may also prioritise other factors such as the impact on market prices of displaying and executing your order and the availability of price improvement, or the speed and likelihood of execution and settlement. There may also be occasions where we prioritise other factors, in particular;

- where there is insufficient liquidity available on a particular execution venue which prevents us from executing your order in full;
- where you have requested that we work your order by reference to a benchmark calculated over a period of time (eg. VWAP – Volume Weighted Average Price), or work your order over a particular period of time; or
- where other circumstances exist such that obtaining the best immediately available price may not provide the best possible result for you.

Additionally, in determining what would provide the best possible result for you, we will not compare the results that we achieve for you under this Policy with results that another firm might be able to achieve for you on the basis of their order execution policy, structure of commission or fees. We will also not compare the differences in our own commissions or fees which are attributable to the nature of the services that we provide to you.

### **3 EXECUTION VENUES**

---

The Policy includes details of execution venues in respect of each class of financial instruments which we access when we execute your orders. These execution venues have been selected as we consider that they enable us to obtain on a consistent basis the best possible result for the execution of your orders.

These execution venues include:

- EEA Regulated Markets;
- EEA MTF's ;
- Systematic internalisers;
- Market makers; and
- Other liquidity providers (which includes non EEA entities that perform a similar function to the other execution venues listed above).

Further details of the execution venues in respect of each class of Financial Instruments are provided in the Appendix.

### **4 USE OF OTHER BROKERS - RECEPTION AND TRANSMISSION OF ORDERS**

---

We may transmit your order to, or place your order with, another firm for execution. The other firm may be connected to or affiliated with us. In choosing the other firm, we have taken into consideration the following factors relating to that other firm:

- Access to alternative markets and trading venues;
- Commission rates and prices/spreads provided;
- Execution speed/latency;
- Quality of execution and service, both historical and current;
- Clearing and settlement efficiency and capabilities; and
- Risk profile, credit worthiness and reputation.

When we transmit your order to another firm, we will take all reasonable steps to ensure that the other firm has arrangements in place to enable us to comply with our obligations under the Policy.

## **5 MONITORING, POLICY REVIEW AND UPDATES**

---

### **5.1 Monitoring and Policy Review**

We will monitor the effectiveness of our order execution arrangements and the Policy to identify and, where appropriate, implement any enhancements. We will assess, on a regular basis, whether the execution venues included in the Policy and the entities to whom we transmit orders for execution provide for the best possible result for you or whether we need to make changes to our execution arrangements.

We monitor our relationships with other brokers, including the applicability of strict counterparty exposure limits and the reputational risk of those brokers on an ongoing basis.

We will review our order execution arrangements and the Policy at least annually or whenever a material change occurs that affects our ability to obtain the best possible result for the execution of your orders on a consistent basis using the venues included in the Policy.

### **5.2 Policy Updates**

We will notify you of any material changes to our order execution arrangements or the Policy in accordance with our Terms of Business.

The Policy and any updates are also available to you in hard copy upon request.

## APPENDIX – EXECUTION VENUES

---

The following is a non-exhaustive list of venues and Brokers used by us to execute your orders. Where there are many possible venues, only those venues that we place significant reliance on are listed. Any additional venues used, but not listed here, will nevertheless still have been selected in accordance with the Policy.

### Shares

#### EEA Regulated Markets

London Stock Exchange  
Athens Stock Exchange (ASE)  
Borsa Italiana  
Deutsche-Boerse (Xetra )  
Frankfurt Stock Exchange  
Madrid Stock Exchange  
Norex Alliance of Exchanges (Including Iceland and Norway)  
NYSE Euronext (Paris, Amsterdam, Brussels, Lisbon)  
Stuttgart (Euwax)  
SWX Europe  
SWX Swiss Exchange  
Wiener Boerse

#### Multi-lateral Trading Facilities

Alternative Investment Market (AIM, operated by the London Stock Exchange)  
Chi-X Europe Ltd  
The Plus markets  
Turquoise

#### Non EEA Regulated Markets

American Stock Exchange  
Australian Stock Exchange  
Chicago Stock Exchange  
Dubai International Exchange  
Hong Kong Exchanges & Clearing Limited  
Johannesburg Stock Exchange  
Korea Stock Exchange  
National Association of Securities Dealers Automatic Quotations (NASDAQ)  
New York Stock Exchange  
New Zealand Stock Exchange  
Osaka Securities Exchange  
Pacific Exchange  
Philadelphia Stock Exchange  
Saudi Arabian Stock Exchange (The Tadawul)  
Singapore Exchange  
The Swiss Stock Exchange (SWX)  
Tokyo Stock Exchange  
Toronto Stock Exchange

#### Brokers

Goldman Sachs International  
Credit Suisse International  
Instinet  
Credit Agricole Cheuvreux  
Societe General  
Wood & Co

### Derivative Instruments

#### EEA Regulated Markets

EDX London  
Euronext liffe- Amsterdam, Lisbon, Paris, London, Brussels  
Eurex Deutschland & Eurex Zurich AG, "Eurex Exchanges"  
EEX - European Energy Exchange  
IPE International Petroleum Exchange  
IDEM - Italian Derivatives Market  
LME - London Metal Exchange  
MEFF

#### Non EEA Regulated Markets

CME - Chicago Mercantile Exchange  
CBT - Chicago Board of Trade  
NYMEX - New York Mercantile Exchange  
CBOE - Chicago Board Options Exchange  
KCBT - Kansas City Board of Trade  
ME - Montreal Exchange  
MGE - Minneapolis Grain Exchange  
WCE - Winnipeg Commodity Exchange  
NYBOT - New York Board of Trade  
SAFEX - South African Exchange  
ICE - Intercontinental Exchange  
HKFE - Hong Kong Exchange  
KFX - Korea Exchange  
MDEX - Malaysia Derivatives Exchange  
SFE - Sydney Futures Exchange  
NZFE - New Zealand Futures Exchange  
OSE - Osaka Securities Exchange  
SGX - Singapore Exchange  
TCE Tokyo Commodity Exchange/TOCOM)  
TGE - Tokyo Grain Exchange  
TIFFE - Tokyo International Financial Futures Exchange  
TSE - Tokyo Stock Exchange  
OM - Sweden/London  
OTOB - Wiener Bourse  
WSE - Warsaw Stock Exchange

#### Brokers

JB Drax  
Barclays Bank London