

Best Execution Policy

Commodities and Global Markets
Cash Equities ANZ



Notice to clients

The procedures described in this Policy are being disclosed to you as contemplated by ASIC Market Integrity Rules (Securities Markets) 2017 Rule 3.8 “Disclosure to Clients of Best Execution Obligation” and Rule 5.¹ “Trading: Client Order Priority”. They describe the procedures to be applied by Macquarie Securities (Australia) Limited when executing your orders, and are to be taken as a statement of our current intention rather than a 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, CGM has breached any obligation to you.

Macquarie reserves the right to amend this policy at its discretion. Updated versions of the Policy are available on: <https://www.macquarie.com/au/about/disclosures/important-disclosures-and-information-for-cgm-clients>

This Policy is not legal advice and must be read in the context of Commodities and Global Markets (CGM) Cash Equities ANZ Terms and Conditions of Business, the general law, applicable market rules, regulations and custom.

This Policy is confidential and is not to be released or made available to third parties other than as required by law or with Macquarie’s written consent.

¹ This Rule is included in ASIC Market Integrity Rules for both ASX and Chi-X Australian Markets.

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1. Introduction and overriding principles

This policy describes how Macquarie Securities (Australia) Limited (“Macquarie”, “CGM” or “we”) comply with its obligations in relation to best execution of orders, order aggregation and trade allocation, arising from:

- best execution requirements of the jurisdictions and markets in which we trade;
- conflict of interest requirements², and
- other relevant legislation, regulations and policy³.

An objective of this policy is to ensure a consistent approach to execution quality of orders executed by Macquarie and applies to orders received by Macquarie:

- for execution on ASX, Chi-X, other licensed markets and internal crossing systems (otherwise known as upstairs markets, liquidity pools or dark pools), and
- for execution as an off market crossing, including a facilitated trade;

This document includes Macquarie’s policy on allocation of sales and purchases referred to in Macquarie’s standard Terms and Conditions of Business and it is current as of the date set out at the foot of this document.

The overriding principle upon which this policy, our business and its goals and values is based, is one of ensuring that Macquarie takes all reasonable steps to deliver the best outcome for each client in relation to the execution and allocation of client orders in a manner that is honest, fair and efficient.

2. Reasonable steps to obtain best outcome

2.1 ASIC Market Integrity Rules (Securities Markets) 2017 (“ASIC MIR”)

As a Participant in Australia, Macquarie is obliged by ASIC MIR 3.8 to take reasonable steps to obtain the best outcome when handling and executing client orders in equity market products⁴. Before accepting client orders Macquarie must disclose this obligation to clients, make them aware how these requirements may affect the handling and execution of client orders⁵ and provide other information relevant to our execution procedures. In providing this policy (or a link thereto⁶) to clients Macquarie makes these disclosures and provides the relevant information. This policy and our procedures are based on our business being an institutional business provided to wholesale clients⁷.

Macquarie will update you when there is a material change to our procedures for handling and executing your orders which may affect the way in which we seek to achieve the best outcome. Clients may also request a copy of our current Best Execution policy and procedures.

2.2 Best outcome

Macquarie seeks to achieve the best outcome for each client in respect of each order. However, this policy does not seek to impose a requirement to achieve the best possible result in each case – rather the focus is on establishing and adhering to procedures whereby we take reasonable steps to achieve the best outcome for each client order.

In executing orders according to the objectives of best execution, Macquarie recognises that achieving the best outcome for a particular order is a complex and, at times, ambiguous process where experience and judgment are central and where qualitative factors are as important as quantitative factors.

The most effective form of assurance of execution quality is through client satisfaction and ensuring that the best outcome is achieved on each particular order relating to the circumstances of that order and for that client. Macquarie’s competitiveness and market leadership is dependent upon its ability to consistently achieve the best outcomes for its clients.

2. ASIC Regulatory Guide 181 “Licensing: Managing Conflicts of Interest” and section 912A(1)(a) Corporations Act.
3. In particular; ASIC Market Integrity Rules (Securities Markets) 2017.

4. Equity Market Product means shares, managed investment schemes, the right to acquire by way of issue shares and managed investment schemes and CDIs admitted to quotation on ASX
5. ASIC MIR 3.10.1(1)(a) & (b).
6. <https://cms-prd-preview/dafiles/Internet/mgl/global/shared/about/disclosures/docs/terms-and-conditions-of-business-msal-and-msnz.pdf?v=4>
7. Wholesale client is defined in section 761G Corporations Act.

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 principal⁸ orders) for all transactions to which this policy applies. Its ability to execute a transaction to achieve the best outcome for a client is limited by its place in the chain of execution.

2.3 Application

Macquarie's Policy and Procedures apply:

- from its initial receipt of an order instruction through to settlement, and
- to shares, managed investment schemes, the right to acquire by way of issue shares and managed investment schemes and CDIs admitted to quotation on ASX.

3. Relevant factors in obtaining best outcome

3.1 Inter-dependent factors

Macquarie will consider a number of inter-dependent factors in determining how it may achieve the best outcome 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 order⁹, our knowledge of the client, their execution preferences and may involve discussion with the client. We consider this multi-faceted approach will deliver best outcome for our clients.

It is important to note that these factors are inter-dependent and as such there will be trade-offs between them in the exercise of Macquarie's judgment. General guidance to be ascribed to each factor in relation to the characteristics of each order is provided below, but this will not replace that judgment.

Subjective judgement regarding order execution will not be applied by Macquarie to client orders placed by way of our direct market access ("DMA") facilities, due to the nature of these orders although best execution principles apply to DMA trading.

3.2 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. 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 best execution policy consistent with those instructions.

Order type is an aspect of client instructions, although some order types will either require further instructions from the client or leave aspects of execution to trader discretion. Clients are encouraged to talk to a Macquarie sales trader where they wish to discuss how various orders types are executed.

ASIC Market Integrity Rule (Securities Markets) 3.8.1(4) allows Participants such as Macquarie, to take reasonable steps to handle and execute instructions for wholesale clients that are inconsistent with obtaining the best outcome where the instructions are:

- (a) clear and unambiguous;
- (b) written, or where a written record is made by Macquarie, and retained for seven years, and
- (c) not contained within our standard terms and conditions, although they may be either standing instructions or specific to a particular order.

Macquarie considers its clients will always require best execution, unless they expressly state otherwise, and that where a client provides explicit execution instructions it is because the client has determined that manner of execution will provide it with the optimal outcome in the circumstances known to it. If there is any doubt as to the objective behind a client's execution instructions they should be discussed with the client and recorded on the order record.

Macquarie will not take steps to induce a client to provide instructions that are inconsistent with obtaining the best outcome for the client.

8. As defined in the ASIC MIR.

9. For example different methods of execution may be adopted for different types of orders.

3.3 Choice of venue

It may be possible to execute and/or report transactions and crossings through various Order Books¹⁰ and execution venues, each offering different opportunities and advantages to the client. These may include internal Macquarie liquidity pools and external liquidity pools and markets.

Jurisdiction	CGM Trading Participant	Venue	Market Operator
Australia	Macquarie Securities (Australia) Limited ("MSAL")	Trade Match	Australian Securities Exchange ("ASX")
Australia	MSAL	Centre Point	ASX
Australia	MSAL	Chi-X Australia	Chi-X Australia ("Chi-X")
Australia	MSAL	Hidden	Chi-X
Australia	MSAL	CGM Australia's crossing system.	N/A

Macquarie will endeavour to execute each order in the manner and through the venue which is able to provide the best outcome for the client unless directed by the client to execute on a particular venue. Factors taken into account are considered in this section.

In directing trades to one or more of a number of venues for execution, Macquarie may employ smart order routing ("SOR") systems. These will seek to achieve the best outcome but opportunities will depend on the order in which venues 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.

Macquarie is less likely to move orders from one venue to another where an order is immediately executable on the original venue and more likely to move orders to another venue with greater volume at an improved price so that better execution is reasonably certain. The order type is also a relevant consideration.

Clients may elect to instruct Macquarie not to use SOR for the execution of their orders and not to remove them from a venue once placed on the venue.

As new Order Books and other execution venues are introduced Macquarie may monitor their performance and connect only if their addition will enhance Macquarie's best execution performance.

Where Macquarie does connect to a new venue it will also initially limit its use of that venue while we monitor its operation and performance.

3.4 Price

Macquarie generally considers price to be of primary importance, unless the client has indicated otherwise. However the best price in a given venue at a given moment may not represent the best result. In assessing each venue or approach 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 SOR or a crossing system.

Liquidity impacts price and may result in an order being executed on more than one venue and over a range of prices.

3.5 Likelihood and speed of execution

Speed of execution is often a client priority, with the ability to achieve this depending 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.

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

10. ASIC MIR defines an Order Book as an electronic list of Buy Orders and Sell Orders maintained by or on behalf of a Market Operator, on which those Orders are matched with other Orders in the same list.

3.6 Crossing systems – liquidity pools

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 or 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.

Visibility of orders within Macquarie's crossing system will be available to limited Macquarie operations and execution personnel to the extent necessary to ensure Macquarie is able to execute orders, meet its obligations regarding orderly markets and disaster recovery.

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

- checking the availability of potentially matching orders, and
- market requirements for reporting matched trades under a certain size.

Clients executing orders via Macquarie's DMA facilities in Australia will be automatically opted-in to participate in Macquarie's crossing system. This extends to orders executed by the sales trading desk which may interact with Macquarie's internal crossing system at the sales traders' discretion, or in consultation with the client, with the objective of obtaining the best outcome. Clients may elect to opt-out of interacting with specific types of flow in Macquarie's internal crossing system or opt-out of participating with Macquarie's internal crossing system altogether.

Macquarie's internal crossing system executes orders on a price/time priority basis with orders crossing the spread interacting with the best opposing price(s) available.

The internal crossing system does not participate in the opening or closing auctions on ASX.

3.7 Costs

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 these 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.

3.8 Order size

The best price for an order is dependent 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.

Similarly, where the client wishes to execute a smaller size order the same price may not be available as for a larger parcel of the same security, for example where Macquarie agrees to facilitate a larger order or where another client has a matching but larger volume order which it wants executed in its entirety or not at all.

3.9 Crossings

Where there is an appropriate opportunity, orders will be crossed unless the client requests otherwise. Clients benefit from the crossing of an order for the following reasons:

- an off-market crossed trade¹¹ 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;
- Macquarie will generally improve on the bid/offer by effecting the trade through crossing either manually or automatically;
- crossing systems which match orders, provide anonymity including non-disclosure to Macquarie traders. They may also provide price improvement.

Macquarie discloses that it will generally prefer to execute a transaction through crossing, since it will then appear on both sides of the transaction. This may increase commissions, while reducing transaction fees and improves Macquarie's market position. However,

Macquarie will not favour a crossing over another method of executing a client order where this is inconsistent with achieving the best outcome for the client.

In some circumstances crossing may be prohibited by MIR, such as the prohibition on special crossings during an on market takeover.

11. Which is not required to be executed on market by either Market Integrity Rules or Operating Rules.

3.10 Hedging derivatives

While derivatives are not currently subject to best execution obligations, equity hedges or equity legs of combination trades require best execution.

3.10.1 Options

Macquarie executes equities trades for clients hedging ETO and OTC options. This typically occurs when the client is executing larger volume options transactions. In executing the hedge, the trader will take into account the range of execution tools available in order to provide best execution.

This may involve:

- passing the hedge trade to an operator for them to work using the full range of best execution tools;
- the trader executing via an algorithm, or
- matching with another order and reporting as a crossing.

3.10.2 Tailor made combos

These are an ASX offering which include an equities leg. They are executed as a whole via an ASX platform so will be executed on ASX unless ASX facilitates the execution of the equities leg on another venue.

3.10.3 Warrants and minis

As for options, Macquarie may execute client equity hedges where the client is executing larger volume warrants or mini transactions.

The range of execution alternatives available to achieve the best outcome are:

- passing the hedge trade to an operator for them to work using the full range of best execution tools;
- the trader executing via an algorithm, or
- executing via Macquarie's EMIT platform.

As the warrant or mini is based on ASX pricing, best execution for the hedge is speed of execution on the same market. Consequently the equity hedge will be executed on ASX.

3.11 Trading hours

Initially ASX and Chi-X will have the same operating hours, however Chi-X will not run an opening or closing auction, instead having a standing open. Where client instructions are "Market on Open" or "Market on Close" we will treat this as a reference to the ASX opening or closing auction prices. If opening times across venues change we will make adjustments as may be necessary.

Macquarie will monitor the quality of executions obtained for opening and closing orders on different venues as part of its regular best execution review.

Transactions completed prior to market open or after-market hours, such as overnight or overseas transactions, will be reported in accordance with MIR and Operating Rules. Unless specific instructions are provided by the client, the venue on which we report these transactions will be at our discretion as it will have no impact on the execution outcome.

3.12 Market stability

The operational stability of an Order Book 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 trading is suspended 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.

4. Order execution

4.1 Client order priority

In executing orders and allocating trades to clients, its own account or on the account of a Prescribed Person¹² (a “Principal Order”) Macquarie seeks at all times to act in accordance with:

- the parameters of the order instructions provided by its clients;
- its best execution obligations;
- Market Integrity Rules and Operating Rules applicable to the execution and/or reporting venues, and
- other relevant regulatory requirements.

Client order priority plays a role in achieving the best outcome for clients and is a regulatory requirement¹³. CGM is required to deal fairly and in due turn with (a) client orders, and (b) a client order and an order on its own account¹⁴ (also referred to as principal orders).

Factors to be taken into account include:

- client instructions. We are able to take into account that our clients are wholesale clients and are therefore likely to have a sophisticated understanding of trading and execution.
- orders not involving the exercise of discretion by Macquarie, as to time, price or quantity, are to be executed in the sequence in which they are received and otherwise as expeditiously as practicable. Where the timing of receipt of orders is uncertain, client orders are to be preferred over principal orders.
- orders involving the exercise of discretion by Macquarie are to be executed ahead of principal orders unless the client consents otherwise and a record is kept of that consent.
- Macquarie must act in accordance with its own procedures to ensure persons who are aware of client orders, do not use that information to the disadvantage of clients when initiating, transmitting or executing principal orders, and
- order allocation must be fair.

4.2 Manual or electronic execution

Clients may choose for their orders to be executed manually, electronically or at Macquarie’s discretion. Macquarie’s electronic execution systems include DMA (also known as automated order processing), algorithms and our internal crossing system.

Clients may choose to opt-out of executing their orders using Macquarie’s crossing system. Clients are defaulted in to using MSAL’s Crossing System and may elect to opt-out of trading against specific categories of clients, and may only trade with Agency orders if this is their preference.

Execution via AOP essentially allows clients to control and place their own orders directly into the market, subject to Macquarie compliance controls. Where clients elect to control and execute their own orders via a Macquarie AOP system, Macquarie will consider this to be best execution.

Clients will take into account their own best execution priorities, such as speed of execution, and may:

- select the Order Books and markets on which they wish to trade, and
- elect to opt-out of participating in Macquarie’s internal crossing system

Where a client does not instruct us to execute its orders by a particular method, it will be at our traders’ discretion, taking into account prevailing conditions at the time, their knowledge of the client and factors detailed in this policy.

4.3 Market making / facilitation

Macquarie’s services include market making activities which includes:

- facilitation and risk management of client trading; and
- regularly stating prices at which we propose to acquire or dispose of financial products on our own behalf, in both lit markets and in our crossing system.

Facilitation manages risk for clients or other Macquarie desks and provides certainty of pricing and execution. The provision of this service to clients is discretionary and will result in Macquarie trading with the client as principal. Once Macquarie has taken a position onto its books from a client, it may seek to close out that position as soon as practicable bearing in mind market impact and relevant regulatory requirements.

Facilitation may also deploy various trading strategies in order to achieve best execution for a client.

12. “Prescribed Person” is defined in the ASX MR and MIR. In the case of Macquarie, it includes all staff (including staff, contractors, agents, representatives, consultants and advisers) and directors, their immediate family members and any of their family companies or family trusts. It also includes substantial shareholders in Macquarie and their related entities, and corporations controlled by Macquarie.

13. ASIC MIR (Securities Markets) Part 5.1.

14. ASIC MIR (Securities Markets) 5.1.1, 5.1.2 & 5.1.3.

4.4 Principal orders

Macquarie has electronic and physical segregation to prevent client order and trading information being used inappropriately. It also monitors trading performance and conducts trading surveillance to detect potential front running.

Macquarie does not close facilitation positions, while executing like client orders, unless:

- the clients have consented, or
- client orders executed at the same time as facilitation trading, receive no less favourable prices to facilitation.

In light of this, segregation may mean persons managing client orders may not be aware of relevant principal orders and persons placing principal orders may not be aware of client orders. In these circumstances, Macquarie may execute a principal order even though it has an outstanding order for the same security and on the same terms from a client.

The execution of principal orders alongside client orders is subject to conflict of interest procedures and is reviewed by senior management and compliance.

4.5 Submission of orders for execution

Subject to these procedures, Macquarie will generally apply the following principles to determine the sequence in which orders will be submitted to the ASX and Chi-X, other markets and liquidity pools for execution:

- orders that do not involve the exercise of discretion by Macquarie in relation to the time, price or quantity of the order will be submitted for execution:
 - in accordance with any client instructions received in that regard; and
 - otherwise, as expeditiously as possible and in the sequence in which they are received by Macquarie; and
- orders that involve the exercise of discretion by Macquarie in relation to the timing, price and method of execution will be submitted for execution in such manner and at such time as Macquarie deems appropriate to obtain the best outcome.

Orders are generally identified as being referrable to a particular client, other than aggregated orders (see section 5 below).

4.6 Pre-trade transparency and price improvement

Pursuant to the ASIC MIR, where Macquarie executes a crossing transaction on your behalf, which does not meet the prescribed Block size requirements, Macquarie is required to execute the transaction at the mid-point of the national best bid, best offer or with price improvement.

4.7 Disclosures

Macquarie discloses that:

- in relation to orders executed on an external venue, client orders may match opposite orders placed by Macquarie, resulting in a crossing and entitling Macquarie to commission from both sides of the transaction;
- in relation to orders executed on an internal venue, clients' orders may match
 - opposing client orders, resulting in a crossing and entitling Macquarie to commission from both sides of the transaction, or
 - opposing Principal Orders¹⁵.
- client orders may be matched manually by traders with Principal Orders.
- if a client order matches with a Principal Order on any venue, Macquarie will charge the client commission in respect of the transaction executed on the client's behalf.

15. Clients may elect not to cross with Principal Orders when participating in an internal venue.

5. Order aggregation and allocation

5.1 Consent required to aggregate orders

Aggregating orders means submitting orders from various clients for the same security and on the same terms together to the ASX, Chi-X, or another venue, as a single order for execution.

Macquarie will only aggregate a client's order with other orders where that client has given and not withdrawn their consent for that to occur. This consent may be given

separately or by signing or receiving Macquarie's standard Terms and Conditions of Business, which includes an acknowledgement and agreement on the part of each client that:

- Macquarie may submit its orders jointly with orders for other clients and/or orders for Macquarie or its prescribed persons;
- the trades executed pursuant to an aggregated order will be allocated to the persons participating in the aggregated order in accordance with Macquarie's policy on allocation of sales and purchases (as in force at the time) and the average price for such executions will be assigned to the client's account¹⁶; and
- unless they notify Macquarie in writing to the contrary, they will be taken to have agreed to Macquarie's policy on execution of orders and allocation of sales and purchases, as in force from time to time.

5.2 When may orders be aggregated?

Orders will be aggregated only if they are for the same security, on the same terms and:

- they are received overnight or before the market opens;
- they are received during normal trading hours at or around the same time; or
- they confer a discretion on Macquarie in relation to the time of execution and, in Macquarie's opinion, it is appropriate to aggregate them for the purposes of execution.

5.3 Confidentiality considerations

If a client asks the question, Macquarie will advise whether the client's order is being aggregated with other orders for the purposes of execution and inform them of the number of orders being aggregated. In some cases, Macquarie may also give an indication of the total size of the aggregated orders and/or the comparative size of the client's order to the total of the orders being aggregated. However, for regulatory and other reasons, if the total size of the combined orders being aggregated is in Macquarie's opinion material in the context of the market, Macquarie may decline to give any such indication.

For client confidentiality reasons, Macquarie cannot disclose the names of the other persons participating in the aggregated order or the size of their individual orders.

5.4 Allocation of executions to aggregated orders

Sales/purchases for aggregated orders will generally be allocated to clients either:

- proportionately to the relative size of their individual orders; or
- on a one-for-one basis until their orders are filled as Macquarie deems fair in the circumstances, taking into account all relevant factors (including, but not limited to, the time at which the orders were received, their relative sizes and the liquidity of the market in the relevant security).

If, however, in Macquarie's opinion, an allocation on one of the bases outlined in the previous paragraph would result in client orders not being dealt with fairly and in due turn, then Macquarie may allocate sales/purchases to an aggregated order on such other basis as Macquarie deems fair in the circumstances.

Each order entered onto a venue for matching or execution is individually identified and stock bought or sold pursuant to that identifier will be allocated to that order.

Aggregated orders will be treated as if they were a single order for these purposes. Each aggregated order entered for matching or execution will be identified by a group identifier and stock bought or sold pursuant to that order will then be proportionately allocated to the participating clients.

16. Clients by signing or trading based on having received Macquarie's standard Terms & Conditions of Business also authorise Macquarie to accumulate purchases or sales of securities that comprise only part of a client's order for securities of the same class and to issue a single report or confirmation specifying the average price of securities of that class bought or sold pursuant to the order. Where their purchases or sales are averaged, clients are entitled to request that Macquarie provide them with a statement of all the individual prices of the purchases or sales for any particular order.

5.5 Minor adjustments

Macquarie reserves the right to make minor adjustments to the allocations that might otherwise be made to aggregated orders where to do so will not have a material effect on the clients participating in the aggregated order (for example, to avoid a volume of securities being allocated which would not be a multiple of a minimum marketable parcel).

5.6 Withdrawal of, or changes to, orders after they have been aggregated

If a client wishes to withdraw the balance of their order after it has been aggregated with other orders and the aggregated order has been partially executed, then the withdrawal will not affect any executions allocated to the client up to the point of withdrawal. The client will simply be excluded from participating in any further executions of the aggregated order after the withdrawal.

Similarly, if a client wishes to increase or decrease their order after it has been aggregated with other orders and the aggregated order has been partially executed, then the change will not affect any executions allocated to the client up to the point of the change. The client's participation in any further executions of the aggregated order will simply be increased or reduced (as the case may be) to reflect the changed size of its order.

5.7 What if a client does not want their orders aggregated?

If a client does not give, or withdraws, their consent for order aggregation, then their orders will be submitted as individual orders to the exchange for execution.

If a client is generally happy to have their orders aggregated but wishes a particular order or orders to be dealt with individually, then they should state that clearly at the time they place the order.

6. Review processes

6.1 Review of execution

The most effective form of assurance of execution quality is through client satisfaction. Additionally as Macquarie wishes to ensure there is a measure of such execution quality it will assess on a regular basis whether this policy and our procedures for obtaining the best outcome remain adequate for achieving the best outcome when handling and executing client orders.

As part of this review process, Macquarie retains sufficient order and execution records to be able to demonstrate that an order has been executed in accordance with Macquarie's best execution policy and client instructions.

6.2 Senior management review

Senior management review is an integral aspect of ensuring appropriate best execution procedures are adopted and adhered to. Senior management will conduct regular reviews of Macquarie's execution performance to ensure we are meeting best execution, client order priority and allocation obligations, dealing appropriately with conflicts of interest and treating clients fairly. In Australia relevant senior management comprises the Heads of Execution, Distribution and Trading.

6.3 Policy and procedures review

Macquarie will periodically review this policy and procedures taking into account overall execution performance. Amendments will be made when appropriate and clients will be informed of any material amendments via our website:

<https://www.macquarie.com/au/about/disclosures/important-disclosures-and-information-for-cgm-clients>