



BEST EXECUTION POLICY

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| Company: | Velocity Trade Limited |
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| AFSL: | 329813 |
| NZ Company Number: | 1943456 |
| NZ FSP Number: | 20003 |

Last updated 25 January 2022

ADOPTION

Signed by a Director,

A handwritten signature in black ink, appearing to read 'Spencer Davey', written over a light grey horizontal line.

Signature

Name: Spencer Davey

TABLE OF CONTENTS

| | |
|---|----------|
| ADOPTION | 1 |
| 1 INTRODUCTION | 3 |
| 2 PURPOSE | 3 |
| 3 HANDLING, EXECUTION AND TRANSMITTING CLIENT ORDERS | 3 |
| 3.1 RECEIVING CLIENT ORDERS | 3 |
| 3.2 EXECUTING CLIENT ORDERS | 4 |
| 3.3 TRANSMITTING OF CLIENT ORDERS | 4 |
| 3.4 MARKET INCIDENT MANAGEMENT | 4 |
| 3.5 FEES | 4 |
| 3.6 DIRECT MARKET ACCESS (“DMA”) | 5 |
| 3.7 BEST OUTCOME FOR A WHOLESALE CLIENT | 5 |
| 4 SPECIFIC INSTRUCTIONS | 5 |
| 5 EXECUTION VENUES | 5 |
| 6 MONITORING REVIEW | 6 |
| 7 DEFINITIONS | 6 |

1 INTRODUCTION

This Best Execution policy sets forth information outlining how Velocity Trade Limited (“VTL”), a holder of Australian Financial Services Licence No 329813 and a Market Participant of the Australian Securities Exchange (“ASX”) and (“Cboe”) seeks to provide best execution in line with local regulatory requirements when either executing or transmitting orders or quotes on behalf of its clients.

In accordance with section 3.8 of *the ASIC Market Integrity Rules (Securities Markets) 2017* VTL is required to have in place a Best Execution Policy to take all reasonable steps taking into account execution factors to obtain the best outcome for our clients when executing, receiving and transmitting client orders where such orders relate to equity market products.

The obligation to obtain the best possible execution outcome for our clients is referred to in this Policy as the “Best Execution” obligation. The way in which VTL provides Best Execution may vary depending on the wholesale client circumstances pending any specific directions the client may give. .

The obligation for Best Execution will never come to the detriment of our commitment to maintaining an orderly market and adhering to the Australian ASIC Market Integrity Rules.

2 PURPOSE

The Best Execution Policy applies whenever VTL receives an order from a client for execution on the client’s behalf. VTL will assess its compliance with the Best Execution obligation on a regular basis to ensure the best execution outcome for clients.

3 HANDLING, EXECUTION AND TRANSMITTING CLIENT ORDERS

3.1 RECEIVING CLIENT ORDERS

When VTL receives, transmits or executes orders in relation to equity market products on behalf of a client, VTL will take all reasonable steps to achieve Best Execution.

Best Execution is a prerequisite to account for all sufficient steps to comprehensively obtain the best possible result for the client . VTL evaluates all the relevant execution factors available and in accordance with this Policy is designed to obtain on a consistent basis the best possible result for execution of client orders, upon VTL in filling those orders and the nature of relevant markets.

3.2 EXECUTING CLIENT ORDERS

When executing client orders, there are factors that contribute to ensure the best outcome for our clients. VTL will consider the following;

- i. Price – VTL will generally give price a higher relative importance when obtaining the best possible outcome for client orders. However, depending on the type of client requirements, VTL may also take into consideration other range of different factors, including
- ii. Timely execution – This is the time to taken to execute the trade from receipt of the order instructions;
- iii. Size of the order –the size of the order may impact the execution price;
- iv. Liquidity of the market – determines the difficulty to execute the order with the availability of stock in the market without a detriment to the client in execution price.
- v. Likelihood of execution- This is the plausibility VTL will be able to complete the transaction;
- vi. Nature of the financial transaction- is the characteristics or other factors of the client transaction that could potentially impact how the 'Best execution' is achieved.

3.3 TRANSMITTING OF CLIENT ORDERS

All orders that VTL receives from its clients are transmitted directly to the order book of the relevant securities exchange and are executed in a manner where VTL will take all reasonable steps to achieve Best Execution, in accordance with this Policy, taking into account the factors noted above in 3.2 (if applicable) and any specific instructions received from the client as part of the order, as applicable.

Once an order has exhausted the volume available within the price parameters given by you (the client), the balance of the order ('Passive Order') will reside on VTL's default market, being ASX TradeMatch, subject to specific instructions from you. If the price in another Execution Venue, other than the venue on which your Passive Order is resting, changes, your order will not be withdrawn and placed on the other Execution Venue, as to do so would mean a loss of priority for your order and would increase the likelihood of high frequency traders exploiting the Best Market Router ('BMR').

3.4 MARKET INCIDENT MANAGEMENT

In instances where one or the other market is unavailable for trading, or where one market is either unresponsive or disorderly, orders will be routed to the available market or the default market at the determination of the Designated Trading Representative ('DTR'). In such instances, which should be extremely rare, you agree that your specific instructions may be disregarded. Not all Execution Venues work in the same way. For instance, currently, Cboe commences trading at 10:00am and closes at 4:12pm (Eastern Standard Time). Unlike the ASX, Cboe does not operate an auction on the open, close or intra-day trading halts. Such inconsistencies mean that it may be very difficult to determine where the best outcome might be achieved. Where an Execution Venue is not available, the liquidity will tend to mitigate to other Execution Venues and therefore VTL will not delay an order on the basis that certain Execution venues are not available.

3.5 FEES

Any commissions paid to VTL are not considered an element in evaluating the outcome achieved for a client's order. VTL will not structure or charge commissions in a manner to inappropriately favouring the execution of a client's order on a particular venue.

3.6 DIRECT MARKET ACCESS (“DMA”)

Should a client place an order on a DMA basis, the element VTL will take into analysis would be limited to ensuring the instructions of the order are appropriate within the risk parameters and the speed at which the order will be received into the market.

3.7 BEST OUTCOME FOR A WHOLESALE CLIENT

For a Wholesale Client the best outcome may occur as a result of price, costs, total consideration, speed, likelihood of execution or any other relevant factor, or any combination of those factors. It may also occur as a result of VTL following a specific or standing instruction the client has provided.

4 SPECIFIC INSTRUCTIONS

To the extent that the Client provides VTL with clear and specific instructions in relation to the order or any part of it (including selection of execution venue), VTL will act on the instruction and, in doing so, the client may not necessarily receive the best outcome in relation to Best Execution as outlined in this policy. If the client requires the order to be executed in a particular manner the client must clearly state the desired method of execution when the client places the order. The client may provide the specific instructions in writing (i.e., by e-mail) or verbally (i.e., by telephone). VTL must record those instructions and retain the records for a period of seven years. The client's specific instructions are subject to them being clear and comprehensive, VTL will determine any non-specified aspects in accordance with this Policy.

As a Wholesale Client, the client can give VTL standing instructions for all of the clients' orders, and VTL will periodically review the standing orders to ensure that it remains possible for VTL to satisfactorily perform the instructions.

Where VTL receives an equities order from the client, to ensure correct identification of the security and related clearing counterparty. VTL may ask for specific instructions as to the venue on which the equity is listed.

Wholesale clients can give standing instructions on execution requirements, including an instruction to opt out of the Best Execution policy. Any such standing instruction will be valid for a period of 12 months.

5 EXECUTION VENUES

Subject to any specific instructions from the client, VTL may use one or more of the following venues to enable VTL to obtain the best possible result when executing an order on your behalf:

- Multiple Exchanges such as ASX, Cboe
- VTL and its affiliated companies' trading desks (proprietary positions, or where acting as a liquidity provider or market maker)
- Third party investment firms and brokers which also may trade proprietary positions, act as market makers and as liquidity providers.

The choice of venue may be constrained by the fact that there may be only one market or platform where an order can be executed because of the nature of the order or the client requirements.

VTL or one or other of its affiliates may be used as the execution venue where VTL believes that VTL can trade to the client's advantage or at no disadvantage to the client in accordance with this Policy. Where VTL are, or one of our affiliates is the execution venue, VTL will consider all sources of reasonably available information to obtain the best possible result for the order.

Identification of Order Books

For equity market products traded within Australia's domestic financial market, trading is presently conducted on the Central Limit Order Book ('CLOB') of the ASX or Cboe so execution is subject to price-time priority on ASX and Cboe.

All orders will be entered into the CLOB's manually by a registered DTR.

6 MONITORING REVIEW

VTL will monitor the effectiveness of the Best Execution Policy and arrangements to identify and, where appropriate, correct any deficiencies. VTL will carry out the review and assessment above at least annually or whenever a material change occurs that affects VTL's ability to obtain the best result for the client. Material changes and/or regulatory updates to the Best Execution Policy will be present to the Board of Directors and a director's signature required for formal adoption. VTL will notify the client of any material changes to the Best Execution Policy and arrangements

7 DEFINITIONS

In addition to terms defined elsewhere in this Policy, the following definitions are used:

Central Limit Order Book ('CLOB') means 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. Orders in the central limit order book are matched continuously in price time priority with single price auctions facilitating the opening and closing sessions.

Equity market product means:

- (a) a share in a body;
- (b) a financial product referred to in subparagraph 764A(1)(b)(i) or subparagraph 764A(1)(ba)(i) of the Corporations Act;
- (c) a right (whether existing or future and whether contingent or not) to acquire, by way of issue, the following under a rights issue:
 - (i) a share covered by paragraph (a); or
 - (ii) a financial product covered by paragraph (b); or
- (d) a CHESS Depository Interest,
admitted to quotation on the Listing Market.

Order means an instruction to buy or sell a financial an equity market product which is accepted by VTL for execution and which gives rise to contractual or agency obligations to you. Implicit in the instruction received will be the understanding that you are relying on VTL to protect your interests in relation to the pricing or other aspects of the transaction that may be affected by how we execute the order. This includes where a trade is not immediately executable, where we are given price and/or time discretion as to the manner of execution and exact terms of the transaction and where the trade can be executed and booked to your account without the need for further reference to you.

Total Consideration means:

- (a) for a buy order, the purchase price paid by the client in respect of performance of a client order plus transaction costs
- (b) for a sell order, the sale price received by the client in respect of performance of a client order minus transaction costs.

Standing Instruction means an instruction (order) which remains in force until specifically changed or withdrawn.

Wholesale Client is where any of the following apply:

- (a) the price or value of the transaction entered into by the client is \$500,000 or more;
- (b) the financial product or service provided to the client is provided for use in connection with a business that is not a small business;
- (c) the client does not receive the financial product or service for use in connection with a business, and a qualified accountant certifies that the client has:
 - (i) net assets of at least \$2.5 million; or
 - (ii) a gross income for each of the last two financial years of at least \$250,000 a year,
- (d) the client is a professional investor (as defined in s9 of the Corporations Act); or
- (e) the client is a sophisticated investor (as defined in s761GA) of the Corporations Act with demonstrated experience in using financial services and investing in financial products.