

Best Execution Policy

Version Control

Date	Version	Author	Changes
April 2016	1.0	Liwen Foo	New policy supplementing Terms of Business.
December 2018	1.1	Peter Murphy	Updated logo 7.3 Added reference to Best Execution Committee

1. Introduction

1.1. IPL is licensed by the Securities and Futures Commission of Hong Kong (**SFC**) and is a Hong Kong Exchange (**HKEx**) participant.

1.2. Instinet Pacific Limited (**IPL** or **Instinet**) recognises that it has a duty to take reasonable steps to obtain the best outcome for the handling and execution of client orders. This means that Instinet has in place a policy and procedures that are designed to obtain the best outcome for clients when executing orders on their behalf, subject to, and taking into account, any specific instructions from the client, the nature of the particular orders and the nature of the markets concerned, but is not a guarantee of such results in all transactions. This policy should be read in conjunction with IPL's Terms of Business as applicable from time to time, which is available on <http://www.instinnet.com/legal-and-regulatory.php>.

2. Scope

2.1. Instinet owes a duty of best execution when it handles and executes orders on clients' behalf. For the purposes of this Policy Instinet is in receipt of an order and acting on a client's behalf when an execution instruction is given which gives rise to contractual or agency obligations owed by Instinet to a client. Instinet believes this to be the case where it exercises its discretion in relation to the execution of a client order.

2.2. For the avoidance of doubt, where an order is placed for execution on an exchange which we are unable to execute upon, we may pass on the order for execution by another broker-dealer with memberships of the relevant exchange and third party executing brokers.

3. Specific Instructions

3.1. Where a client provides Instinet with a specific instruction in relation to -

- an order,
- a class of orders,
- a particular aspect of an order or orders, or
- its orders generally,

Instinet will take reasonable steps to execute the orders in accordance with such instructions. By reason of physical restraints and rapid changes of market prices, Instinet may not always be able to execute client orders in full or at prices specified by the client.

3.2. However, specific client instructions may prevent Instinet from fully following this Best Execution Policy which is designed to obtain the best outcome on a consistent basis for the execution of client orders. In following client instructions Instinet will be deemed to have taken all reasonable steps to provide the best outcome.

3.3. Therefore, if a client requires its order to be executed in a particular manner and not in accordance with Instinet's Best Execution Policy the client should clearly state its desired method of execution when the order is placed and such instruction must be clear and unambiguous.

4. Execution Venues

4.1. In meeting its obligations to take all reasonable steps to consistently obtain the best outcome, Instinet may execute orders at the following venues.

- On a regulated exchange,
- The Instinet CBX Crossing Network,
- Any other alternative trading system (including broker pools and crossing engines) - subject to client's consent, and
- Instinet's global client base when it can cross a client order – subject to client's consent.

5. Execution Factors

5.1. In the absence of specific instructions from the client, Instinet may consider any, or any combination, of the following factors to determine the manner in which a client order will be executed.

- Price
- Speed
- Likelihood of execution or settlement
- Size of order
- Nature of order
- Costs
- Total consideration
- Market impact
- Any other factor relevant to the execution of the order.

5.2. Instinet will take all reasonable steps to obtain the best outcome when executing orders on behalf of a client and will ordinarily place a higher importance on price. However, Instinet will, in certain circumstances, determine that other execution factors are more important than price; and in such cases it will take into account the characteristics of:

- The client,
- The client order,
- The security subject to the order, and
- The execution venue.

6. Instinet's Conflicts & Responsibilities

6.1. Instinet is an execution-only institutional broker. It does not engage in proprietary trading.

6.2. Instinet's commitment to provide "best execution" does not mean that it owes any of its clients any fiduciary responsibilities over and above any specific regulatory obligations placed upon it or as may be otherwise contracted between Instinet and any individual client. Each client remains responsible for its own investment decisions and Instinet will not be responsible for any market or trading loss that a client might suffer as a result of those decisions.

7. Monitoring & Review

7.1. Instinet will monitor the effectiveness of its order execution arrangements and Best Execution Policy in order to identify and, where appropriate, incorporate any amendments to procedures.

7.2. Instinet will assess on a regular basis, whether the execution venues included in this Policy provide the best outcome for its clients or whether it needs to make changes to its execution arrangements. Instinet will review its order execution arrangements and this Policy at least annually or whenever a material change occurs that affects its ability to continue to obtain the best outcome for the execution of client orders on a consistent basis using the venues included in this Policy. Instinet will notify clients of any material changes to its order execution arrangements or Best Execution Policy as described above by posting the information on its website or by email.

7.3. Instinet's Best Execution Committee is charged with the oversight of its Best Execution responsibilities. The Best Execution Committee will meet on a regular basis to ensure compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems and prescribed internal standards of behavior.