

Australian Investment Exchange Limited (AUSIEX, the Participant, we, us, our) ABN 71 076 515 930 AFSL 241400, is a wholly owned subsidiary of Nomura Research Institute, Ltd. (NRI), a Market Participant of ASX Limited and Cboe Australia Pty Ltd, a Clearing Participant of ASX Clear Pty Limited and a Settlement Participant of ASX Settlement Pty Limited.

Our Obligation

As a Market Participant, AUSIEX has an obligation to take reasonable steps to obtain the best outcome for its clients when handling and executing client orders as required under Part 3.8 of the Market Integrity Rules (Securities Markets) 2017, the Best Execution Obligation.

This disclosure sets out how AUSIEX meets its Best Execution Obligation.

Best Execution

AUSIEX will take all reasonable steps to obtain the best outcome for its clients. Best outcome means different things for different clients.

For retail clients, best outcome will mean best total consideration.

Best total consideration means:

- Best purchase price plus brokerage and GST; or
- Best sale price minus brokerage and GST.

If you are a retail client, this will mean that AUSIEX will always attempt to obtain the best total consideration for your order unless you instruct us otherwise.

For wholesale clients, best execution may include price, costs, speed and likelihood of execution and any other relevant order consideration.

AUSIEX will prioritise price when obtaining the best outcome for a wholesale client unless otherwise instructed by the client.

If requested, other considerations may include 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.

For both retail and wholesale client orders, we will choose a venue or venues that satisfy our Best Execution Obligation.

Execution Venues

AUSIEX may connect to and submit orders to any of the following order books at its discretion:

- ASX TradeMatch
- ASX Centre Point
- Cboe Australia.

Some examples of when discretion may be applied include, but are not limited to:

- Some financial products are only quoted on one execution venue, or with one licensed market operator, including ASX or Cboe, so it is not possible to be sent to all venues;
- manual orders may be directed to a venue by a designated trading representative where appropriate; and
- a market outage may necessitate different order routing if a particular market is unavailable.

Order Execution

When AUSIEX receives an order, we will transmit the order to a relevant venue as soon as reasonably practicable, taking into account AUSIEX's obligation to maintain a fair and orderly market.

Client orders will transmit to available venues by an automated order processing system or by human intervention.

All orders are subject to review in accordance with the relevant Market Operating Rules and ASIC Market Integrity Rules, and may not be accepted or may be referred to our Designated Trading Representatives (DTR) for manual review and verification.

AUSIEX may execute orders that fall within one of the pre-trade transparency exceptions as defined in the ASIC Market Integrity Rules. The basis on which this may occur includes, but is not limited to, price improvement, volume improvement, managing market impact, the client's specific instructions in relation to the order and/or fair treatment of clients where AUSIEX is acting on behalf of multiple clients in a transaction.

Trading hours may vary across order books. Limit orders received outside of trading hours will be queued and transmit to an execution venue as soon as practicable.

Where part or all of an order does not execute immediately, the remainder of that order will be rested on the primary trading venue of that security. Limit orders for dual listed securities that do not cross the spread will rest on ASX TradeMatch. Orders that are rested on an execution venue will remain on that venue until executed, purged, amended or cancelled. When an order is resting on a venue, if the price on an alternative market changes, the order will not transmit to the alternative order book unless there is an instruction from the client, as to do so may mean a loss of order priority.

AUSIEX will send orders to participate in ASX TradeMatch auctions for dual-listed securities and ASX-only securities; and Cboe auctions for Cboe-only securities. The closing price of a security will be determined by the primary trading venue.

In the event of a market outage, where an execution venue may be unavailable for system or technical reasons, AUSIEX will take any and all action it deems appropriate to meet our Best Execution Obligation.

The actions AUSIEX may take include (but are not limited to):

- Temporarily disconnecting from an execution venue;
- Holding client orders until an execution venue becomes available;
- Holding existing orders on a particular venue until that venue becomes available or the order is filled, cancelled, or purged;
- Holding new orders until a particular venue becomes available;
- Executing any existing and/or new orders on any of the remaining venues, if appropriate;
- Where an instrument is listed on only one venue, AUSIEX may hold any new orders until that venue becomes available;
- Rejecting any new order that is likely to be a duplicate of an existing order already held within our systems;

- Removing or cancelling any order from an execution venue. This will result in that order losing its order priority in the market.

Client Instructions

Where we receive specific instructions from you, we will take reasonable steps to execute those instructions, even though they may not achieve the best outcome for you, provided they do not conflict with our other obligations under the Corporations Act, ASIC Market Integrity Rules or other relevant laws.

Wholesale clients may provide standing instructions or execution requirements which can include instructions to opt-out of our Best Execution procedures.

Evidence of Compliance with Best Execution Policy

On receipt of a reasonable request by a client, we will provide the client with evidence that the order has been executed in accordance with our policies and procedures.

On receipt of a request we will advise the client of the estimated time to provide the necessary information.

Review Period

AUSIEX will periodically review and monitor its Best Execution Policy, procedures, and practices or where there is a material change to ensure we continue to remain adequate and effective.

We will annually review any opt-out or standing instructions received from a wholesale client.

Have questions? Connect with us.

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