

J.P.Morgan

BEST EXECUTION DISCLOSURE

for

J.P. MORGAN SECURITIES AUSTRALIA LIMITED

This document sets out information on J.P. Morgan Securities Australia Limited's ("J.P. Morgan") Best Execution Policy (the "Policy") and its approach to providing its clients with "Best Execution" as required by Part 3.8 of the ASIC Market Integrity Rules (Securities Markets) 2017 (the "Rules").

The Rules require J.P. Morgan to take all reasonable steps to obtain the best possible outcome for clients. This overarching obligation to obtain the best possible result for clients is referred to, in this document, as J.P. Morgan's obligation of "Best Execution".

1. Scope

1.1 This document applies only to clients classified by J.P. Morgan as "Wholesale Clients" ("You"/"Your"). Best Execution is only owed when J.P. Morgan accepts an order to execute a transaction on Your behalf or in other circumstances where it has otherwise expressly agreed to accept such Best Execution obligations. Where You provide J.P. Morgan with instructions that are inconsistent with J.P. Morgan obtaining the best outcome as required by Part 3.8 of the Rules, J.P. Morgan must take reasonable steps to handle and execute Your order/orders in a way which satisfies Your instructions, even if the result will not be to obtain the best outcome.

2. Identification of Order Books or Other Mechanisms Where Orders May Be Matched Or Executed

2.1 The following is a list of Order Books of licensed markets and other mechanisms on which an order received from You may be matched or executed:

2.1.1 Order Books

- ASX Central Limit Order Book
- ASX Centre Point Order Book
- Chi-X Australia Order Book

2.1.2 Other Mechanisms

- J.P. Morgan Liquidity Pool

3. Handling of Your Orders and Circumstances Under Which Your Orders will Be Transmitted

3.1 When executing orders on Your behalf in relation to equity market products, J.P. Morgan will take all reasonable steps to achieve Best Execution for Your orders. J.P. Morgan has in place policies and processes that are designed to obtain the best possible execution results on a consistent basis, taking into account the relevant equity market product subject to the order, the nature of Your orders, the execution venues (on reasonable commercial terms) available for such equity market

J.P.Morgan

products and the priorities You place upon J.P. Morgan to execute those orders. Those policies and processes provide, in J.P. Morgan's view, the best balance across a range of sometimes conflicting factors.

3.2 J.P. Morgan will generally give price a higher relative importance when obtaining the best possible result for orders executed by J.P. Morgan on Your behalf. However, J.P. Morgan may also take into consideration a range of different factors, including (listed in no particular order), the type of client, the need for timely execution, likelihood of execution, speed, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the trading state of the market, the size of the order, whether J.P. Morgan is executing an order on behalf of the client or placing an order with, or passing an order to, others for execution, and the nature of the financial transaction. J.P. Morgan will also take into consideration regulatory requirements and any possible regulatory consequences when deciding the appropriateness of executing an order.

3.3 The circumstances under which Your orders may be transmitted to each Order Book or other matching mechanism are set out below:

3.3.1 Orders worked by Designated Trading Representatives ("DTR"): Where a DTR is using his/her discretion in executing Your order, the DTR may transmit Your order to the Order Book of one of the markets listed in 2.1.1, a liquidity venue or J.P. Morgan's smart order router. This decision will be made taking into consideration one or a combination of the factors noted in 3.2.

3.3.2 Algorithmic Orders ("algo"): Where Your order is inputted into an algo for execution, the order will be divided into child orders and entered into J.P. Morgan's smart order router, which determines transmission to the Order Book of one of the markets listed in 2.1.1 or other matching mechanism listed in 2.1.2 based on market state and price/time priority. The methodology by which Your order is entered into J.P. Morgan's smart order router will depend on the type of algo that is utilised. The type of algo that is used will be determined by specific instructions from You, or in the absence of any specific instructions from You, based on consideration of one or a combination of the factors noted in 3.2.

3.3.3 Direct Market Access Orders ("DMA"):

3.3.3.1 Where Your order is a DMA order and is not utilising J.P. Morgan's Low Latency DMA platform (see 3.3.3.2 below), the order will be entered into J.P. Morgan's smart order router, which determines transmission to the Order Book of one of the markets listed in 2.1.1 or other matching mechanism listed in 2.1.2 based on market state and price/time priority;

3.3.3.2 Where Your order is a DMA order utilising J.P. Morgan's Low Latency DMA platform, the order will be directly transmitted to either the ASX Central Limit

J.P.Morgan

Order Book or ASX Centre Point, determined by specific instructions from You and based on market state and price/time priority.

3.4 Differing Trading Hours: Where ASX is in a session state other than “OPEN” (including but not limited to when its session state is set to: “PRE_OPEN”; “PRE_CSPA”; “ADJUST”; “SUSPEND”; “TRADING HALT” etc.) orders routed through J.P. Morgan’s smart order router will always be routed to ASX regardless of the trading status of any other market.

4. Specific Instructions

4.1 Where You provide J.P. Morgan with instructions that are inconsistent with J.P. Morgan obtaining the best outcome under Part 3.8 of the Rules for You and that are:

- (a) clear and unambiguous
- (b) in writing, via electronic communication or if provided to J.P. Morgan verbally, recorded by J.P. Morgan and retained by J.P. Morgan for a period of seven years; and
- (c) not contained within the standard terms and conditions of a client agreement provided by J.P. Morgan to You, but which may be a standing instruction or specific Order by Order instruction

J.P. Morgan will take reasonable steps to handle and execute the order or orders in a way which satisfies Your instructions, even if the result will not be to obtain the best outcome.

4.2 In the absence of express instructions from You, J.P. Morgan will exercise its own discretion, having regard to the terms of Your order in determining the factors that it needs to take into account for the purpose of providing You with Best Execution.