

BEST EXECUTION POLICY

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
SINGAPORE BRANCH

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1. INTRODUCTION

The Monetary Authority of Singapore Notice SFA 04-N16 on Execution of Customers' Orders and Guidelines SFA 04-G10 to MAS Notice SFA 04-N16 on Execution of Customers' Orders (collectively, "**MAS Rules**") require firms, when placing and/or executing, or both, as the case may be, clients' orders for the purchase or sale of any financial instrument (refer to point 3), and where certain conditions apply, to take all sufficient steps to obtain the best possible result for its clients taking into consideration not just price but cost, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of the order ("**Best Execution**").

This document sets out the approach of Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ Singapore**") and/or representatives of ANZ Singapore (collectively herein referred to as "we", "us", "our") in discharging the Best Execution obligation.

A copy of this Best Execution Policy is supplied to clients who are either an Accredited Investor ("**AI**"), Expert Investor ("**EI**") or Retail Investor as defined in the Securities and Futures Act 2001, collectively ("**clients**") to ensure that they are aware of the terms upon which we deal with them, and the duties owed by us.

2. SCOPE OF THE DUTY OF BEST EXECUTION

Best Execution is owed by a firm to its clients when, in respect of a client's order, the client is deemed to rely on the firm in relation to pricing and other parameters of the transaction. As you are aware, we always deal with you as principal, and we operate primarily in request-for-quote markets.

Our current business model means that a duty of Best Execution currently may not apply to the business we undertake with you, with the exception of our dealings with Retail Investors. Despite this, we still have an obligation to consider when an obligation of Best Execution is owed and have placed monitoring and governance controls to achieve this.

Where you as an AI or EI request a quote from us, we will owe you a duty of Best Execution only if we determine that you rely on us, having assessed the nature and relevant circumstances of the particular transaction, which include the following non-exhaustive list of reliance factors:

Non Reliance Criteria

We may take into consideration circumstances such as:

- whether the customer is the one who initiates the order;
- whether the customer specifies the venue and price at which the order should be executed; or
- relevant guidance provided by other regulators that it has been assessed to be appropriate in determining non-reliance by the customer such as the Markets in Financial Instruments Directive's ("**MiFID**") Four-Fold cumulative test.

MiFID Four Fold Test:

- **Which party initiates the transaction:** Where we approach a client to enter into a transaction it is more likely the client is placing reliance on us. Where the client initiates the transaction, it is less likely the client will be placing reliance on us.
- **Market practice and the existence of a convention to 'shop around':** Where the practice in the market in which a business area operates suggests the client will take responsibility for the pricing and other elements of the transaction, it is less likely the client is placing reliance on us.
- **The relative levels of price transparency within a market:** If we have ready access to prices in the market in which it operates whereas the client does not, it is more likely the client is placing reliance on us. If access to pricing transparency is equal or similar for the client, it is less likely the client is placing reliance on us.
- **The information provided by the firm and any agreement reached:** Where the arrangements and agreements between us and the client do not indicate or suggest a relationship of reliance, it is less likely that the client will be placing reliance on us.

Most transactions between us and its clients are based on a specific request by the client to buy or sell a financial instrument, or the acceptance by the client of a price quoted by us to buy or sell a financial instrument. In the applicable financial instruments offered by us, prices are highly transparent, and it is the typical practice of clients to approach a number of different dealers for a price. In most instances, we are in competition with those other dealers. These transactions which arise from requests to deal, enquiries, price streaming or requests for quote, typically do not meet the criteria for reliance.

In certain circumstances, and for certain products, we may accept orders to deal in some specified way, as per your instruction ("**orders**"). Our regulatory duty of Best Execution in these circumstances will be affected by the specifics of your order and

your instructions to us. When you provide us with a specific instruction as to how an order is to be executed, we are required to follow the instruction and satisfy any duty of Best Execution by following it. Where the specific instruction covers only a portion of an order, and we have discretion over the execution of other elements of the order, then we may be subject to the Best Execution obligation in respect of the elements of the order that are not covered by the client's specific instruction, subject to the criteria for reliance.

3. FINANCIAL INSTRUMENTS

Where applicable, the Best Execution obligation only applies to dealings in "Capital Markets Products", as defined by the Securities and Futures Act 2001. Capital Markets Products which we deal in include the following:

- (a) FX - Forward FX, NDFs, FX Options, FX Swaps.
- (b) Repos, Reverse Repos.
- (c) Rates - Government Bonds, Rates Derivatives.
- (d) Credit - Corporate Bonds.
- (e) Commodities - Commodity derivatives.

4. EXECUTION FACTORS

Where Best Execution obligation applies, we will consider the following execution factors in order to fulfil our obligation to you:

- (a) price.
- (b) costs.
- (c) speed of execution.
- (d) likelihood of execution and settlement.
- (e) size and nature of the order.
- (f) such other matters that may be relevant to the specific order or transaction having regard to the prevailing market conditions.

We will generally give the highest priority to the 'all-in price', inclusive of costs (i.e., the total consideration), to give the best overall outcome for you across all in-scope financial instruments (refer to point 3) where Best Execution applies.

Speed, likelihood of execution and settlement will generally be given the lowest priority by us, as these factors have limited relevance when a client deals with us as principal whereas size and nature of the order may relatively vary based on the specific case though still considered low priority.

Where the Best Execution obligation applies, we will take all sufficient steps to ensure that we deliver the best possible result to you. However, you should be aware that this does not mean that we can guarantee that on every occasion we will achieve the best possible result for your orders. There may be various unforeseen circumstances and/or reasons that are beyond our control, including but not limited to failure or suspension of systems which may result either in delays or us executing orders or performing transactions in a manner which differs from our normal practice, as such, in these situations we will endeavour to perform our regulatory obligation to the best of our ability, having regard to all of the circumstances. Under no circumstances shall any obligation to you under our Best Execution Policy amount to a condition of any transaction and even in the event that this Policy has not been complied with, you shall not be entitled to cancel, terminate or rescind any transaction.

5. MONITORING AND GOVERNANCE

(a) Oversight and Policy Review

We will regularly monitor and assess the effectiveness of our Best Execution Policy and associated arrangements in order to fulfil the regulatory requirements applicable to us. Relevant assessments will be conducted on a regular basis to identify and, where appropriate, address any deficiencies. Additionally, we will review our Best Execution Policy and associated procedures at least annually or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

Our approach to Best Execution is current from the date listed at the beginning of this document, and this approach shall supersede any prior notification or statement we have made in relation to Best Execution. This Policy is available at <https://institutional.anz.com/about-anz-institutional/disclosures> ("**Disclosure Page**") and may be updated from time to time to address changing regulatory, industry and other applicable developments or internal policies. Please check the Disclosure Page to ensure that you have the latest version of this Policy.

(b) Enquiries

If you have questions after reading this Best Execution Policy or concerning our dealings with you, we encourage you to contact your Relationship Manager or Sales representative.

institutional.anz.com

Australia and New Zealand Banking
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