

BEST EXECUTION POLICY

(September 2018)

The Directshares service is provided by CMC Markets Stockbroking Limited ("CMCSB") (ABN 69 081 002 851, AFSL No. 246381), a Participant of the ASX Group, Sydney Stock Exchange (SSX) and Chi-X Australia (Chi-X) at the request of St. George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 ("St. George").

In accordance with the ASIC Market Integrity Rules (Securities Markets) 2017 Part 3.8, as a market participant of the Australian Securities Exchange Limited ("ASX") and Chi-X Australia Pty Limited ("Chi-X"), CMC Markets Stockbroking Limited ("CMCSB") has the obligation to take reasonable steps to obtain the 'Best Outcome' for the client when executing orders. For retail clients, obtaining the best outcome means obtaining the best total consideration. The obligation to take reasonable steps to achieve the best total consideration is known as 'best execution'.

What is Total Consideration?

Total consideration means:

- for a buy order, the purchase price paid in respect of the order plus transaction costs (inclusive of GST); and
- for a sell order, the sale price received in respect of the order less transaction costs (inclusive of GST).

This document sets out CMCSB's policy in achieving best execution.

Execution Venues

For all orders not placed via WebIRESS (e.g. via the standard website): CMCSB considers the following execution venues in taking reasonable steps to achieve 'best outcome': ASX TradeMatch and ASX Centre Point. Alternatively, clients may select for their order to be directed to Chi-X only.

For all orders placed via WebIRESS: CMCSB considers the following execution venues in achieving 'best outcome': ASX TradeMatch, ASX Centre Point and Chi-X ("Venues").

ASX TradeMatch is the main ASX Trade market and offers a wide range of trade functionality for all ASX-quoted securities. ASX Centre Point offers anonymous execution at the prevailing mid-point of the National Best Bid and Offer.

Order Execution

CMCSB accepts orders to buy and sell securities either by telephone, in writing (e.g. by facsimile or mail) or through CMCSB Automated Order Processing Systems ("Online Service"). The way in which CMCSB deals with all instructions and orders is contained in the CMCSB Terms and Conditions.

Where an order, or a portion of an order, has not executed immediately, the order will be directed to ASX TradeMatch (or, if selected, Chi-X) where it will remain until it is executed, purged or cancelled. During the opening and closing phase of ASX TradeMatch, CMCSB will send orders to ASX TradeMatch to participate in the auction phase.

CMCSB places client orders in time priority, which means the first valid order that is received at a given price for a particular security will be the first order that is submitted to the market router. Amendments to an existing order may adjust the order priority. All orders are subject to review and may be rejected or referred to one of the Designated Trading Representatives ("DTR") for manual entry.

When CMCSB receives an order from the client, it will transmit the order to the relevant Venue as soon as reasonably practicable, taking into account CMCSB's obligation to maintain a fair and orderly market.

ASX operates normal trading between 10 a.m. and 4 p.m. Sydney time, Monday to Friday, not including some NSW public holidays. If an order is received from the client when the market is not open for normal trading or where the execution Venue is unavailable (for e.g. due to differing trading hours between Venues or a market outage), the order may be transmitted to the relevant execution Venue(s) for entry on the opening of the markets on the following business day or alternatively, the order may be executed on any remaining open execution Venue(s), where CMCSB believe it is in the interests of achieving its Best Execution Obligation. Execution of orders may be automated or manual (by human intervention).

Note: the execution of an order is subject to any specific instructions provided and accordingly best execution may not be obtained.

Order Instructions from the client

Where the client has provided specific instructions to CMCSB, we endeavour to take reasonable steps to execute the order in accordance with those instructions, even though this may not achieve best execution. We will only do so in circumstances where the client instructions don't conflict with our other obligations under the CMCSB Terms and Conditions, the Corporations Act 2001, the ASIC Market Integrity Rules and any other relevant laws.

CMCSB will review this policy as required. Should there be any material changes, you will be notified in writing.