



FirstRand

FIRSTRAND BANK LIMITED (LONDON BRANCH) & FIRSTRAND SECURITIES
BEST EXECUTION AND ORDER HANDLING POLICY

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1. INTRODUCTION

This policy ('Policy') provides clients with information on the client order handling, best execution and order allocation arrangements that the UK operations of FirstRand Bank Limited (London branch) and FirstRand Securities Limited (together or separately 'FirstRand', 'we', 'our' or 'us') has in place as required by the Markets in Financial Instruments Directive 2014/65/EU as implemented and onshored in the UK (as amended from time to time) and the relevant rules of the Financial Conduct Authority ('FCA') Handbook (together 'UK MiFID').

2. WHAT IS BEST EXECUTION?

UK MiFID requires us to take all sufficient steps to obtain the best possible result for our clients, when executing orders (or receiving and transmitting orders) on their behalf in respect of financial instruments (as defined by UK MiFID) ('Best Execution'), on a consistent basis, taking into account execution factors, including price, cost, speed, likelihood of execution and settlement, size, nature, or any other execution consideration ('Execution Factors'). Best Execution does not mean that we can guarantee that the best price will be achieved for every single order. However, we will look to ensure that we are acting, to the extent that it is possible, in the best interests of our clients and obtain the possible result that we can reasonably be expected to achieve.

Please note that by conducting business with us following receipt of this document, you will be deemed to have consented to the Policy. If you wish to discuss with us how Best Execution or this Policy applies to you, please contact your usual relationship manager.

3. OVERRIDING DUTY

FirstRand has an overriding duty to act honestly, fairly, and professionally in accordance with the best interests of clients. FirstRand will always endeavour to act in the best interests of our clients, irrespective of whether the activities and/or products are technically outside of the Best Execution regime.

FirstRand does not owe you any fiduciary responsibilities because of the matters set out in this Policy, over and above the specific regulatory obligations placed upon us or as contractually agreed.

4. UPDATES TO THE POLICY

This Policy may be updated from time to time and shall be reviewed on an annual basis or upon any material change to our execution arrangements. A material change means a significant event that may impact the Execution Factors.

The latest version of the Policy is available on our website [here](#).

Any material changes will be notified to clients. Any material changes to the policy will be notified to clients. Minor changes may be made to the execution venues, such as the inclusion of additional brokers without notification

Where a client makes reasonable and proportionate requests for information about FirstRand's policies or arrangements and how they are reviewed, FirstRand will provide a clear and timely response to the client.

5. SCOPE OF ACTIVITIES AND PRODUCTS

This Policy will apply when we provide the following services ('Services') in respect of financial instruments within the meaning of UK MiFID ('Financial Instruments') as part of FirstRand's sales and trading business units including, Fixed Income and Derivatives:

- a) executing orders on behalf of clients to whom we owe Best Execution (which includes the investment service of dealing on own account, where FirstRand makes a price to a client and the client places Legitimate Reliance on FirstRand); and
- b) receiving and transmitting orders to third parties for execution.

This policy will apply to securities financing transactions ('SFTs') in so far as they relate to 'Financial Instruments'.

6. CLIENTS

This Policy applies when we provide a Service to/execute a transaction with clients who have been classified by FirstRand as a "Professional Client", regardless of whether you are an elective professional or a per se professional client, in accordance with the definition in UK MiFID.

This Policy does not apply when we provide Services to "Eligible Counterparties". FirstRand does not deal with retail clients.

7. WHEN BEST EXECUTION IS OWED?

The application of Best Execution will be determined by the type of transaction the Professional Client is seeking to execute with us. FirstRand will assume that it is acting on behalf of a Professional Client and, as such, owe Best Execution:

- a) when FirstRand receives an order from a Professional Client and FirstRand executes that order on a riskless principal basis or by acting as the agent of the Professional Client; and
- b) when entering into a transaction with a Professional Client on a principal basis, to those Professional Clients who legitimately rely on FirstRand to protect their interests ('Legitimate Reliance').

Transaction requests can be made via orders, request for quote or for indicative prices, or other expressions of interest, or instructions to trade. FirstRand is not under any obligation to act upon such client transaction requests, subject to any applicable terms and conditions, for example requests that relate to electronic platforms that a transaction request is routed through.

8. WHAT IS LEGITIMATE RELIANCE?

The following considerations will be taken into account on a cumulative basis when determining whether you place Legitimate Reliance on FirstRand (the 'four-fold test'):

- 1) which party initiates the transaction: where FirstRand approaches a client about a transaction, this may be a consideration in determining whether they are more likely to be placing reliance on FirstRand. This does not include the provision of trade ideas, the communication of market colour or information about products which can be independently assessed by the client.
- 2) market practice and the existence of a convention to 'shop around': where there is a known or common convention in a particular market to shop around for a quote then it is less likely that a client will be placing reliance on FirstRand.

- 3) the relative levels of price transparency within a market: if you have ready access to prices in a particular market, then it is less likely that you will be placing reliance on FirstRand; and
- 4) the Terms of Business/ other information provided to clients: where any agreement, or any other document, makes clear that FirstRand will not provide a service that includes executing on your behalf and there is no other reason

suggesting or confirming that a client is reliant upon FirstRand to protect any clients interests in relation to the pricing and any other elements of the transaction, it is less likely that you will be placing reliance on us.

Following proper consideration of relevant factors, to include the four-fold test, FirstRand will advise a client where circumstances indicate a legitimate reliance.

Where circumstance do not indicate that a client is legitimately relying on FirstRand, then Best Execution obligations will not apply.

Where FirstRand provides quotes or negotiates a price on request (for example, an RFQ), we assume that there is no Legitimate Reliance placed on us by Professional Clients and, as such, we do not owe Best Execution.

9. SPECIFIC INSTRUCTIONS

Where FirstRand is given specific instruction(s) with regards to the execution of an order (or a particular aspect of an order) and we accept the specific instruction ('Specific Instruction'), we will execute the order in accordance with the Specific Instruction(s) given. When we execute an order (or the relevant aspect of the order) in accordance with a Specific Instruction, we satisfy our obligations to provide Best Execution. Best Execution will apply on all aspects of the order (if any) not covered by the Specific Instruction. Such instructions may prevent us from taking all sufficient steps, as set out in our policy, to obtain the best possible result for the execution of your order in respect of the elements covered by those instructions.

10. ACHIEVING BEST EXECUTION

To provide Best Execution, FirstRand takes into account of all relevant Execution Factors, including:

- price, excluding FirstRand's Fees and Charges and any external costs (as defined below)
- any 'external costs' relevant to the execution (for example, any external costs charged by third parties which are related to the execution of the transaction and which are directly passed on to you, including, execution venue fees, clearing and settlement fees and any other fees paid to third parties)
- potential speed of execution
- likelihood of execution and settlement
- size and nature of the order
- likely market impact

- nature of the market for the financial instrument; and
- any other consideration deemed relevant to the execution of your transaction.

To determine the relative importance of the Execution Factors, FirstRand takes into account the following:

- information about market conditions
- characteristics of the client order (including where the order involves an SFT.
- Nature of the financial product (the instrument or instruments that you have asked us to deal in).

- characteristics of the client (e.g., whether the client is a 'per se' Professional Client or an 'elective' Professional Client).
- characteristics of the potential execution venues (the options available to us to execute your order); and
- any other criteria we consider relevant.

Execution Factors vary depending on transaction type and the instructions we receive from you. Each of the Execution Factors plays a role in assessing the importance of the execution factors for any specific order. Nevertheless, price will typically take priority over the other Execution Factors for all classes of Financial Instruments, unless assessed otherwise on a transaction by transaction basis. The ultimate transaction price will be dependent on the importance given to the other Execution Factors.

11. EXECUTION VENUES

The selection of an execution venue will be relevant when execution orders on behalf of client such that the execution of the transaction is dependent on our ability to access liquidity. FirstRand uses several execution venues. An 'execution venue' includes a regulated market, a multilateral trading facility ('MTF'), an organised trading facility ('OTF'), a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing (together 'Execution Venues'). RMs, MTFs and OTFs are referred to as 'Trading Venues'.

We use Execution Venues that we believe will enable us to obtain on a consistent basis the best possible result when we execute orders on behalf of our clients. We do not structure or charge our commissions in such a way as to discriminate unfairly between execution venues. FirstRand may act as the Execution Venue when it believes it to be in the best interests of a client.

A list of Execution Venues on which we place significant reliance in meeting our Best Execution obligations can be found on our website [here](#).

We will assess on a regular whether the Execution Venues set out in the list provide for the best possible results for our clients on a consistent basis. Factors we consider in this process include Execution Factors, clearing and settlement facilities, market liquidity, whether the client has consented to trading being conducted outside a Trading Venue and Execution Venue trading controls. We may use other Execution Venues and add to or remove any Execution Venue from this list where we determine it is appropriate to do so.

On an annual basis, we will consider the Execution Venues that are not included in the list and whether their exclusion affects FirstRand's ability to meet the best execution requirements

12. TRANSACTIONS EXECUTED OUTSIDE A TRADING VENUE

When FirstRand use OTC sources of liquidity, we will be executing client orders outside a Trading Venue. If you request FirstRand to execute a transaction in a financial instrument which is traded on a RM, a MTF, or OTF FirstRand may execute those transactions outside of such venues if we have obtained express consent from the client to do so.

Executing transactions outside of a RM, MTF, or OTF may create additional risks, for example, increased counterparty risk. Please note that providing consent does not impact whether we owe you Best Execution obligations and our obligation to execute any transaction where Best Execution applies in accordance with the Policy.

We check the fairness of the price proposed by gathering market data used in the estimation of the price of such products. You may choose not to have FirstRand access OTC sources of liquidity, though this may restrict our ability to execute orders in certain types of instruments or product and/or to obtain the best possible result when executing those orders on your behalf.

13. BROKER SELECTION WHEN RECEIVING AND TRANSMITTING ORDERS

We may use affiliates and third party brokers (together 'Brokers') to provide access to markets where we otherwise may not be able to execute or where we believe it to be in your best interests to do so. In these instances, we will transmit orders to the Brokers for execution. A list of Brokers on which we place significant reliance can be found on our website [here](#).

FirstRand's policy is to take all sufficient steps to ensure the client receives the best possible result in the execution of the client's orders. Where an order is passed to a Broker, that Broker has discretion over the execution of the order, and we will be relying on that Broker to execute the transaction in a way that achieves Best Execution.

We will carry out due diligence on such Brokers during the selection process and on an ongoing basis to ensure that we are satisfied that they are acting in such a manner to obtain the best possible results for our clients. When selecting Brokers, we consider the following factors, but not limited to: Execution Factors, a good reputation, market share, good coverage of the market venues and mechanisms, settlement factors, lower cost of execution, best execution policy and commercial terms (including execution fees).

On occasion, FirstRand receives requests from clients to execute all or a portion of the securities transactions on their accounts with one or more specified brokers. Where FirstRand agrees to such a Specific Instruction, it may detract from FirstRand's ability to negotiate commissions, achieve the best price, provide best execution, aggregate similar orders with those of other clients or ensure similar performance within a style group.

14. ORDER HANDLING

Where we handle an order on behalf of a client, we will apply the following general principles:

- client orders will be executed or transmitted, as appropriate, promptly, fairly, and expeditiously.
- where we execute an order, that the execution of the order is promptly and accurately recorded and allocated.
- where we receive comparable order, we will carry these out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impractical or the interests of the client require otherwise.
- where we are responsible for overseeing or arranging the settlement of an executed order, we will take all reasonable steps to ensure that any Financial Instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client; and
- information in respect of pending orders will be treated as confidential, to the extent permissible by law and we will take all reasonable steps to prevent the misuse of such information.

15. AGGREGATION AND ALLOCATION

In accordance with its order execution arrangements, FirstRand will generally not carry out a client order or a transaction for own account in aggregation with another client order or any transaction for its own account unless the following conditions are met:

- it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose orders is to be aggregated

- we disclose to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage or detriment of client whose order is to be aggregated; and
- aggregated orders and transactions are fairly allocated.

All client orders aggregated with transactions on FirstRand's own account that have only been partially executed, priority in allocation will be given to the client order and this will be done in a manner that is not detrimental to the client.

When FirstRand can demonstrate on reasonable grounds that without aggregating the order with the transaction on FirstRand's own account, the order could not have been executed or executed on such favourable terms, it may allocate the transaction for own account proportionally, in accordance with its order allocation policy.

If FirstRand determines that an allocation of a transaction for its own account, which was executed in combination with one or more client orders, requires reallocation, this will only occur where it is fair, reasonable, and not to the detriment of clients.

16. CONFLICTS

- a) Execution costs: when providing Services to you, we may charge the client a fee, commission, mark up or spread in the execution price.
- b) Internalisation: we may execute orders internally. Orders will only be internalised when it is determined, in accordance with this Policy, that taking into account potential conflicts of interest, FirstRand is the appropriate Execution Venue, and such internalisation is in the best interests of the client.
- c) Affiliates or connected parties: we will only use a connected party to execute a client order if we determine that it is in the best interests of the client to do so and that any conflicts of interest that may arise are prevented or managed appropriately.
- d) Inducements: it is our policy to not receive prohibited inducements from third parties in connection with the provision of Services to clients.

17. MONITORING

We have implemented operational arrangements and a governance framework to monitor, on a regular and ongoing basis, the effectiveness of the arrangements described in this Policy. As part of its general monitoring, FirstRand may implement changes to the execution arrangements to improve client outcomes.

FirstRand has surveillance software in place, which continuously monitors and assesses the results achieved for clients against internal Best Execution measures. The outcomes are reviewed on at least a monthly basis and are reported to the Regulatory Conduct and Compliance Committee. If material discrepancies are detected, escalation processes will be followed such that senior management will be notified and remediation measures will be implemented.

This Policy will be reviewed at least annually or whenever a material change occurs that may affect the ability of FirstRand to continue to achieve Best Execution in respect of client orders.