



## **CCZ Statton Equities Pty Ltd Best Execution Policy**

In accordance with Rule 3.1.1 of the ASIC Market Integrity Rules, CCZ Statton must take reasonable steps when handling and executing an order to obtain the best outcome for the client and must disclose to the client how it will meet this obligation.

This new compliance obligation of stockbrokers has arisen because of the new multi-market environment about to begin in Australian share trading. This statement contains information on how we will meet our best execution obligation to you, our client.

CCZ Statton will not be a participant of Chi X at the launch date on the 31<sup>st</sup> October 2011 but we expect to be a participant within the coming months.

### **What is the “best outcome”?**

Subject to any valid instructions from you, for retail clients the “best outcome” means obtaining the best total consideration. That is, taking reasonable steps to obtain:

- the lowest purchase price plus transaction costs when buying; and
- the highest sale price less transaction costs when selling.

For wholesale clients the “best outcome” may be price, costs, total consideration, speed, likelihood of execution or any combination of these outcomes.

### **Methods of execution**

Until CCZ Statton becomes a participant of Chi X or any other new market, all orders will be manually entered, monitored and executed by our designated trading representatives on the ASX’s central limit order book, TradeMatch, as we have always done. Client orders executed on ASX TradeMatch are subject to price-time priority. That is, orders of the same price are ranked according to when they are entered.

After CCZ Statton becomes a participant of Chi X, CCZ Statton will also use a computer tool called a smart order router to connect to multiple markets and to scan the various markets to determine which one delivers the best outcome.

### **Brokerage**

No matter which market CCZ Statton accesses in order to give you best execution, the brokerage we charge will be the same as it was prior to the introduction of new markets such as Chi X.

### **Client instructions**

Where you provide us with a specific instruction about how your order should be executed, we will take reasonable steps to satisfy that instruction. However, you should be aware that a specific instruction may prevent us from obtaining the best outcome for you.

Where CCZ Statton receives clear and unambiguous instructions from a retail client that are inconsistent with CCZ Statton obtaining the “best outcome” for that client, CCZ Statton will only accept those instructions on an order-by-order basis.

Where CCZ Statton receives clear and unambiguous instructions from a wholesale client that are inconsistent with CCZ Statton obtaining the “best outcome” for that client, CCZ Statton may accept those instructions on an order-by-order basis or via a standing order.

### **Demonstration of compliance**

Upon receipt of a reasonable request by a client, we will demonstrate to the client that its order was executed in accordance with the best execution arrangements of CCZ Statton. Reasonable requests should be made within three business days after the order being executed.