BEST EXECUTION POLICY - WEBTRADER

1. Introduction

1.1 This best execution policy ("Policy") is issued in line with international best practice principles on best execution of trades that applies to The Standard Bank of South Africa Limited ("Standard Bank").

1.2 This Policy provides an overview of the manner in which Standard Bank, through its third party dealer or relevant market participant, executes orders on behalf of clients, the factors that can affect the timing of execution and the way in which market volatility plays a part in handling orders when buying or selling a financial instrument.

1.3 The Policy applies to Standard Bank's execution of orders on behalf of clients of Webtrader with the relevant market participants and/or third party service providers.

1.4 Where Standard Bank provides a quote to a client or negotiates the terms of an Over-the-Counter ("OTC") transaction with Standard Bank as counterparty, Standard Bank will normally not be acting on the client's behalf and the Policy will therefore not apply.

1.5 Upon acceptance of a client order and when there is no specific client instruction regarding the execution method, Standard Bank will execute an order in accordance with the Policy.

2 Financial Instruments to which this Policy Applies

2.1 The Policy applies to financial instruments and products including Securities, Exchange Traded Funds ("ETFs") Foreign Exchange Forwards (including rolling FX Spot). Some of these products are due to their nature traded OTC.

2.2 The trading conditions for the above products are available on Standard Bank's website.

3 Standard Bank's Approach to Best Execution

3.1 When executing orders Standard Bank, through its third party dealer or relevant market participant, will take all reasonable steps to obtain the best possible result under the circumstances for the client taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order ("Best Execution").

3.2 When considering the best executing factors, Standard Bank will through its third party dealer or relevant market participant take into account:

3.2.1 the characteristics of the client order;

3.2.2 the characteristics of the financial instruments that are subject to that order (in particular in relation to OTC financial instruments); and

3.2.3 the characteristics of the execution venues to which that order can be directed.

3.3 When Standard Bank, through its third party dealer or relevant market participant, executes orders on behalf of clients, Best Execution is determined on the basis of the total consideration paid by the client, unless the objective of execution of the order dictates otherwise.

3.4 Whenever there is a specific instruction from or on behalf of a client, Standard Bank, through its third party dealer or relevant market participant, will to the extent possible - execute the order in accordance with the specific instruction. A specific instruction from a client may prevent Standard Bank, through its third party dealer or relevant market participant, from taking the steps that it has described in the Policy to obtain the best possible result for the execution of orders. Trading rules for specific markets may also prevent Standard Bank from following certain of the client's instructions. To the extent that a client instruction is not complete, Standard Bank, through its third party dealer or relevant market participant, will determine any non-specified components of the execution in accordance with the Policy.

4 Elements of Best Execution

4.1 The procedure for routing determinations is mainly based on four criteria and is regularly reviewed by Standard Bank. Hence to determine the best way to execute an order for a client Standard Bank takes into consideration:

4.1.1 **Speed and Likelihood of the Execution:** Due to the levels of volatility affecting both price and volume, Standard Bank seeks to provide client orders with the fastest execution reasonably possible although delays may occur.

4.1.2 **Price Improvement and Overall Consideration of Costs:** Orders are routed to market makers and/or market centers where opportunities for price improvement exist. The criteria to be used by other market makers and/or market centers include:

4.1.2.1 automatically matching incoming market and limit orders to pending limit orders;

4.1.2.2 crossing transactions where price improvement can be offered to one or both sides of the trade.

4.1.3 **Size Improvement:** In routing orders, Standard Bank seeks markets that provide the greatest liquidity and thus potential for execution of large orders. Standard Bank also seeks opportunities for client orders to benefit from order-size commitments offered by third parties.

4.1.4 **Overall Execution Quality:** When determining how and where to route or execute an order, Standard Bank will rely on the relevant market participant or third party's traders' extensive day-to-day experience with various markets and market makers, focusing on prompt and reliable execution.

5 Execution of Client Orders

5.1 Standard Bank, through its third party dealer or relevant market participant, uses automated systems to route and execute client orders. When a client order is received by Standard Bank, it is routed to the execution venue that Standard Bank considers to generally provide the Best Execution or kept in house for products which Standard Bank trades against its own proprietary desk (e.g. some OTC products). Standard Bank may execute orders outside regulated markets and multilateral trading facilities.

5.2 For instruments admitted to trading and official listing on a regulated market or stock exchange (i.e. Securities and ETFs), Standard Bank routes orders to the exchange via its third party service providers for execution.

5.3 For OTC products (FX Spot), Standard Bank will trade (as principal) against its own proprietary desk and may in turn route its own orders to other market maker firms.

5.4 The client's orders may at the discretion of Standard Bank be aggregated with Standard Bank's own orders, orders of any of Standard Bank's associates and/or other clients. Furthermore, Standard Bank may split the client's orders as well as aggregate orders before executing such. Orders will only be aggregated or split where Standard Bank reasonably believes it to be unlikely that the aggregation or split generally will be detrimental to any client. Aggregation and split may in single occasions result in the client obtaining a less favorable price than if the client's orders had been executed separately or together, as applicable.

5.5 There may be delays in execution of orders, including orders placed through online trading systems. Some orders placed through online trading systems may be handled manually. When high traffic in electronic orders causes a back log, Standard Bank, as well as market makers, market participants and third party service providers to which orders are sent for execution, must sometimes discontinue normal automatic execution procedures and turn to manual execution, leading to possible delay in execution. In order to minimize such a risk, Standard Bank, through its third party dealer or relevant market participant, has in place procedures and arrangements which to the furthest extent possible provide for the prompt, fair and expeditious execution of client orders.

6 List of Execution Venues Currently Used

6.1 Standard Bank uses a number of external financial institutions and brokers in the process of receiving and relaying orders or to directly execute listed financial instruments.

7 Effect on Order Execution

7.1 Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

7.1.1 Execution at a substantially different price from the quoted bid or offer or the last reported sale price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices.

7.1.2 Delays in executing orders for financial instruments that Standard Bank, through its third party dealer or relevant market participant, must send to external market maker and manually routed or manually executed orders.

7.1.3 Opening prices that may differ substantially from the previous day's close.

7.1.4 Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, which prevent the execution of client trades.

7.1.5 Price volatility is one factor that can affect order execution. When clients place a high volume of orders with brokers, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors: (i) the number and size of orders to be processed, (ii) the speed at which current quotations (or last-sale information) are provided to Standard Bank and other brokerage firms; and (iii) the system capacity constraints applicable to the given exchange, as well as to Standard Bank and other firms.

8 Types of Orders

8.1 Given the risks that arise when trading in volatile markets, the client may want to consider using different types of orders to limit risk and manage investment strategies. (It should be noted that the following descriptions of order types may apply only to some and not all types of financial instruments).

8.2 **Market order**: With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain stock exchanges do not support market orders. If the client places a market order in these markets, Standard Bank will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the clients' own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her order the client should contact Standard Bank immediately. Some of Standard Bank's third party execution brokers may choose to translate market orders on various markets into aggressive limit orders 3 – 5 % in the money. This is often a result of exchange rules applied to protect clients from "bad fills". Standard Bank cannot be held responsible for missing fills due to such translation performed by third party execution brokers.

8.3 **Limit order:** With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention.

8.4 **Stop order:** Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" order until the stop price is reached or breached.

8.4.1 **Trailing stop order:** The trailing stop order is a stop order as described in Section 8.4 but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

8.4.2 **Stop Limit Order:** A stop limit order is a variation of a stop order as described in Section 8.4 with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

9 Regular Review of Execution Quality and of Execution Venues

9.1 Standard Bank will endevour to review the Policy annually and whenever a material change occurs that affects Standard Bank's ability to obtain the best possible result for the execution of client orders.

9.2 Standard Bank endevours to regularly review the overall quality of its order executions and its order routing practices, including its order routing vendors and the available exchanges. Standard Bank will amend the Policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on Standard Bank's website and will be in force as from its publication date.

10 Standard Bank’s General Business Terms

10.1 The Policy is subject to Standard Bank’s General Business Terms and other business terms from time to time governing the relationship between the client and Standard Bank. Further information on order execution can be found in Standard Bank's General Business Terms.