

BEST EXECUTION POLICY

1. Background & Purpose

- 1.1** The Best Execution requirements prescribed by the Monetary Authority of Singapore (“MAS”) takes effect on 3 March 2022. This is the outcome following a November 2017 MAS Consultation Paper which set an 18-month transitional period for Singapore’s financial institutions to comply with best execution requirements upon issuance of the MAS Notice SFA 04-N16 on 3 September 2020.
- 1.2** Long Bridge Securities Pte. Ltd. (“LBS”, “the Company”, “we” or “us”) is required, under the **SFA Notice 04-N16: MAS Notice on Execution of Customers’ Orders** to establish and implement policies and procedures, in accordance with the nature, scale and complexity of its business. SFA Notice 04-16 is accompanied by “**MAS Guidelines SFA 04-G10: Guidelines to MAS Notice SFA 04-N16 on Execution of Customers’ Orders**”.
- 1.3** This Best Execution Policy of LBS sets out the considerations and approach taken by LBS to provide **Best Execution** for its customers when executing orders on customers’ behalf or placing customers’ orders with, or passing orders of our **customers¹** to, others for execution.

Best Execution means that LBS takes all reasonable steps to obtain the best possible result for its customers, taking into account nature of orders, order instructions, order size, available prices, costs, execution speed, likelihood of execution and settlement, market impact, and/or other relevant order execution considerations

- 1.4** This document covers the placing and/or executing of our **customer’s orders²** by us for the purchase or sale of **capital markets products LBS is licensed to transact in**, be it in our capacity as an agent or principal, and whether the order is being executed **on-exchange or off-exchange (i.e. cross trades)**. It also seeks to address various topics such as quality of execution, execution factors, order handling and monitoring relevant to client’s trading activities.
- 1.5** The best execution obligation does not extend to dealing with institutional investors³.

2. Definition and Scope

- 2.1** Best execution broadly refers to a broker’s duty to place or execute or both, customers’ orders on the best available terms.
- 2.2** Best execution is applicable when executing customers’ orders directly on an execution venue or placing customers’ orders with another capital markets intermediary or person who is licensed, authorised, regulated, or otherwise exempted in relation to dealing in capital markets products in a foreign jurisdiction, for execution.
- 2.3** This Best Execution Policy applies to all customers of LBS and across all capital markets products which LBS is licensed to deal in including the following:
- (i) Securities
 - (ii) Bonds
 - (iii) Unit Trusts
 - (iv) Exchange-Traded Derivatives

3 Customer Specific Instruction

- 3.1** To the extent that LBS follows specific instructions received from a customer, LBS is deemed to have satisfied its best execution obligations when it places the customer’s order in accordance with those

¹ Including customers who are Accredited Investors (as defined under Section 4A of the Securities and Futures Act (Cap. 289) (“SFA”).

² Order is defined in Para 2.1 of the SFA Notice 04-N16

³ institutional investor” has the same meaning as in section 4A of the Act

instructions and subject to compliance with local regulation. Where the instructions relate to only part of an order, LBS will continue to apply this Best Execution Policy to those aspects of the order not covered by specific instructions.

- 3.2** When customers executes an order via our online Longbridge Platform, the customer will select parameters of the order (such as the price, the timing, the size and nature the order). In this situation, LBS, while acting on its customer's behalf in providing the online Longbridge Platform, is considered to have fulfilled its obligation on that aspect of the order to provide Best Execution, and the customer will be treated as having given specific instructions for the entirety of their order by means of the online Longbridge Platform.

4 Quality of execution

- 4.1** LBS will ensure that any order is executed in accordance with the Best Execution Policy herein (or will otherwise act in accordance with the best interests of customers when transmitting orders to other persons for execution).

- 4.2** There may be cases where, as a result of circumstances outside LBS's control, it may be appropriate to use an execution method or venue other than one described in this Best Execution Policy. This may be due, for example, to the order size, inadequate liquidity in the security concerned on the relevant exchange, or the availability of an agency cross. In such cases, LBS will nevertheless take all sufficient steps to obtain the best possible result taking into account the execution factors below, or will otherwise act in accordance with the best interests of customers when transmitting orders to other persons for execution.

5. Execution factors and criteria

5.1 Execution factors

When executing orders on behalf of customers, LBS will consider a range of execution factors to achieve the best execution terms for its customers. While some execution factors may merit a higher relative importance, there are situations where the relative importance of these factors may change in accordance with the instruction provided by customer or the general broader market conditions.

- 5.2** The general factors to be considered are as follows:

General factors for consideration:		
i)	<i>Price</i>	this is the price at which order is executed, excluding ancillary costs/fees charged.
ii)	<i>Size of Order & Liquidity of counter</i>	size of order and the liquidity of the counter in the market may affect the price of execution
iii)	<i>Nature of order</i>	this refers to the type of order e.g. market order, limit order.
iv)	<i>Speed of Execution</i>	the time it takes to execute the order
v)	<i>Likelihood of Execution & Settlement</i>	the likelihood of LBS will be able to complete the order or substantial part of the order
vi)	<i>Costs</i>	this includes both direct costs and indirect costs if any

- 5.3** Price will generally merit a high relative importance. LBS will take into account the following criteria when determining the relative importance of the execution factors referred to above, such as:

- (i) the types of customers it serves (whether **retail**⁴ or otherwise);
- (ii) the types of products for which it accepts, places or executes orders;
- (iii) the characteristics of the execution venues or brokers to which the order can be directed; and
- (iv) the characteristics of the customer's orders.

5.4 There may be situations in which the relative importance of the above mentioned factors may be affected by clients' specific instructions. LBS reserves the right to intervene in the execution if a client's orders will result in adverse market movement (e.g. large orders). LBS will use its reasonable judgment in considering the relevant factors when deciding how to provide best execution.

6 Execution Venues and Brokers

6.1 LBS will determine the appropriate execution venue where the customer's orders can be executed by LBS, or the appropriate third-party participants or brokers to which the customer's orders can be transmitted by LBS for execution.

6.2 LBS generally applies the following considerations in the selection of execution venues: (a) in the case of equity securities, the primary market on which the issuer's securities are listed and traded, and (b) in the case of a warrant or depositary receipt, the exchange of the instrument's primary listing.

6.3 Where a security is listed on more than one trading venue, orders will normally be executed on its primary market, as it is considered that such execution is most likely to achieve consistently the best possible result for customers taking into account the execution factors above and their relative priority.

6.4 For the transmission of customer orders to other brokers, LBS will use brokers possessing specific and adequate arrangements to satisfy the requirements for best execution. LBS selects its brokers based on internal selection procedure during onboarding and annual periodic review.

6.5 At onboarding, brokers are subject to LBS's counterparty due diligence checks, which include an evaluation of the following criteria. Brokers are assessed on an annual basis on the following assessment criteria:

- (i) Financial standing;
- (ii) Creditworthiness and reputation;
- (iii) Culture and governance;
- (iv) AML/CFT checks; and
- (v) Internal / external audit.

6.6 In addition, LBS also performs an annual evaluation of brokers' suitability, based on the following set of criteria:

- (i) Cost of execution;
- (ii) Execution speed;
- (iii) Trade confirmation;
- (iv) Financial Information eXchange (FIX) connection;
- (v) Likelihood of execution;
- (vi) Manpower/staffing adequacy;
- (v) Custody services;
- (viii) Quality of execution;
- (ix) Research support; and
- (i) News and Market colours.

7. Use of Affiliates and Third-Party Brokers/ Counterparties

7.1 In executing orders for our customers, we may use affiliates and third-party brokers/counterparties to assist in the execution of orders. Where we use any affiliates and third-party brokers/counterparties, we undertake periodic review of such affiliates and third-party brokers/counterparties as part of our ongoing

⁴ A "retail customer" means a customer who is not an accredited investor, an institutional investor or an expert investor (as defined in section 4A of the SFA).

due diligence to assess and monitor if they are capable of providing the appropriate level of expertise and experience when executing in the relevant market/order.

- 7.2 Periodically, these affiliate and non-affiliate brokers/counterparties executions are also monitored to ensure that Best Execution is satisfied and to manage any conflict of interests on a consistent basis.

8. Conflicts of interest

- 8.1 We will endeavour to act in the best interests of our customers. If we become aware any conflict of interest arising from the execution of any order, we will act fairly and professionally and manage any such conflict that may arise in an appropriate manner.

9. Customer order handling

Order Execution

- 9.1 Individual orders (including comparable orders) will generally be executed or transmitted sequentially in accordance with their time of receipt and promptly after receipt by the broker.
- 9.2 For customer orders received outside the normal exchange business hours of the market, LBS will transmit the order when exchange trading resumes. Customer orders received outside LBS's business hours will be handled promptly as soon as LBS opens.

10. Monitoring and Review

- 10.1 LBS will also monitor the effectiveness of its policy periodically to identify and where appropriate correct any deficiencies. LBS carries out monitoring of execution quality against the execution factors, which including monitoring as to the continuing suitability of third party brokers and counterparties viewed in light of their execution performance.
- 10.2 LBS will review its Best Execution Policy annually or whenever a material change occurs, LBS reserves the right to update this Best Execution Policy as appropriate.
- 10.2 Customers will be informed as any revision to LBS' Best Execution Policy will be made available on the Longbridge Platform and shall be in force as from publication date.
- 10.3 Customers who require further information on the Best Execution Policy may contact LBS at: contact@longbridge.sg