CITICS Europe – Order Execution and Order Handling Policy

1 General Information about this policy

1.1 Background

CITIC Securities Europe B.V. ("**CITICS Europe**") provides general broker dealer and other ancillary services to clients in the European Economic Area (EEA). CITICS Europe is subject to the requirements of the rules as set out in the Markets in Financial Instruments Directive 2014/65/EU (**"MiFID II" and/or "Rules"**).

CITICS Europe executes orders in relation to financial instruments on behalf of its clients. There are two methods that the Company can use to execute orders:

(A) CITICS Europe can place an order as agent with a third party (e.g., another broker or investment bank) and/or any of its affiliates for that third party or affiliate to execute on behalf of the client. Such entities are referred to in this policy as **"Brokers".**

(B) CITICS Europe can execute the relevant transaction on behalf of the client directly with a counterparty or on an exchange or other trading system (e.g., by dealing directly with a market maker on a "request for quote" basis). The counterparty, exchange or trading system with which CITICS Europe chooses to execute such a transaction is referred to in this policy as an "**Execution Venue**". In accordance with the Rules, an Execution Venue can include an EEA regulated market, or other exchange, a multilateral trading facility, organised trading facility, a systematic internaliser, a market maker or other liquidity provider or non-EEA entity performing similar functions to the Execution Venues listed above.

CITICS Europe will execute orders on behalf of its clients on the Execution Venues or via its Brokers by dealing as agent for its clients.

1.2 CITICS Europe's Core Best Execution Obligations

In accordance with the Rules, CITICS Europe is required to take all reasonable measures to achieve the best possible result for its clients when executing orders for its clients (i.e., to obtain best execution).

The obligation to take all reasonable measures to achieve the best possible result for clients does not apply to counterparties classified by CITICS Europe as "eligible counterparties" for the purposes of the Rules (except where CITICS Europe has agreed with an eligible counterparty that it *will* take all reasonable measures to achieve the best possible result). In relation to its dealings with eligible counterparties, however, CITICS Europe will strive to act in such clients' best interests and will take reasonable steps to prevent or manage any conflicts of interest that it may have in accordance with its obligations under the Rules.

In seeking to obtain best execution, CITICS Europe is required:

(A) to take all reasonable measures to achieve the best possible result for its clients, taking into account certain "execution factors" - price; costs; speed; likelihood of execution and settlement; size of the transaction; nature of the transaction; or any other consideration relevant to execution. Under CITICS Europe's policy, such other considerations can include (without limitation) the overall cost of the transaction (including any commissions received by CITICS Europe and/or its affiliates or any costs for executing the order on an execution venue); timely execution availability of price improvement; the potential impact of the transaction on price; importance of retaining commercial confidentiality in relation to trading activities or intentions; liquidity of the market (which may make it difficult to execute an order); order information leakage; trading conflict; market conduct; market impact; venue liquidity and counterparty risk.

The relative importance of these factors shall be determined by reference to the "**execution factors**" being:

(1) the characteristics of the client including the categorisation of the client as a professional client;
(2) the characteristics of the client order;
(3) the characteristics of the financial instrument that is subject to the order; and
(4) the characteristics of the Brokers and/or Execution Venues to which that order can be directed;

(B) to establish and implement a policy (set out in section 3 below) to enable it to comply with the obligation to take all reasonable measures to achieve the best possible result for its clients. The policy must identify, in respect of each relevant class of instruments:

(1) in the case of orders that CITICS Europe places with a Broker for execution, each such Broker. The Brokers identified must have execution arrangements that will enable CITICS Europe to comply with its obligations in relation to best execution;
(2) in the case of transactions that CITICS Europe itself executes directly on behalf of its clients, the Execution Venues on or with which it executes those transactions. The Execution Venues identified must at least include those that enable CITICS Europe to obtain on a consistent basis the best possible result for the execution of client orders; and
(3) the factors affecting CITICS Europe's choice of Brokers and Execution Venues;

(C) to provide appropriate information (some of which is prescribed by the Rules) to its clients on the policy and to obtain clients' consent to the policy;

(D) to monitor on a regular basis the effectiveness of the policy and, in particular, the execution quality of the Brokers and Execution Venues identified in that policy and, where appropriate, correct any deficiencies; and

(E) to review the policy at least annually and whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for its clients; and to notify the client of any material changes to our order execution arrangements or this policy.

1.3 Order handling

CITICS Europe ensures that orders executed on behalf of clients are promptly and accurately recorded and allocated. Comparable orders are executed sequentially and promptly in accordance with their time of receipt unless the characteristics of an order or the prevailing market conditions make this impossible or impractical or the interests of the client require otherwise. CITICS Europe shall not misuse information relating to pending client orders and shall take all reasonable steps to prevent the misuse of such information by any of its staff.

2 Responsibility

2.1 The Board, or a designated member thereof, has overall responsibility for brokerage activities including all aspects of order execution. This responsibility has been delegated to the Order Execution Committee.

2.2 All CITICS Europe employees who are responsible for placing orders with Brokers for execution by those Brokers and/or for directly executing transactions on behalf of clients must ensure that any such activities are conducted in accordance with the requirements and guidance set out in this Policy.

3 Best Execution policy

3.1 This policy will not apply to the extent that CITICS Europe:

(A) follows specific instructions from a client when executing client orders or placing an order with, or transmitting an order to, another entity for execution. CITICS Europe will execute in accordance with those instructions. **Clients should be aware that following specific client instructions may prevent CITICS Europe from taking steps it has designed and implemented in this policy to obtain the best possible execution result for those orders.** Where a client's specific instructions only relate to part of an order, this policy will apply to those aspects of the order not covered by the specific instructions. CITICS Europe may be in receipt of specific instructions from clients where it receives orders from clients via a direct market access system which specify the Execution Venue on which such orders are to be executed. In following specific instructions, CITICS Europe shall be deemed to have taken all reasonable measures to achieve the best possible result in respect of an order for its client;

(B) only provides prices to its clients at which it would be willing to buy or sell (without dealing); or

(C) deals with its clients on a 'request for quote' ("**RFQ**") basis and the quote would meet the firm's obligations to take all reasonable measures to achieve the best possible result if the firm executed that quote at the time it was provided (unless the quote is manifestly out of date). For instruments typically traded on an RFQ basis, CITICS Europe would generally not expect the client to be legitimately relying on CITICS Europe to provide best execution, particularly given that client would typically be "shopping around" for quotes and the market has high levels of price transparency.

3.2 CITICS Europe does not deal with non-professional investors. This means that CITICS Europe is entitled to assess the best possible result for its clients in terms of the various execution factors and not simply on the basis of the total consideration (price and cost). As explained above, CITICS Europe shall not owe an obligation to obtain best execution when it deals with clients whom it has categorised as eligible counterparties for the purposes of the Rules (except where CITICS Europe has agreed with an eligible counterparty that it *will* take all reasonable measures to achieve the best possible result).

Execution Venues

3.3 CITICS Europe may use one or more of the types of Execution Venue as set out in section 1.1(A) above.

3.4 CITICS Europe may execute orders on behalf of clients with Brokers and Execution Venues.

3.5 Where a client deals on a RFQ basis in a quote-driven market, the following will be taken into account as to whether CITICS Europe is acting on behalf of the client ('best execution obligation'):

(A) who initiated the transaction;
(B) market practice and ability to 'shop around';
(C) levels of price transparency within a market; and
(D) information provided by CITICS Europe and any agreement reached with a client.

CITICS Europe's EQD department only operates on a RFQ basis whereby clients are not legitimately relying on CITICS Europe in relation to the execution of transaction on the basis that the nature of the market is that a client will generally request quotes from a number of different dealers from which the client will have transparency and choice of the prices at which transactions can be effected in the market. Where a client requests a specific bespoke structured product CITICS Europe will seek to deliver a fair price based on available market comparables.

3.6 Schedule 1 to this policy lists the Brokers and Execution Venues.

3.7 If the client has consented thereto and where the Rules allow this, CITICS Europe may execute orders outside of trading venues, which is called Over-The-Counter (OTC) trading. CITICS Europe will decide to trade OTC, when it is believed to be in the client's best interest to do so. Please be aware that counterparty risk may occur. CITICS Europe will provide additional information about the consequences of this means of execution upon request of the client.

Order Handling and Placing Orders with Brokers

3.8 In choosing the Brokers that appear in Schedule 1, CITICS Europe has taken care to select those Brokers that, in CITICS Europe's view, consistently provide a high-quality execution service, taking account of the relevant execution factors for the relevant Instrument Class. CITICS Europe only selects Brokers that execute orders in compliance with the MIFID II requirements, including MIFID II best execution and client money rules. CITICS Europe will select affiliates

as Brokers where possible. When it is not possible to select an affiliate, CITICS Europe will enter into arrangements with Brokers based upon cost, their ability to execute independently, their market reputation, their technology and their competitive positioning. Where CITICS Europe places an order with a Broker for execution by that Broker, CITICS Europe is not responsible for controlling or influencing the arrangements made by the Broker relating to the execution of that order (e.g., CITICS Europe does not control the Broker's choice of execution venues, such as exchanges, multilateral trading facilities or organised trading facilities). CITICS Europe is not required to duplicate the efforts of the Broker to whom an order is passed in ensuring the best possible result.

Direct Execution of Orders

3.9 In choosing the Execution Venues that appear in Schedule 1, CITICS Europe has taken care to select those Execution Venues that, in CITICS Europe's view, enable it to obtain on a consistent basis the best possible results for its clients. The selection process takes into account such factors as liquidity, integrity of marketplace and price formation. CITICS Europe may use direct market access facilities (e.g., trading systems provided by its Brokers that allow it to transact (in the Broker's name) directly on a regulated market) to effect the execution of trades on behalf of its clients.

Choosing Between Order Placement and Direct Execution

3.10 CITICS Europe will determine whether to place an order with a Broker or to execute an order directly on an Execution Venue according to the nature of the order and the market in which the relevant order is to be executed. In determining whether to place an order with a Broker or to execute directly, CITICS Europe will have regard to the relative importance of the execution factors. In certain markets, it will only be possible to execute client orders by placing them with a Broker in the relevant market.

Executing / Placing Orders with Execution Venues / Brokers that are not listed in Schedule 1

3.11 CITICS Europe employees must not directly execute orders with an Execution Venue or place orders with a Broker that is not listed in Schedule 1 to this policy unless there are exceptional circumstances. Exceptional circumstances might include where CITICS Europe wishes to trade in an unusual financial instrument that cannot be executed with or by one of the Execution Venues or Brokers already listed (either at all or in a manner that would be likely to achieve the best possible result for the client). Any execution of a transaction with an Execution Venue or placing of an order with a Broker that falls outside the list of Execution Venues and Brokers must be pre-approved by CITICS Europe's Best Execution Committee. CITICS Europe's procedures for assessing new Brokers and Execution Venues include a requirement for them to be assessed in terms of their ability to enable CITICS Europe to comply with its obligations under this policy and to be included within Schedule 1 before trading with, or on, them can commence.

Relative importance of execution factors for Equities

3.12 Each order is reviewed by a sales trader who will evaluate the order in the context of the client instructions and the execution factors, and trade directly as appropriate or transmit the order to a Broker with specific trading instructions.

3.13 CITICS Europe or its Broker will take into account a range of execution factors. The usual order of priority will be as follows:

(A) price;
(B) speed;
(C) likelihood of execution;
(D) size;
(E) costs; and
(F) any other relevant execution factor (including those set out in paragraph 1.2(A) above).

3.14 However, various execution factors may be more or less important in certain circumstances, and the prioritisation will be subject to any specific instructions CITICS Europe receives from the client.

3.15 In illiquid markets, CITICS Europe will prioritise the key execution factors in the following way:

(A) likelihood of execution;
(B) price;

(C) speed;
(D) size;
(E) costs;
(F) any other relevant execution factors.

Execution strategies

3.16 The sales trader may consult the client to discuss the trade execution strategy which may involve discussing various execution factors. Information provided by the client may impact the execution strategy CITICS Europe uses. CITICS Europe's strategy may include executing orders immediately, or working orders over a period of time. Where CITICS Europe invites clients to choose an Execution Venue, fair, clear and not misleading information shall be provided to prevent the client from choosing one execution venue rather than another on the sole basis of the price policy applied by CITICS Europe.

3.17 These considerations are part of all sufficient steps CITICS Europe takes to obtain the best possible execution result on a consistent basis in accordance with the Rules.

Limit orders

3.18 The client has the possibility to give a limit order to CITICS Europe. Unless a client expressly instructs otherwise, CITICS Europe must, in the case of a client limit order in respect of shares admitted to trading on a regulated market or traded on a trading venue which is not immediately executed under prevailing market conditions, take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants. When the order is large in scale compared to normal market size, the AFM may grant dispensation from such obligation upon request.

Aggregation of orders

3.19 CITICS Europe will generally not aggregate any client orders with other orders, whether belonging to other clients or to a member of the CSI Group (meaning CITIC Securities International Company Limited ("CSI") and all its Affiliates) or its clients. However, in certain circumstances aggregation of client orders may occur when the following conditions are met:

(A) It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;

(B) It is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;

(C) An order allocation policy is established and effectively implemented by CITICS Europe providing for the fair allocation of aggregated orders and transactions including how volume and price of orders determine allocations and the treatment of partial executions.

The factors affecting the choice of Execution Venue or Broker

3.20 In relation to an order, an Execution Venue or Broker will be selected as is appropriate in view of the size and nature of the relevant order. CITICS Europe will select Execution Venues and Brokers based on their track records of achieving the best result in terms of the execution factors taking into account, in particular, the geographic and market coverage of the relevant Execution Venue or Broker.

Fees and commissions

3.21 Where CITICS Europe applies different fees depending on the Execution Venue, it shall explain these differences in sufficient detail to allow the client to understand the advantages and the disadvantages of the choice of a single Execution Venue. CITICS Europe shall only receive third-party payments that comply with the rules regarding what type of inducements can be paid to or received from any counterparty and shall inform clients about the inducements that it may receive from the Execution Venues. CITICS Europe shall specify the fees charged by CITICS Europe to all counterparties involved in the transaction, and where the fees vary depending on the client, CITICS Europe shall indicate the maximum fees or range of the fees that may be payable.

Where CITICS Europe charges more than one participant in a transaction in compliance with the rules regarding what type of inducements can be paid to or received from any counterparty, CITICS Europe shall inform its clients of the value of any monetary or non-monetary benefits received by it.

Monitoring and reviewing this policy

3.22 CITICS Europe has an obligation to monitor the effectiveness of its order execution arrangements and this policy. This obligation has been incorporated into CITICS Europe's general compliance monitoring process and business procedures and policies.

3.23 CITICS Europe assesses, on a regular basis, whether the execution venues listed in Schedule 1 provide the best possible result for clients or whether it needs to make changes to its execution arrangements. The assessment takes into account the information on execution quality published by execution venues and brokers in accordance with MiFID II. CITICS Europe also conducts regular reviews through random sampling of transactions to ascertain whether the best possible result was obtained in respect of those transactions.

Review of policy

3.24 At least annually, CITICS Europe will review this policy and its execution arrangements. The review will focus on whether CITICS Europe would obtain better results for its clients if it was to:

(A) include additional or different Execution Venues or Brokers;
(B) assign a different relative importance to the execution factors;
(C) modify the process by which Execution Brokers and Venues are selected; or
(D) modify any other aspects of this policy and/or its execution arrangements.

CITICS Europe will also review this policy and/or its execution arrangements whenever a material change occurs that could affect its ability to obtain the best possible result for the execution of its clients' orders on a consistent basis, for example, a significant event that could impact the parameters of best execution such as the execution factors specified in section 3 above. CITICS Europe will assess whether a material change has occurred and consider making changes to the relative importance of the best execution factors.

The reviews will be supervised by Compliance and this requirement has been incorporated into CITICS Europe's compliance monitoring process.

Client Notification / Consent Requirements

3.25 CITICS Europe has an obligation to provide its clients with appropriate information on this policy. Where CITICS Europe executes orders on behalf of a client, it will also have an obligation to obtain the client's consent to this policy. By accepting our terms of business, you consent to your transactions being executed in accordance with this policy.

3.26 To the extent that CITICS Europe makes any material changes to this policy (whether pursuant to the review process or otherwise), it will notify the changes to its clients and updated policy will be made available to client on www.clsa.com page.

3.27 Where a client makes reasonable and proportionate requests for information about this policy and how it is reviewed, CITICS Europe shall answer clearly and within a reasonable time.

Schedule 1 – Execution Venues and Financial Instruments

Asset Class	Region	Venues, regional affiliates, or third-party brokers which may be used to execute client orders
Equities	Global	CITIC Securities (UK)
Exchange Traded Products	Global	CITICS Securities (UK)
Equity Derivatives	Global	CITICS Securities (UK)
Equity Derivatives	Global	CITIC Securities International Global Markets Limited
Equity Derivatives	Global	CITIC Securities International Capital Management Limited
Equity Derivatives	Global	CITIC Securities International Global Markets Limited