

Summary of Goldman Sachs Asia Pacific Securities Division Best Execution Policy

A. Background

This document summarises the best execution policy in relation to GS's institutional business conducted by the Securities Division in Hong Kong, Singapore, Japan and Australia.¹

This best execution policy is designed to be sufficient to ensure that we obtain the best possible results for your orders, subject to and taking into account any specific instructions, the nature of your orders and the nature of the markets and the products concerned. We are not required to guarantee that we will always be able to provide best execution on every order executed on your behalf.

We do not owe you any fiduciary responsibilities as a result of the matters set out in this policy, over and above the specific regulatory obligations placed upon us, or as contractually agreed with you.

B. Scope

1. Clients

This policy applies to the execution of orders on behalf of Securities Division clients of GS.

This policy does not apply to retail clients. This policy may not apply to transactions which are only booked to GS, but where the client-facing activities (such as agreeing the terms of the transaction) are carried on exclusively by employees of Goldman Sachs companies or branches other than Goldman Sachs (Asia) L.L.C., Goldman Sachs Japan Co Ltd, Goldman Sachs (Singapore) Pte, and Goldman Sachs Australia Pty Ltd.

2. Financial Instruments

This policy only applies with respect to cash equities and cash bonds.²

The application of this policy to particular types of financial instruments is described further in paragraph G below.

C. Best Execution

When we execute a Relevant Order we must take all reasonable steps to obtain the best possible result for you, taking into account the Execution Factors (the "Best Execution Obligation"). We are not under an obligation to obtain the best possible result for each individual order, but we must comply with this policy and meet the Best Execution Obligation on a consistent basis.

1. Execution Factors

The Execution Factors are: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. Specifically, GS will take into account the following Execution Factors:

- the execution price without any costs charged to you, or our own fees and commissions;
- speed and/or likelihood of execution and settlement;
- the impact on market prices of displaying and/or executing an order or part of an order;
- the availability of price improvement (the opportunity for an order to be executed at a better price than what is currently quoted publicly); and
- any other consideration relevant to the efficient execution of the order.

2. Relative importance of Execution Factors

When executing a Relevant Order, GS must take into account the following criteria for determining the relative importance of the Execution Factors in the circumstances:

- the characteristics of the client including the regulatory categorization of the client;
- the characteristics of the Relevant Order;
- the characteristics of financial instruments that are the subject of that order; and
- the characteristics of the Execution Venues (as defined below) to which that order can be directed.

Subject to any specific instructions, taking into account the criteria above, we will generally give the highest priority to net price. Net price is the total price paid by you, net of client commissions and fees, and takes into account our own commissions and fees. We may charge you different client commissions or fees for different Execution Venues. The remaining Execution Factors are generally given equal ranking.

Where there is insufficient immediately available liquidity on the relevant Execution Venues to execute the Relevant Order in full, where you instruct us to work a Relevant Order over a period of time or by reference to a benchmark calculated over a period of time (such as VWAP) or where we determine that there are other circumstances such that obtaining the best immediately available price may not be the best possible result for you, we may prioritize one or more of the other Execution Factors listed above. In these cases, we will determine the relative priority of each Execution Factor on an order-by-order basis, where the order is executed manually, and by order type (e.g. iceberg, VWAP), where the order is executed using an algorithm.

Whenever you have provided us with a specific order instruction, GS will execute the order in accordance with the specific instruction – see section C5 Impact of a specific instruction below.

We have a degree of discretion in how to apply the different Execution Factors and this may result in a range of different permissible approaches to executing your orders. In determining what is the best possible result for you, we will not compare the results that could be achieved for you on the basis of our policy and fees with results that might be achieved for you by another investment firm on the basis of that firm's execution policy or a different structure of commission or fees, nor will we compare the differences in the commissions or fees that we charge to different clients which are attributable to the nature of the services that we provide to each client.

3. Relevant Orders

"Relevant Orders" are any instructions from a client to execute a transaction on the client's behalf that gives rise to contractual or agency obligations owed by GS to the client. Such contractual or agency obligations will arise where we are required to exercise discretion in relation to the execution of your instruction or order and you legitimately rely on us in relation to the exercise of that discretion. This may include instances where GS deals on its own account with you.

The Best Execution Obligation applies when GS is executing Relevant Orders on your behalf.

For a Securities Division client, circumstances in which we consider that you will not generally be legitimately relying on us in relation to the execution of its orders include where we are approached by you for a "request for quote" - i.e., when you ask us to provide you with a quote in a particular financial instrument, or where we will be trading with you as principal "on risk", in a market where the usual practice of clients is to ask several dealers for quotes, and where your access to prices in the market means you are able to, and in practice can be expected to, assess our quotes against those provided by other dealers.

It is however, important to note that although in the circumstances described above the Best Execution Obligation will typically not apply, we will still be required to treat you fairly and also to manage any conflicts of interest that may arise.

¹ For the purposes of this policy, "GS" and "we" means Goldman Sachs (Asia) L.L.C., Goldman Sachs Japan Co Ltd, Goldman Sachs (Singapore) Pte, and Goldman Sachs Australia Pty Ltd.

² For Australia, the policy only applies to cash equities.

4. Reliance

To determine whether you legitimately rely on GS to protect your interests, the following factors are relevant:

- which party initiates the transaction - where we approach you and suggest that you should enter into a transaction, it is more likely that you will be placing reliance on us. Where you initiate the transaction it is less likely that you will be placing reliance on us;
- market practice and the existence of a convention to 'shop around' - where the practice in the market in which a business area operates suggests you take responsibility for the pricing and other elements of the transaction (e.g. there is a market convention to "shop around" for a quote), it is less likely that you will be placing reliance on us;
- the relative levels of price transparency within a market - if we have ready access to prices in the market in which we operate, whereas you do not, it is more likely that you will be placing reliance on us, whereas if our access to pricing transparency is equal or similar or to yours, it is less likely that you will be placing reliance on us; and
- the information provided by GS and any agreement reached - where our arrangements and agreements with you do not indicate or suggest a relationship of reliance, it is less likely that you will be placing reliance on us.

Your category and characteristics are an important factor both in the assessment of whether you are relying on GS to deliver best execution and in providing best execution.

Even where the Best Execution Obligation does not apply, GS must act honestly, fairly and professionally in accordance with your best interests.

5. Impact of a specific instruction

If we receive and accept an order from you that includes a specific instruction or specific instructions in relation to the handling and execution of the entire order or a particular aspect or aspects of the order (including selecting a particular execution venue, executing at a particular price or time or through the use of a particular strategy) then, subject to our legal and regulatory obligations, we will execute your order in accordance with that specific instruction.

This means that, to the extent of the specific instruction or instructions, our obligation of best execution will be satisfied by executing the order in accordance with your specific instruction. Where the specific instruction covers only a portion of an order (for example, as to the choice of venue), and we have discretion over the execution of other elements of the order, then we will continue to be subject to the Best Execution Obligation in respect of the elements of the order that are not covered by your specific instruction.

D. Execution Venues

Execution Venues include:

- regulated markets; and
- GS and its affiliates where we internalise Relevant Orders (either on risk or as riskless principal); and alternative liquidity venues; and
- market makers and other liquidity providers

Execution Venues can include venues of which we are a direct member or participant and venues that we access through third party brokers or dealers.

For certain products we may conclude that we can comply with our Best Execution Obligation by using GS as the sole Execution Venue.

We will generally seek to internalize Relevant Orders, if we believe we can meet the Best Execution Obligation by doing so.

Relevant Orders may be executed using smart-order-routing (algorithms used for optimization of our order execution processes that may determine additional parameters of the order other than determining the Execution Venues where the order should be submitted. Such algorithms are able to slice the original order into "child orders" or determine the time of submission of the order or the "child orders") and other technology programmed to reflect the methodology set out in this policy. Other Relevant Orders may be executed manually by traders subject to this policy.

Relevant Orders may be executed in tranches over a period of time (up to several days) or on more than one Execution Venue in order to minimize market impact and achieve the best result. Where you have specified parameters (such as guaranteed VWAP or VWAP target execution), we will endeavor to execute a transaction or a series of transactions such that the overall execution is achieved within the parameters.

Where GS executes programme trades on your behalf, GS will endeavor to provide the best overall result in relation to the aggregate portfolio rather than in relation to individual transactions within the portfolio.

E. Third Party Brokers and Affiliates

GS will execute through its affiliates wherever possible unless the client specifies otherwise.

Where GS uses a third party broker ("Broker") to execute transactions, GS will undertake appropriate due diligence.

F. Governance and Review

1. Asia Pacific Securities Division Best Execution Committee

The Asia Pacific Securities Division Best Execution Committee (the "Committee") has oversight for this policy.

2. Policy Review

The Committee will review this policy at least annually to consider whether this policy and GS's best execution arrangements include all reasonable steps to obtain the best possible result for the execution of Relevant Orders. Specifically, it will review:

- whether to assign different relative importance to the Execution Factors; and
- whether to modify any other aspects of this policy and/or the best execution arrangements.

The Committee will also conduct a review whenever a material change occurs that could affect GS's ability to comply with the Best Execution Obligation. What is material will depend on the nature and scope of any change.

G. Application by Business and Product

1. Cash Equities

Unless stated otherwise, across all equity products the ranking of the execution factors is typically as follows:

1. Price
2. Likelihood of execution

The remaining execution factors – cost (including implicit cost such as impact on the market), speed, order size, nature of the order and any other consideration relevant to the efficient execution of your order - are generally given equal ranking.

(i) "Working order" trades

We consider that best execution is owed in respect of working order trades. However, working order trades in relation to cash equities can involve highly prescriptive specific instructions from you as to how you require the trades to be executed, and this will

limit our duty of best execution to only those matters which are not covered by specific instructions.

(ii) Give-up trades

We consider that best execution is owed to you in respect of give-up trades where we are the executing broker for the cash hedge.

(iii) Agency programme trades

We consider that best execution is owed in respect of agency-programme trades which are not entered into by us as principal on risk.

Note that where we are acting as principal on a risk price transaction and assume risk in relation to an equity swap we have entered into with you, we do not consider that we owe best execution in the following circumstances: where you initiate the trade, and the nature of the market is that you have the ability to,

and in practice can be expected to, ask for quotes from a number of dealers. In this case, we do not consider that you are relying on GS in relation to the execution of the trade.

2. Cash Bonds

We consider that best execution generally applies to transactions in cash bonds save where we understand that you are not placing reliance on us. Such circumstances may include (but are not limited to) transactions with the following characteristics: (i) we are approached and requested by you to provide a quote (request for quote business); (ii) the nature of the market is such that you will generally request quotes from a number of different dealers and we are in competition with those other dealers; or (iii) as a result of the nature of the market you have transparency of the prices at which transactions can be effected in the market. As a result, we believe you are not relying on us in relation to the execution of the transaction.