

Allocation Policy (January 2018)

Shaw and Partners Limited ('Shaw') adopts the following procedures when executing orders and allocating financial products to client accounts ('Allocation Policy'). Please read this Allocation Policy in conjunction with Shaw's Client Agreement, as the Client Agreement contains terms and conditions that are highly relevant to the placing and receipt of orders, and all orders are subject to those terms and conditions. Further, all orders are subject to Shaw's Best Execution Policy, as well as the ASX Rules, the ASIC Market Integrity Rules and the Corporations Act 2001 and any other relevant legislation, regulation or ordinance (the 'Rules').

The Allocation Policy covers both:

- the primary market, where financial products are issued for the first time by a company (the 'Issuer'); and
- the secondary market, where the financial products of the Issuer are traded, such as ASX or Chi-X.

Purpose of the Allocation Policy

The Allocation Policy is designed to ensure that Shaw provides financial services in an efficient, fair and honest manner in accordance with section 912A(1)(a) of the Corporations Act and that:

- Shaw and Partners and its advisers meet their fiduciary and contractual obligations to clients;
- Shaw and Partners and its advisers meet their obligation to act in the best interests of retail clients in accordance with Part 7.7A Division 2 of the Corporations Act;
- Shaw and Partners appropriately manage any conflicts of interest in accordance with section 912A(1)(aa) of the Corporations Act; and
- Directors of the company discharge their obligations to Shaw and Partners.

A. Primary Market

The Allocation Policy applies to primary offerings (such as an initial public offering) and secondary offerings (such as placements and rights issues) which are offered through Shaw and Partners Corporate Finance ('Offer/s'). The Allocation Policy only applies to Offers where Shaw is named in the relevant transaction or is responsible for allocating the financial products of the Issuer.

Allocation, in the context of a primary market offering, is the process of distributing the financial products of an Issuer between, on the one hand, Shaw clients and on the other, Shaw (as principal), Shaw advisers and employees, their immediate families and any related entities ('Shaw and Associated Parties'). This Policy permits Shaw and Associated Parties to participate in an Offer. In order to manage potential conflicts of interest, Shaw has adopted the following allocation process:

Bids

Shaw requires that bids for financial products in an Issue be submitted in the following order:

1. **Directors of Shaw and Partners** (these bids are assigned to Pool A, other than the Joint Managing Director – AZ's bid, which is assigned to Pool B);
2. **Shaw (as principal)** (this bid, along with any bid of the Joint Managing Director – AZ, is assigned to Pool B);
3. **Advisers and Employees** (these bids are assigned to Pool A). Shaw (as principal) and Shaw Staff (as described in 1 – 3 above) must bid at the outset of the Offer period and immediately following the Offer opening. Shaw adopts this process to ensure that Shaw and Shaw Staff are not aware of the level of client

interest in the Offer. Any bids not received prior to the offer opening to clients will not be accepted other than in the best interests of the Corporate Client or at the Joint Managing Directors' reasonable discretion.

4. **Retail, Sophisticated and Institutional Clients.** Bids will be undertaken simultaneously, subject to any terms of the offer dictated by the Corporate Client (these bids will be assigned to Pool C (retail and sophisticated) and Pool D (institutional)).

Scale back

If a scale back is necessary (more bids received than the total Issue size) it will generally be applied pro-rata across the pools. In any instances where the scale back is not pro-rata, Shaw will always ensure that the scale back is applied so that Pools C and D receive a better pro-rata allocation over Pools A and B.

The progress of bids into each pool and the final total is not disclosed to advisers, employees or clients, other than directors of Shaw and Partners and the Head of Corporate Finance or their delegates. An individual or company may only bid into one pool.

Once the pool sizes are determined, allocation within the pools takes place. It is important to note that while Pools C and D receive an overall allocation which is equal to or superior to Pools A and B, this does not mean that every person in those pools will receive a superior allocation or any allocation.

The discretion as to allocation within the pools is as follows:

Pool A	Pool B	Pool C	Pool D
Directors other than own account, Advisers and Employees of Shaw and Partners	Shaw and Partners and Joint Managing Director – AZ	Retail and Sophisticated Clients	Institutional Clients
Discretion as to Allocation within Pool			
Joint Managing Director – AZ	Chairman	Joint Managing Director – EE	Head of Equities

Allocation decision within the Pools

A variety of factors will influence the exercise of the discretion described above. These may include, but are not limited to:

- Best interests of the offer as a whole;
- Fairness;
- Quality of the client;
- Likelihood that the bidder will be a long term holder;
- Settlement risk; and
- Perspective of the Issuer as to the composition of their share register.

Mandatory Hold Period

Any participation by Shaw (as principal) and Shaw Staff will be subject to a mandatory 14 day minimum hold period from the date of allotment of the relevant financial products or official quotation being granted, whichever is the later date or as otherwise determined by the Joint Managing Directors. The minimum hold rule is designed to:

- encourage Shaw (as principal) and Shaw Staff to only bid in the knowledge they will be unable to sell any firm allocation for a quick turn and are likely committing to be long term holders of the financial products of the Issuer;

- ensure clients have an opportunity to exit their holding before those who have recommended or promoted the offer to them.

B. Secondary Market

Shaw acts as agents for clients in the purchase and sale of financial products on financial markets known as secondary markets. Clients acknowledge and agree that Shaw may trade with them as principal in any transaction and clients further agree, where permitted by law and subject to satisfaction of any legal requirements, that Shaw shall be entitled to charge commission in relation to such dealings.

Client orders may specify discretion as to timing or price of the order, and that will affect how the order is entered.

a) No Discretion

Subject to the client's instructions, if orders do not require the exercise of Shaw's discretion in relation to time or price, then orders are entered in the sequence in which Shaw receives them.

b) Discretion

If an order requires an exercise of discretion by Shaw in relation to timing or price, then the order will be entered in such manner and at a time that is considered appropriate, acting in the client's best interests.

Allocation of secondary market orders

Shaw will apply the following principles in allocating executed orders:

a) Allocation in time order

Shaw will allocate financial products in the sequence in which the orders for those products were placed, unless that allocation is inconsistent with the remainder of this Allocation Policy or the Rules. For instance, where two orders were submitted for execution at the same price, the earlier order will be allocated first.

b) Allocation in accordance with client instructions

Where a number of orders are executed pursuant to the instructions of a single client, they will be allocated according to that client's instructions.

c) Client order precedence

Client orders, which are on the same terms as to time and price instructions as orders of Shaw or Prescribed Persons (as defined in the Rules), are given precedence.

d) Adjustments

Shaw may make small, reasonable adjustments to the allocations where this will not have a material effect on the client's orders and is not contrary to the client's instructions (for example, to ensure shares allocated meet the marketable parcel requirements). Shaw will also make adjustments to the allocations to enable it to reverse errors.

e) Accumulation and price averaging

Where Shaw is required by the Rules to provide the client with a confirmation and Shaw enters into multiple transactions for the purpose of completing the client's order, Shaw may accumulate the transactions on a single confirmation and specify the volume weighted average price for those transactions. Shaw will provide the client with a statement of the individual prices if the client asks for it.

The general principles set out above apply equally to execution and allocation between two or more client orders as well as execution and allocations between a client order and a Prescribed Person's order, unless otherwise stated.

The Allocation Policy is subject to change by Shaw posting a copy on its website at www.shawandpartners.com.au. If you have questions regarding the Allocation Policy, or do not consent to the application of the policy, please contact your Shaw Adviser prior to placing any order.