



Commonwealth Bank
of Australia

Capital Markets Allocation Policy Summary

1 February 2025

Table of contents

1. Introduction	3
2. Allocation Recommendation Requirements	3
3. Allocation Recommendation Requirements	3
4. Allocation to Internal Clients and CBA Staff	5
5. Deal communication progress	5
6. Compliance monitoring	5



1. Introduction

This document sets out the summary framework that Commonwealth Bank of Australia's (CBA) Global Markets Group operates within when recommending allocations of securities to an Issuer as part of a capital raise bookbuild. All final allocation decisions rest with the Issuer. For clarification, this summary does not extend to CBA's approach to allocations where in the role of issuer.

2. Allocation Recommendation Requirements

Allocation recommendations must be made in a manner designed to:

- Ensure allocation is performed in a fair and reasonable manner;
- Achieve an orderly secondary market;
- Facilitate the objectives of the Issuer (final preferences on allocation will reside with the Issuer, and the Issuer reviews and approves all allocations prior to release to bookbuild participants);
- Maximise the potential for a successful outcome;
- Manage the interests of potential investors in the offering;
- Manage CBA interests in a manner consistent with other allocation considerations; and
- Support fair and efficient markets.

Allocation recommendations will depend on the particular facts and circumstances of each offering. Allocation recommendations should be consistent with this summary and consider any contractual obligations that may be applicable.

3. Allocation Recommendation Requirements

The following factors are relevant (but not limited) to the allocation recommendation process:

- Issuer preferences (if known);
- Level of demand received for the offer;
- Compliance with any relevant selling restrictions, local securities laws and/or the Issuer's terms and conditions;
- Working with any joint Bookrunners to achieve the desired outcome for the transaction and Issuer;
- The degree of an investor's expressed interest;
- Any indication or reasonable belief that the investor may have exaggerated the true extent of its interest in the expectation of being scaled down;
- Investor profile. CBA will take into account elements such as the investor's geographic location, sector, portfolio orientation, interest and experience with regards to the Issuer itself and the Issuer's sector;
- Investor engagement in the offering: the investor's nature, level of engagement (e.g. dialogue with the Issuer) and timing of engagement in the issuance (such as early participation in the



process and attendance at roadshows);

- Investor strategy: CBA will take into account the investor's expected investment amount in light of historical investment and portfolio size desired price level, views on the Issuer, short-term intentions and desired long-term position in the security being offered or relevant industry more generally;
- The investor's interest in, and past dealings in securities of other Issuers in the relevant sector;
- Any preference of avoiding allocations in inconvenient or uneconomic amounts as required by the Issuer;
- The basis of the investor's interest, and/or the investor's stated intentions;
- The investor's compliance with legal, regulatory and jurisdictional restrictions including possible foreign ownership restrictions; or
- The credit worthiness of the investor, including ability to settle in accordance with the process and timetable.

The above factors will be considered as a whole in considering allocations, although some factors may be weighted more heavily in certain scenarios.

Allocations **will not** take into account or be influenced by any of the following:

- Quid pro quo agreements e.g. allocation contingent on future business awarded; Amount of actual or promised trading, commission or other income received or expected by the Group from business with a particular client;
- Conditional commitments by the investor to purchase additional securities in the secondary market;
- Conditional or linked compensation or benefit: e.g. the investor agreeing to accept an allocation on the basis that they receive an allocation in another offer of securities (in a different company) or pay excessive commissions on secondary market dealings in same or other securities;
- An inducement to award (or procure to award) other business to the Group or business units; or
- Any other potential inducement.



4. Allocation to Internal Clients and CBA Staff

No preferential treatment is afforded to CBA's own account, proprietary books, trading, staff accounts or CBA related accounts (together known as 'Internal Clients'), and must be done on an arms-length basis.

Allocation recommendations to Internal Clients will be subject to the same considerations as external investors.

5. Deal communication progress

To ensure the integrity of the bidding process, all communication regarding a bookbuild (e.g. a bookbuild update communication whilst the book is still open) will be communicated verbally to investor clients or via Bloomberg.

In order to allow investors time to collate their demand for a transaction, CBA will endeavour to ensure that where significant changes to the indicative terms of the deal are made (e.g. pricing, range, issues size, order book size) in the last 15 minutes of the bookbuild being open, a communication is subsequently sent to the market and/or relevant parties informing them of this fact, and that the book will be extended for another 15 minutes.

6. Compliance monitoring

The allocation recommendation process may be subject to periodic review and testing by Compliance, Audit and Management.

