

Westpac Banking Corporation – Allocation Policy (Oct-2019)

Allocations in Bond Offerings

This summary outlines the principles that we apply when allocating bond offerings conducted by Westpac Banking Corporation (and our affiliates) (collectively “we” or “Westpac”).

These principles are designed to reinforce the systems, controls and procedures we have in place to identify and manage actual or potential conflicts of interest that may arise in the course of a bond offering.

We will agree detailed objectives with you before we start book-building to ensure our provisional allocation recommendations reflect your objectives.

1. Pricing, Placing & Allocations

Judgments about bond allocations will ultimately lie with you as the issuer. We will work with you to determine an allocation for a given bond issue based upon your objectives in terms of size, pricing and distribution.

2. General Principles applied in making Allocations

In recommending allocations to you, we will base our recommendations on some or all of the following factors:

- i. your allocation objectives (if any) and your target market for investors;
- ii. the importance to you of establishing a balanced share register, in particular an appropriate balance between likely long-term holders and providers of liquidity in the aftermarket;
- iii. the category or description into which the investor falls and the eligibility of investors to participate;
- iv. the geographic spread of investors;
- v. compliance with applicable selling restrictions or other relevant legal or regulatory restrictions in each jurisdiction;
- vi. your long-term interests (whether in this or potential future offerings);
- vii. any indication or reasonable belief that an investor has exaggerated its indication of interest in anticipation of being scaled back;
- viii. each potential investor's:
 - a. stated interest (both in absolute terms and relative to an investor's portfolio or assets under management);
 - b. behaviour in respect of past offerings;
 - c. interest in your other bond offerings and/or other issuers in your sector;
 - d. price limit (if any), and the level thereof;
 - e. timeliness in providing their indication of interest, i.e. how early in the issue process the investor expressed interest; and
 - f. level of engagement with you and the offering, (e.g., involvement in roadshows, meetings and valuation discussions); and
- ix. such other factors as we may consider appropriate.

3. Conflicts Considerations

We will also ensure allocations are:

- i. made on their own merit and in the context of each specific transaction;
- ii. made on a fair and equitable basis;
- iii. not made with reference to fees or commissions generated by other entities in our group (the “Group”) either in primary markets or other product areas sold by the Group;
- iv. not made to any client as consideration for or an inducement to receive compensation for any other businesses provided by the Group;
- v. not made to an executive officer or director of a company conditional upon future, business or as a reward for past business;
- vi. not made to any client in a Group managed transaction as compensation or reward for participation in another, managed transaction (what is known as a tie-in agreement); and
- vii. not made where a client has indicated they may place an aftermarket order in return for an increased allocation (what is known as laddering).

