

ICBC



中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

Allocation Policy

This page summarises Industrial and Commercial Bank of China Limited, London Branch's ("ICBC") Allocation Policy as would typically apply to its Debt Capital Markets business.

ICBC provides a range of products and services to its clients. ICBC is cognisant that conflicts of interest may occur. With respect to a primary offering of debt securities ("securities offering"), the allocation process is an example. As a consequence ICBC has written its Allocation Policy to appropriately manage such conflicts. The result being a fair and transparent allocation of debt securities to its investors, which is in accordance with applicable regulations and market conduct.

The approach set out on this webpage reflects ICBC's stance. This applies to all securities offerings by way of a best efforts book building exercise.

Management of divergent interest

ICBC has put in place a series of measures which appropriately balances the varying agendas and interests of its range of clients - issuer / investor / internal counterparts that may occur in a securities offering.

Such measures include the physical, electronic, organisational and information partition of the Debt Capital Markets and Sales and Trading.

Principles of Allocation

ICBC would respect some or all of the following when allocating debt securities to investors. Allocation will –

- be made on a fair and equitable basis
- give precedent to Issuer clients' requirements and preferences
- not be made with reference to or in consideration of any actual or promised, past or future revenue
- not be made as compensation or award for participation in any transaction
- not give precedent or favourable treatment to orders from ICBC internal desk ahead of orders from clients with similar investment characteristics.

Criteria for Allocation

ICBC's allocation is generally based on judgement. Each allocation to an investor is assessed individually and is based on its circumstance. The following factors into consideration:

- The applicable target market for the debt securities
- The issuer's -
 - allocation objectives
 - allocation preferences
- The investors –
 - participation in the marketing and pre-marketing process
 - quality and value of feedback on the issuer and / or industry sector during the current and previous marketing efforts
 - timeliness of orders; earlier indicative orders are typically favoured
 - size of order relative to the size of the issuance / tranche
 - price limits set by individual clients
 - particular investment profile which each client falls under
 - the quality, general investment philosophy and areas of specialisation of the potential investor(s), including their investment strategy, purchasing capacity, expected holding period, and past dealing and / or ownership in other debt securities of the issuer or industry sector.

Criteria in choosing investors to participate in the pre-launch marketing.

ICBC will consider several key points of differentiation when making recommendation about which investors to engage in marketing / pre-marketing. These will include but not be limited to the investors' level of engagement in the issuer, the issuer's industry sector, or in past offerings by the issuer including previous willingness to provide feedback following roadshow meetings. Further, ICBC will consider the views of the issuer.