



Execution of customers' orders Policy Summary

The Commonwealth Bank of Australia, Singapore Branch ("CBA"), has established and implemented an Execution of customers' orders Policy (the Policy) as required by the Monetary Authority of Singapore ("MAS") under the MAS Notice on Execution of Customers' Orders (SFA 04-N16).

The purpose of this document is to provide a summary and explanation of the Policy, which is designed for CBA to take all sufficient steps to obtain the best possible results for customers' orders.

The Policy applies to customers who CBA has classified as Accredited investors¹ and Expert investors² for dealing in capital market products handled by CBA.

Best Execution:

Where CBA (either directly or through its agent) places and/or executes customers' orders for purchase or sale of any capital markets products, CBA must:

- Place and/or execute customers' orders on the best available terms; and
- Place and/or execute comparable customers' orders in accordance with the time of receipt of such orders.

CBA refers to this as Best Execution. CBA will consider the following Best Execution principles in accordance with the Policy:

1. Where there is more than one execution venue or broker available to place or execute your order for a particular capital markets product, we will consider the respective merits of each venue or broker.
2. We will apply our Best Execution obligations to achieve the best possible outcome on a consistent basis, regardless of whether your orders are executed on-exchange or off-exchange.
3. When executing orders as a principal, we will check the fairness of the price proposed to you.
4. We will place and/or execute your order following the specific instruction, if any, from you.
5. Where we execute an order on your behalf, or receive or transmit an order for execution, we will assess whether legitimate reliance is being placed on us by you, with reference to the following factors:

¹ Classification of Accredited investor is based on at least one of the following criteria:

- You are a corporation with net assets exceeding S\$10 million in value (or its equivalent in a foreign currency); or
- You are a corporation (including a noninvestment holding corporation) whose shareholders (or the shareholders of which, on a look-through basis) are all themselves accredited investors.

² A person whose business involves the acquisition and disposal, or the holding, of capital markets products, whether as principal or agent

- **Who initiates the transaction.** Where we approach you to suggest you 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 market convention is for CBA as a participant to approach several dealers for quotes, and you have the ability to “shop around” for quotes, it is less likely that you will be placing reliance on us;
 - **The relative levels of price transparency within a market.** Where we reasonably believe that you have access to similar levels of price transparency, it is less likely that you will be placing reliance on us; and
 - **The information provided by CBA and any agreement reached.** Where our arrangements and agreements, including as described in the Policy, do not indicate or suggest a relationship of reliance, it is less likely that you will be placing reliance on us.
6. When we execute an order where we are required to provide Best Execution, we will take all sufficient steps to obtain the best possible result, taking into account the Execution Factors below.
- **Price:** this is the price a financial instrument is or may be executed at;
 - **Cost:** this may include implicit costs such as the possible market impact, explicit external costs e.g. exchange or clearing fees and explicit internal costs which represents our own remuneration through commission or spread;
 - **Speed:** the potential time it might take to execute a transaction;
 - **Likelihood of execution and settlement:** the likelihood that we will be able to complete your transaction;
 - **Size:** this is the size of the transaction and we may take this into account as to how this affects the price of execution; and
 - **Any other relevant considerations** such as characteristics of execution venues or market impact.
7. In determining the relative importance and/or the applicability of the Execution Factors, we may take into account the following considerations:
- Customer type,
 - The types of capital markets products for which we accept, place or executes orders;
 - The characteristics of the execution venues or brokers to which your order can be directed; and
 - The characteristics of your order.
8. This document is not an offer or a solicitation to deal in any financial instruments or enter into any legal relations or transactions, nor does it constitute any advice or recommendation with respect to financial instruments or services of CBA. The Policy may be updated from time to time in order to address changing regulatory, industry, business and other developments. The updated version of this document will be posted following any revision to the Policy-