

## Allocation Policy Statement

This document describes the principles which Carnegie Investment Bank AB, together with its branches and subsidiaries (singly and together referred to herein as “**Carnegie**”), would expect to apply in relation to the marketing, pricing, allocation and distribution of the bookbuilt securities offerings of our issuer and/or seller clients.

These policies and principles endeavour to ensure that:

the marketing, allocation and distribution process is conducted appropriately, in a fair and transparent manner, in compliance with applicable laws and regulations;

issuers, sellers and investors in the bookbuilt offering are treated fairly, with any potential conflicts of interest between them and between any of them and Carnegie being managed appropriately; and an orderly market for the associated securities is maintained.

The overall approach of our allocation policy is to seek to achieve i) an appropriate spread of investors (for example between long term holders and providers of liquidity in different sectors and geographical areas) subject to any particular directions, criteria and/or objectives as may be agreed with our issuer or seller client, and ii) an orderly aftermarket with a reasonable balance of liquidity and price stability.

Carnegie’s syndicate desks (which for certain situations can be constituted by a co-operative Sales Trading and IBD department, as applicable, but hereinafter referred to as Carnegie’s syndicate desks), exercise discretion and judgment when determining and agreeing the pricing and allocations for bookbuilt securities offerings, endeavouring to treat issuers, sellers and investors fairly and to balance the long-term interests of issuer and/or seller clients with any responsibilities Carnegie may have to investors, whilst also managing prudentially any risks assumed by Carnegie from acting as manager in an offering (including, but not limited to, legal, reputational, and where applicable, underwriting risks).

## Scope /Applicability

The policies and principles described herein apply to the carrying on of underwriting and placing activities in or from the European Economic Area (EEA).

## General Responsibilities/Restrictions on Syndicate and Sales Trading

Where Carnegie acts as a bookrunner on a bookbuilt securities offering, Carnegie’s syndicate desk for the relevant region is responsible for co-ordinating Carnegie’s role in the marketing, pricing and allocation of securities in bookbuilt securities offerings, in conjunction with (where applicable) other banks acting as managers in the particular offering. Carnegie’s syndicate desks have sole responsibility for determining and agreeing allocations with issuer and/or seller clients. Sales persons and traders may give feedback to the syndicate on proposed allocations but cannot play a direct or sole role in the determinations, recommendations and agreements of pricing and allocation.

## Allocation

Factors which Carnegie’s syndicate desk will consider (to the extent relevant in the circumstances) in determining allocations (in agreement with, the relevant issuer and/or seller, as the case may be, where so requested by them) include, without limitation:

- Issuer and/or seller client preferences, objectives and criteria for allocation.
- The investor must have placed an order in the book.
- The investor must comply with Carnegie’s applicable Know-Your-Client (“KYC”) requirements, unless and where applicable, the investor submits an order and fulfils the corresponding KYC requirements at another manager (e.g. bookrunner or co-lead manager) within the bank syndicate managing the securities offering.
- Any applicable selling restrictions or other relevant legal or regulatory restrictions in relevant jurisdictions with which the investor is connected.
- Size of the investor’s order both absolutely and relative to the investor’s portfolio or assets under management (including, for example, any actual feedback or reasonable belief as to an investor’s willingness or even preference, by the time of allocation, for being scaled back, if the book is oversubscribed).
- The desirability of avoiding allocations in inconvenient or uneconomic amounts.
- Any statement by the investor about its intentions.
- The perceived reliability and capacity of the investor including its ability to settle in full once it has accepted an allocation.
- The extent to which the investor’s expressed interest and the size of the allocation requested appears consistent with any perceived or previously stated investment strategy and objectives, purchasing and settlement capacity.
- The investor’s historical behaviour and participation in securities offerings generally and specifically, both in terms of absolute size and relative to size of the offering, including any expected holding period by the investor (which may take into account the investor’s track record of investment in similar issues). Short term selling “flipping” of prior deals by investors may be taken into account in making allocation decisions, but only if this factor is applied to all investors.

- The nature and level of interest shown by the investor in the issuer and the particular offering process, for example, attendance at PDIE events, roadshows, provided feedback, and other direct contacts with the issuer and/or seller and representatives of Carnegie;
- Price or spread limits given by the investor
- The category or description into which the investor falls (e.g. retail fund, pension fund, hedge fund).
- The timeliness of the investor's interest in the offering process and the placing of any order, particularly if the interest is expressed only at a relatively late stage.
- The investor's assets under management.
- The investor's current and prior dealings, and positions in, securities of the issuer or comparable securities.
- The geographical location of the investor.
- The sector or the sectors of the investor's main business.
- To the extent Carnegie's Private Banking division receives orders from its clients in the bookbuilt securities offering; such orders may be treated as one consolidated order in the orderbook and allocated by the syndicate on an aggregated level, whereas allocation on an individual basis may be delegated to other persons within Carnegie.
- To the extent there is a retail tranche in the bookbuilt securities offering, such orders may be treated as one (or several) consolidated orders in the orderbook, which may be allocated by the syndicate on an aggregated level. Allocations on an individual level may be delegated to other persons within Carnegie, other managers (e.g. bookrunners or co-lead managers), or to external parties (e.g. retail selling agents), typically in accordance with certain numerical allocation keys agreed with the issuer and/or selling clients. In such cases Carnegie should inform and instruct any external party concerned (e.g. retail selling agent) to follow any and all agreed allocation keys.

These factors above may be measured with reference to or using Carnegie's internal data or external data compiled from sources which Carnegie believes to be reliable.

During the marketing process Carnegie will solicit the views and any instructions or principles of its issuer and/or seller client (as the case may be) on pricing and allocations.

Carnegie will give its issuer and/or seller client (as the case may be) information about the investor indications of interest and orders in a timely manner prior to pricing, and as frequently as is reasonably requested.

## Issuer /seller client involvement in the allocation process

The level of involvement and objectives and directions of each issuer and/or seller client in the allocation process is a matter to try to agree between us all as early as possible in the process. Subject as set out herein, the issuer will play an important part in determining the rationale for which, and how many, investors are chosen.

Discussions with our issuer and/or seller client (as the case may be) to the extent relevant and required in all the circumstances will be expected to include, but are not limited to the following:

- The factors relevant to pricing and the process by which it is proposed that pricing and timing recommendations and decisions will be arrived at as well as any subsequent developments relevant to the pricing of the offering.
- The factors relevant to allocation, how the target group of investors will be identified (including the likely identity of investors and the apportionment of allocations among them to the extent permissible) and the process for determining and agreeing allocations
- Issuer and/or seller clients' stated objectives and/or preferences (where applicable) on allocations including, for example, per investor type and/or investor tiering criteria.
- Any agreed allocation principles.
- Any hedging or stabilisation strategies that may be undertaken and the impact that such strategies may have on the issuer/seller client's interests.

The issuer and/or seller client may be offered the chance to propose or review and approve the following, and should be sent the following, and (where the issuer and/or seller has indicated previously a wish to approve the following), approval should be sought:

- the allocation principles, objectives, criteria, investor types and/or any instructions;
- the final book of demand at various price levels;
- the provisional allocation schedule;
- the final allocation schedule.

In cases where Carnegie incurs market and/or balance sheet risk (including, but not limited to, settlement underwriting), the need for Carnegie to manage such risks prudentially will be taken into account by the syndicate in determining and agreeing pricing and allocations.

Pricing and allocation are complex processes which involve a strong element of judgment and experience. In respect of pricing and allocation, the fundamental principle is that it should be fair and transparent and must not promote the interest of any investor or Carnegie over those of the issuer and/or seller client. Carnegie will seek to keep the issuer and/or seller client fully informed of developments relevant to pricing and allocation during the offering process, and the syndicate will endeavour to take all reasonable steps to do so.

## Prohibited Allocation practices

Amongst other factors, Carnegie will prevent and avoid decisions and recommendations as to pricing and allocation being affected by past or future relationships with or commissions from investors, and the factors and policies set out below will be taken into account in this regard.

Carnegie will not seek or accept from investors any consideration in respect of an offering other than: i) the stated offering price for fixed price offerings, or ii) the price, negotiated at arm's-length, for variable price or at the market offerings (each, "Permitted Consideration"). Examples of other compensation which is prohibited include:

- Explicit or implicit agreements with investors to buy additional securities in the aftermarket as a condition to being allocated shares in the distribution (i.e. tie-in or laddering agreements);
- Requiring investors to purchase allocations in issuances which are not "hot issues" in order to be considered for allocations in issuances which are "hot issues";
- Explicit or implicit agreements with investors to purchase securities in another offering or promises of future mandates in return for allocation; and
- Gifts and gratuities, and business entertainment, given by investors to Carnegie, its branches, subsidiaries and their employees.

## Quid Pro Quo Allocations /Laddering or Tie-in arrangements

The firm is prohibited from engaging in quid-pro-quo allocations. Examples of these types of allocations include understandings that an investor will compensate Carnegie or its affiliates by paying excessive commissions (i.e., excessive in relation to the services provided by Carnegie) or other compensation on unrelated transactions pursuant to an explicit or implicit agreement or other quid-pro-quo arrangement. In particular, the practice of requiring investors which are allocated securities in a new issue to support the securities price after issue with buy orders ("laddering" or other such tie-in arrangements) is prohibited.

## Spinning

Allocations will not be made to entities affiliated to, or individuals employed by, or associated with, current or prospective issuer and/or seller clients in exchange for awarding, or as an inducement to award, the issuer's business to Carnegie or its affiliates.

## Records

To the extent required by applicable law, Carnegie will keep appropriate records of our conversations with issuer and/or seller clients and with investors as to allocations. These records may include written notes of face-to-face meetings with issuer and/or seller clients and investors, tapings and records of telephone conversations, and copies of other communications including but not limited to emails. Carnegie may keep such records for up to five years (or seven years if requested by a relevant regulatory authority), and may share them with any such regulatory authority or otherwise in accordance with regulatory requirements.

## Additional FICC Market Standards Board (FMSB) New Issue Process standard requirements for wholesale Fixed Income issuances in Europe

### Investor selection for Marketing Exercises

When selecting investors for a Market Sounding or a Roadshow Carnegie should consider the following factors:

- Issuer preferences and views;
- Previous interest expressed by investors in similar transactions (sector or issuer);
- Specifics of the transaction (e.g. currency, asset class, rating, ranking);
- Compliance with selling restrictions and/or other legal/regulatory restrictions;
- Past participation of the investor; and
- Previous willingness to provide feedback
- The firm should attempt to accommodate investor requests for roadshow meetings. Where face-to-face meetings are not available, the firm should aim to arrange a global investor call or an online presentation