

Credit Agricole Corporate and Investment Bank Allocation Policy

General purpose and scope

In relation to the placing of financial instruments on behalf of Issuers, Credit Agricole Corporate and Investment Bank (CACIB) is required to maintain an allocation policy which sets out the process for developing allocation recommendations and the proposed allocation methodology to be relied upon. This policy is provided to each Issuer client prior to a mandate being given to CACIB (or other arranging banks).

This policy is intended to manage potential conflicts of interest when deciding upon the allocation of new securities, in particular, to ensure that allocation recommendations made to Issuers are not inappropriately influenced by any past, existing or future relationships. This policy must be adhered to by all employees involved in, and responsible for, the allocation process within CACIB.

This policy will not apply to private placements or block trades where no book-building activities have taken place.

The Allocation Process

General factors and considerations

CACIB's Syndicate team is responsible for leading the book-building, price-discovery from the initial pricing thoughts and/or initial price guidance and allocation processes. The primary objective of the allocation process is to distribute any new issuance to investors allowing the Issuer to facilitate their financing objectives, at the same time seeking to provide fair outcomes to investors.

CACIB will invite and involve the Issuer client in discussions about the allocation process in order for it to be able to understand and take into account the Issuer's objectives. CACIB will obtain the Issuer client's agreement to its proposed allocation for each type of investor for the transaction in accordance with the general requirements of this policy. Where CACIB is acting as part of a syndicate, any agreements with the Issuer client will involve collaboration and agreement with those other syndicate members, CACIB and the Issuer.

Where CACIB is acting as sole book-runner, or is otherwise solely responsible for drafting a proposed allocation to be provided to the Issuer, CACIB will communicate any allocation recommendations following agreement by management of the Syndicate desk. The Issuer may choose to rely entirely on Syndicate's proposal, suggest amendments, or even elaborate their own allocation plan without any Syndicate involvement or advice.

Allocation strategy

When CACIB is allocating securities with investors in the market, CACIB is acting on behalf of the Issuer and is committed to providing a fair, transparent and professional service. Simultaneously it aims to ensure that the allocation of securities does not promote the interests of CACIB's other clients, or its own interests, in a way that may conflict with the Issuer client's interests.

Prior to discussing and agreeing an allocation strategy with the Issuer, CACIB will consider many factors (see below), each of which may contribute to the final allocation decision. The allocation decision should not be determined by only one factor (unless agreed by the Issuer), nor must it be determined by the amount of trading, commission or other income received or expected by CACIB from business with a particular investor. The Issuer is the final arbiter on allocations regardless of any proposals provided. CACIB will retain an auditable record of the Issuer's formal sign off on the proposed allocation strategy and approved final allocations.

The following factors may be taken into account :

- (a) General market conditions, targeted markets, targeted investor types as discussed with the Issuer;
- (b) The volume and price at which the investor has expressed interest during the book-building/price-discovery process;
- (c) Whether a particular allocation would be beneficial for the issue, given CACIB's knowledge and experience of the investor's investment strategy (particularly as to quantum and time horizon) and purchasing capacity;
- (d) Investors' interest in the transaction such as actively participating in roadshows, investor update calls, the quality/timeliness of feedback, prior reverse enquiry and other direct contacts;
- (e) The investor's current / previous investments in other securities of the Issuer or sector;
- (f) Investor interest during and or following previous issues;
- (g) The timing of the investor's interest;
- (h) Any selling restrictions or other relevant legal or regulatory restrictions in jurisdictions with which the investor is connected;
- (i) Objectives of investors (especially the anticipated time horizon for holding the securities), with preference given to those "non-trading" investors, such as central banks, insurance companies, pension funds and asset managers over and above professional investors such as, but not limited to hedge funds, bank trading desks or other similar "professionals". This consideration needs to be made in conjunction with the Issuer whose preferences when provided in relation to investors, must be paramount;
- (j) Issuer preferences, where expressed, such as investor type or geographical location; or

- (k) Avoiding uneconomic allocation sizes (i.e.: allocation outcomes for small orders may diverge from like-investors due to minimum size of trading or security denomination/ increment characteristics).

Where Syndicate has received unsolicited early indication of demand from investors, including other Crédit Agricole Group entities, which subsequently leads to the creation of a new transaction in conjunction with the Issuer, Syndicate may, with the Issuer's prior approval, allocate a higher proportion of the securities to those investors.

Crédit Agricole Group means Crédit Agricole S.A. and any direct or indirect subsidiary of Crédit Agricole S.A. that are licensed as a credit institution or a bank.

Treatment of CACIB internal orders

In respect of orders received by Crédit Agricole Group companies or internal parties the following will apply:

- (a) Private banking should be treated as any third party account;
- (b) Bank employees are prohibited from participating in new issues;
- (c) Syndicate will only allocate securities to market making desks within CACIB if previously agreed with the Issuer.

Prohibited allocation practices and activities

In order to prevent abusive practices and manage conflicts of interest, CACIB must not accept any third party payment or benefit in relation to services relating to underwriting and/or the allocation of financial instruments, unless such payment directly benefits the service provided to the Issuer.

At a minimum, the following activities and practices are abusive and unacceptable:

- (a) An allocation made to incentivize the payment of disproportionately high fees for unrelated services provided by CACIB ('laddering'), such as disproportionately high fees or commissions paid by an investment client, or disproportionately high volumes of business at normal levels of commission provided by the investment client as compensation for receiving an allocation of the issue;
- (b) An allocation made by CACIB to a senior executive or a corporate officer of one of CACIB's existing or potential Issuer clients, in consideration for the future or a past award of corporate finance business ('spinning'); or
- (c) An allocation that is expressly or implicitly conditional on the receipt of future orders or the purchase of any other services from the investment firm by an investment client, or any entity of which the investor is a corporate officer ('tying').

In addition, the following is also relevant:

(a) Sales employees should not have any influence over the final recommendations either on the pricing of the issue or on the allocations to investors. Sales input will be limited to providing Syndicate with details of investors' orders and investor feedback. Syndicate, after obtaining the issuer's sign-off, is solely responsible for making the final pricing and allocation decisions; and

(b) Information relating to the allocation of securities is confidential. Members of CACIB's Syndicate team must not discuss precise allocations with Sales and Trading employees. General information which is anonymous and disaggregated may be discussed internally and communicated to investors.