

## **Santander Corporate & Investment Banking (SCIB) Allocation Policy in connection with Securities Offerings**

### **Overview**

This Allocation Policy statement summarises SCIB's approach to the allocation of securities offerings where the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and equivalent measures retained in UK law would apply.

This policy ensures:

- the allocation process is transparent and conducted in line with regulatory requirements and proper standards of market conduct;
- conflicts of interest are appropriately managed; and
- an orderly market is maintained.

### **Transaction Allocation Objectives**

Working with issuer or vendor clients, our commitment is to develop strategies for targeting specific types or groups of potential investors depending on the specific objectives and preferences for the offering. Where expressed, we will take our client's documented preferences into account with respect to price, structure, timing, allocation, investor selection, marketing and other terms of the offering.

As is customary in securities offerings, the price and allocations will be determined by means of bookbuilding. The bookbuilding process enables SCIB to build a picture of investor interest and demand for the offering and informs and assists in the process of price discovery.

### **Investor Allocation Criteria**

Subject to any parameters agreed with you, when allocating securities, we would normally expect to take into consideration one or more of the following factors:

1. Client preference for specific investors.
2. Valuation/price – to be considered in conjunction with item 3 below and pricing sensitivities of investors.
3. Extent to which client is focused on the aftermarket.
4. Concentration (i.e. preferences as to size and number of large holdings, medium and/or smaller ones).
5. Any minimum or maximum allocation amounts.
6. Desired investor types (indication of any preference as to approximate balance between identified investor "types" – e.g. long-only and hedge funds, "long-only-like" hedge funds, hedge funds that are like long-only funds, hedge funds that will trade in the stock over the long term, providers of liquidity, geography etc. and categories – e.g. retail fund/tracker fund/pension fund etc) – in each case to the extent known, reasonably assumed or deduced in hindsight from the book of demand.
7. Any "free float" or similar requirements of the relevant listing, trading or indexation regime.
8. Desired geographical locations of investors (including consideration of applicable selling restrictions).

9. Where relevant, level and timing of engagement in transaction process (pilot fishing/market sounding (on wall-crossed basis or otherwise)/ PDIE/roadshow meetings/other (such as reverse enquiry)/one-on-one/Group).
10. Timing of the request for allocation, relative to final management meeting for that investor (where applicable) and size of the request for allocation.
11. Existing/prior holdings/size of assets under management/interest in issuer/comparable companies or offerings or within the relevant sector (to the extent known or reasonably assumed).
12. Where relevant, an investor's ESG credentials.
13. Where relevant, investors that are known to be using SRI/ green bond principles or dedicated SRI/green funds.
14. Where relevant, existing holders who have validly demonstrated their tender intentions or instructions.
15. Other considerations as appropriate.

### **Achieving Allocation Objectives**

Normally, no one factor would be determinative in the allocation process and the particular facts and circumstances of the issuer/vendor will ultimately determine the basis of the selection of the investors for each set of allocations.

Unless indicated otherwise, we would expect to provide our client with regular updates as to the progress of the bookbuilding process, including any specific investor's IOI. We will request that clients inform us of any specific requests as to the regularity or content of these updates.

If including "Friends and Family" requests or a similar element as part of the proposed transaction, please inform us as soon as possible. We will rely on the client to identify possible participants in this portion of the offering. Such participants that are not existing clients of ours will need to be allocated directly by the issuer /vendor and also may be required to settle directly with you, subject always to applicable offering and regulatory restrictions.

Unless requested otherwise, following the bookbuild, we will deliver a provisional allocation schedule based on Transaction Allocation Objectives and, where required, refine the allocation schedule based on further instructions regarding the objectives and/or any specific allocations. We will keep record of any client instructions, update the provisional allocation schedule and the final allocation schedule will then be agreed with the issuer or vendor clients, all allocations must be final once we agree a firm price.

Where we underwrite an offering or otherwise guarantee a price in connection with an offering, we will take into account our prudential responsibilities to manage our risk properly with regard to allocations and their manner and timing.

We would like to draw attention to the following specific points relating to allocation:

- For compliance reasons, including "know-your-customer" requirements, our general practice is to only allocate securities to existing investor clients of SCIB. We make considerable efforts to manage effectively and appropriately the conflicts of interest that might arise as a result, e.g., where one particular class of investor and/or where different investors within the same class may not be treated consistently.
- Our conflicts management arrangements seek to ensure that individuals responsible for providing services to investor clients receiving allocations in securities offerings are not responsible, or able to place undue influence on the employees responsible for providing pricing and allocation service to issuer or vendor clients. SCIB employees are prohibited from basing or conditioning allocations on any quid pro quo or wrongful inducement in respect of past or future business with SCIB.
- Where permissible, our own trading desks and Santander Asset Management entities may indicate interest in participating as investors in an offering. In order to minimise any actual or perceived

conflict of interest, our internal policies provide, among other things, that they may be treated no more favourably than other investors with similar characteristics.

- While we endeavour to agree allocation criteria and the application of these criteria with our joint bookrunner(s), there may be occasions upon which we disagree as to the suitability of a particular investor and allocations represent a compromise between us. This might arise, for example, where we are not familiar with a particular client of a joint bookrunner or where we disagree with the joint bookrunner as to the appropriate size of allocation to an investor. Similarly, when we allocate to any co-managers, we do not have visibility as to onward allocations to the co-managers' investor clients.

Do not hesitate to contact your Santander Syndicate team at any time with any questions on the bookbuilding and allocation process.