EXTERNAL ALLOCATION POLICY GMD SYNDICATE

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CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

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1. Introduction

This policy and procedures ("P&P") identifies the process that must be followed in order to ensure that Crédit Agricole CIB ("CACIB") treats investors fairly and consistently when CACIB is the bookrunner on a new issue and it allocates securities to investors.

1.1. Who Does This Apply To?

This P&P applies to GMD Syndicate.

1.2. Terms & Abbreviations

DCM	Debt Capital Markets
GMD	Global Markets Division
ICMA	International Capital Markets Association
MIFID II	Markets In Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, and Commission Delegated Regulation of 18 May 2015, and Commission Delegated Directive of 7 April 2016, and Commission Delegated Regulation of 25 April 2016)
MAR	Market Abuse Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014
Pot Issue	An issue in which the bookrunners and members of the syndicate co-operate to build a single book of investor orders between them for the new issue

2. General Objective

The objective of this P&P is to provide guidance that documents the allocation processes undertaken by GMD Syndicate when allocating bonds in the primary markets in line with issuer's objectives and to manage any potential conflicts of interest.

3. Application

CACIB has a regulatory obligation to take into consideration customers' best interests and treat them fairly. The concept of fairness in this context requires inter alia that a classification of investors into different categories be made according to clear and documented criteria (see **Appendix I**) and that the allotment process to be used is applied consistently. It is the Sales' responsibility to review on a periodic basis that investors are classified correctly in Issuebook and inform GMD Syndicate of the necessary amendments to be made when needed. This policy outlines permitted practices and factors to assist in managing potential conflicts in the investor allocation process.

The primary objective of the allocation process is to distribute any new issuance to investors at a price for the issuer that will facilitate their fundraising and allow investors to meet as closely as possible their investment objectives and appetite for new issuance.

The pricing of new issuances must not promote the interests of other clients or CACIB's own interests in a way that may conflict with the issuer client's interests. The allocation process needs to be transparent and consistent with the issuer's objectives, where disclosed, as well as to ensure an effective investor distribution and an orderly market

Note that this process will exclude private placements and block trades without book building.

4. The Allocation Process

4.1. General factors and consideration

GMD Syndicate is responsible for leading the book-building, price-discovery and allocation processes.

The Bank's Allocation Policy shall be made available to the issuer by DCM Origination, before GMD Syndicate agrees to undertake a bond allocation.

DCM Origination will invite the issuer to discuss their allocation priorities (e.g. diversification of investor zone and, any other consideration such as SRI etc). Where CACIB is acting as sole bookrunner, or is otherwise solely responsible for drafting a proposed allocation to be provided to the issuer (e.g. lead left roles in the high yield market), the draft allocation should be reviewed and signed off by a second Manager within Syndicate who has not been originally involved in the specific issuer's allocation proposal confirming agreement of allocations to be made. This review should take place before the proposed draft is sent to the issuer for approval.

The issuer may also choose to rely entirely on GMD Syndicate's proposal, suggest amendments, or even elaborate their own allocation plan without any syndicate involvement or advice. The actual allocation will only be released to investors after receiving formal approval in writing (including by email) from the issuer. The issuer is the final arbiter on allocations regardless of any proposals provided. DCM Origination must retain an auditable record of the issuer's formal sign off on the draft allocation proposal.

Throughout this process, GMD Syndicate and DCM Origination have a primary obligation to the issuer. Many factors (see below) play a role in the final allocation decision, these will need to be considered by GMD Syndicate as they determine a draft of suggested allocation. The allocation decision should not be determined by only one factor, nor must it be determined by the amount of trading, commission or other income received or expected by the CACIB from business with a particular investor.

Factors which are relevant and which can be considered in making allocation decisions include:

- Generally - market conditions, targeted markets, targeted investor types as discussed with the issuer
- The quantity and price at which the investor has expressed interest during the bookbuilding/ price-discovery process
- 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
- 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)
- The investor's current / previous investments in other securities of the issuer or sector
- Investor interest during and or following previous issues
- The timing of the investor's interest
- Any selling restrictions or other relevant legal or regulatory restrictions in jurisdictions with which the investor is connected
- 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
- Issuer preferences where expressed such as investor type / geographical location.
- Avoiding uneconomic allocation sizes (for instance: allocation outcomes for small orders may diverge from like-investors due to bond denomination/ increment characteristics)
- Other factors not prohibited by applicable laws / regulations / procedures.

Lead managers must keep an auditable record of any individual allocation decision. These should be provided to the Regulator upon request.

4.2. Price Discovery

In accordance with market practice DCM / Syndicate will facilitate the price discovery process. The issuer will give its validation to the joint book runners before books open on the IPT (Initial Pricing Thoughts) and / or initial price guidance. The issuer must agree to any revision to the price guidance (unless otherwise initially agreed). The issuer must also agree to final spreads / yields and transaction size (unless otherwise initially agreed).

4.3. Treatment of internal CACIB Group orders

- Private banking and derivative desks servicing clients should be treated as any third party account
- Bank employees: prohibited
- Syndicate may allocate bonds to market making desks within CACIB but they should not receive allocations ahead of customer interests (Internal allocations are prohibited when a deal is fully subscribed or oversubscribed or where known

customer interest has not been fully satisfied), unless pre-approval from the issuer is received

- If CACIB has no influence over allocation decisions, then internal market making trading accounts may solicit and accept allocations from the lead manager, so long as this is not part of a pre-arrangement where CACIB would reciprocate by allocating bonds to third party professional trading accounts ahead of investor interest if it were a bookrunner.

4.4. Prohibited Allocation practices & Conflict of Interest Management

It is prohibited to accept third party payments that are in conflict with the conditions of the inducements regulations in Article 24(9) of MiFID II. In the context of underwriting and allocations, the following practices would be considered abusive (this list is not exhaustive):

- **Tying**: is a practice which requires investors to purchase additional securities in the after-market as a condition of being allocated securities in an offering. Conditional offerings on or linked with a compensating benefit
- **Spinning:** an allocation made to a senior executive or a corporate officer of an existing or potential issuer client, in consideration for the future or past award of business
- Corporate officers cannot be allocated securities and should be precluded from personally profiting as this may conflict with their fiduciary duties and principles of the firm they represent
- **Laddering:** an allocation made to incentivise the payment of a large amount of fees for unrelated services provided by the investment firm. For example, very high rates of commissions paid to the investment firm by an investment client, or an investment client providing very high volumes of business at normal levels of commission as compensation for receiving an allocation of the issue
- An allocation that is expressly or implicitly conditional on the receipt of future orders or the purchase of any other service from the investment firm by an investment client, or any entity of which the investor is a corporate officer
- Sales employees should not influence the final recommendations on the pricing of the issuer nor on the allocations to investors. See further details in Section 7 below.

Linked investor hedging (or switches) requests are not prohibited if effected at market price and there is a clear economic rationale for the transaction.

5. Lead orders

GMD Syndicate may receive unsolicited early indication of demand from investors, including other Crédit Agricole Group entities, which leads to the creation of a new transaction in conjunction with the issuer. In these cases, Syndicate may with the issuer's prior approval, allocate a higher proportion of the issue to these investors.

6. Sales Involvement

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 should be strictly limited to providing GMD Syndicate with details of investor's orders and investor feedback. GMD Syndicate only is responsible for making the final pricing and allocation decisions.

7. Communication with Investors seeking feedback

It is permissible for Sales to communicate in general terms to investors to gather feedback. These communications must be fair, true and not misleading. Information provided to Sales and Trading staff must be consistent with information that has already been provided externally. However the precise allocation decisions for each transaction must not be provided unless the prior consent of the issuer and all investors to waive any confidentiality rights has been obtained. When communicating to more than one investor, any comments made that could potentially be regarded as an investment recommendation must be in line with the MAR requirements.

An Investment Recommendation under MAR is defined as "information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuers, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public".

Any expressions of dissatisfaction should be treated in accordance with the CA CIB Complaints Policy.

8. Transparency and Disclosure of interest to Issuers

Most issues on which CACIB is a bookrunner are Pot issues. These generally require syndicate members to disclose the names of their investors to the bookrunner. GMD Syndicate, jointly with the other joint bookrunner banks, will first submit a suggested allocation sheet to the issuer and will only release the allocation to investors after receiving potential amendments and formal approval from the issuer.
Market practice dictates that specific details of investor interest (i.e. names and amounts) are disclosed to both the issuer and other bookrunners during the book building process. In certain circumstances an investor may wish to only deal with one bookrunner in which case orders will appear to other bookrunners as 'X orders'. In these cases details of 'X order' investors will still be disclosed to the Issuer.

In some circumstances issuers may request further information on the book building and allocation processes including:

- The process for identifying purchasers of the securities and the amount and price level of demand (e.g. where the offering is to involve a book building, an explanation of the book building process);
- The factors relevant to recommendations and decisions on pricing and the process by which such recommendations and decisions will be arrived at (unless the price is agreed at the outset, the Issuer should be kept informed on how the final decision on pricing is to be reached);

- The factors relevant to recommendations and decisions on allocation and the process by which such recommendations and decisions will be arrived at;

APPENDIX I – Client Definitions

Agency / Supranational	• Multilateral Development Banks linked to Sovereign (benefiting from a 0% weighting of the Basel II standard ratio (a restrictive list of multilateral banks of development)) • Supranational Organizations linked to Sovereign (benefiting from a 0% weighting of the Basel II standard ratio (FMI, BRI, the European Union, the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM)) • Other International Institutions: Intergovernmental organizations, in particular those representing a regrouping of several sovereign states (e.g. UNO and all its dependences but except European Community, IMF and BRI, please refer to “Multilateral Development Banks linked to Sovereign”) and nongovernmental international organizations officially recognized, in particular by UNO, not benefiting from a 0% weighting of the Basel II standard ratio
Asset Managers	Companies which, as their core business, carry out asset management activities for third parties’ account, by using the following asset management bodies: • Collective Investment Funds (Monetary, Not Monetary and Mixed) • Compartments of Funds (Sub-funds) • Pockets of Funds/ Asset classes • CSA Consolidated Statement of Account • Managed Accounts • Dealing Codes. These asset managers as defined above need to be authorised and regulated for this activity by their applicable local regulator.
Brokers	Financial intermediaries are defined as: • Brokers (companies that trade in financial instruments as an agent) • Brokers-Dealers (companies that trade in financial instruments, for customers (brokers) as well as for their own account (dealers) • Brokers-Dealers related to hedge funds (Brokers-dealers, as defined above, dedicated to some hedge funds activity and set up to benefit from better financial terms)
Central Bank	These are institutions of one or more States, responsible laying down and implementing the monetary policy of the State, managing the deposits and the reserves of the banks of the place and intervening in the interbank monetary transactions (such as: “Federal System Reserve” in the USA, “European Central Bank”, “Bank of France”). It should be noted that weighting with 0% is automatic only for the ECB and for the central banks of the Member States of EU (including. the IEDOM “Institution of emission of the DOM” and the FSC “Exchange stabilisation funds”), provided that the exposures are denominated and financed in the currency of the borrower. For third countries, other conditions have also to be applied (Art 11 of Decree CRD).

Corporate	These are non-financial companies defined as: • Major Corporate Companies (Companies of commercial law held directly or indirectly over 51 % by a person of private law, having annual revenues equal or superior to 50 M EUR (consolidated revenue at the level of ultimate consolidation if the company belongs to a group of companies)) • Small and medium sized business (Companies of commercial law held directly or indirectly over 51 % by a person of private law, having annual revenues lower than 50 M EUR (consolidated revenue at the level of ultimate consolidation if the company belongs to a group of companies)) • Special Purpose Vehicles (Legal entities created for a specific goal, generally a transaction, in order to separate the risk on the transaction from the risk on the originator of the transaction. The debt of the SPV is generally covered by the cash-flows of the transaction (by the project itself and/or received rents and/or received dividends)) • State-owned companies (Legal entity whose equities are at least 51% owned by a State or national bodies (regions, cities, ...)) • Large Cooperatives Enterprises (Cooperatives and unions of cooperatives having annual revenues equal or superior to 50 M EUR (consolidated revenue at the level of ultimate consolidation if the cooperation belongs to a group of companies)) • Medium/ Small size Cooperative enterprises (Cooperatives and unions of cooperatives with annual revenues under 50 M EUR (consolidated revenue at the level of ultimate consolidation if the cooperation belongs to a group of companies) and not managed in Retail Banking))
Hedge Fund	These are companies which, as their core business, carry out asset management activities for third parties' account, with an objective of absolute return uncorrelated from the markets trends, and exclusively or mainly by using asset management bodies defined below: • Hedge Funds • Funds of Hedge Funds • Funds using Leverage • Other Alternative Asset Management Funds
Insurance	These are insurance companies defined as either: • Export Credit Agencies private or not sovereign (Private companies which encourage exports by providing credit and insurance, acting for own account) • Credit Insurance Companies (Companies which provide various types of insurances purchased by the borrower or the lender to protect him against exceptional losses from unpaid accounts receivable)) • Non-Life Insurance companies (Companies whose sales turnover is mainly generated by casualty insurances activities, business insurances or property insurances) • Life Insurance companies (Companies whose sales turnover is generated more than 80% by contracts of insurance life) • Mixed Insurance companies and others (Insurance companies or other companies defined as insurance companies, and not included in the "Non-Life Insurance companies" and "Life

	Insurance companies" categories) • Reinsurance (Companies which cover whole or part of the risks of insurance policies among multiple insurers, therefore allowing the final risk to be shared)
Pension Fund	Funds set up to collect regular contributions from a corporation, government agency, or organization to provide additional retirement income for eligible employees.
Private Banking	Private banking is tailored financial and banking services that are traditionally offered to a bank's wealthy high net worth individual (HNWI) clients.
Bank Treasury / ALM:	Treasury management (or treasury operations) includes management of an enterprise's holdings, with the ultimate goal of managing the firm's liquidity and mitigating its operational, financial and reputational risk. Treasury Management includes a firm's collections, disbursements, concentration, investment and funding activities. In larger firms, it may also include trading in bonds, currencies, financial derivatives and the associated financial risk management.
Bank Trading	Bank's trading desk / market making desk.
Syndicate	Syndicate desk from other institutions.
Savings Banks	A savings bank is a financial institution whose primary purpose is to hold funds of individual depositors in interest-bearing accounts and paying interest on those deposits.