

# **ALLOCATION POLICY**

ABG Sundal Collier Group

5 June 2024



## 1 Purpose and scope

As a MIFID regulated investment firm, the ABG Sundal Collier Group ("ABGSC") shall maintain and operate effective organisational and administrative arrangements to identify and to prevent or manage conflicts of interest. Such conflicts of interest may arise in relation to the allocation process and this Policy is set out to ensure fair allocation for all clients.

This Allocation Policy ("Policy") must be read in conjunction with the Conflict of Interest Procedure and Conflict of Interest Policy, which sets out the conflicts of interest policy statement for ABGSC. ABGSC's policy is to ensure fair treatment for clients and investors and to take all reasonable steps to prevent conflicts of interest from arising.

The Policy applies to all legal entities directly or indirectly controlled by ABG Sundal Collier Holding ASA ("ABGASA"), including tied agents, collectively referred to as "ABGSC", "the Firm" or "the Group".

In the following, the term "client" refers to the relevant issuer and/or selling shareholder(s) being the client of ABGSC in relation to the relevant transaction (which might be an offering and/or a placing).

## 2 Responsibilities

The Executive Committee is responsible for approving and conducting a review of this Policy on a regular basis to ensure compliance with any relevant changes to rules, regulations and/or any other signals from regulators.

The Managers of each respective subsidiary are responsible for adopting the Policy as applicable by local legislation and regulations.

Each ABGSC business unit is responsible for implementing and enforcing this Policy together with any additional local policies. Local business managers are responsible for making the Policy known in their organization and promoting a culture of awareness and compliance. The Compliance department is responsible for guiding and supporting the business areas and providing training to relevant staff throughout the Group, and assists in identifying, managing and monitoring any such conflicts.

All staff have an obligation to act with integrity and to ensure that they understand and comply with this Policy.

## 3 Allocation principles

ABGSC will involve the client in discussions about the process for setting out the allocation principles for the transaction in order to understand and take into account the client's interests and objectives and ensure that the client is properly informed in this regard prior to the engagement and during the process. Without other instructions from the client, ABGSC will assume that the client's interests are best served by seeking the best possible terms for the relevant issue that are consistent with the demand for the financial instrument at various terms, an effective allocation, an orderly aftermarket and, where relevant, the creation of a functional shareholder base for the client.

Normally, the price and allocations in such transactions will be determined by means of bookbuilding. The bookbuilding process enables ABGSC to understand investor interest and demand for the transaction and assists in the pricing thereof.

ABGSC will send (or otherwise make available) a summary of its allocation policy to its client before the Firm provides any underwriting or placing services to that client, normally at the signing of an engagement letter or at the time of confirmation of appointment. A copy of the communication will be retained on file.

ABGSC shall always obtain the client's agreement to its final proposed allocation as a minimum per type of investor-client for the transaction.

ABGSC's policy is to ensure that allocations are effected on a fair and equitable basis and without preferring any particular investment client / subscriber. Therefore, the following practices are never acceptable:

(a) an allocation made to incentivise the payment of disproportionately high fees for unrelated services provided ('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 a compensation for receiving an allocation of the issue;

(b) an allocation made to a senior executive or a corporate officer of an existing or potential client, in consideration for the future or past award of corporate finance business ('spinning');

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(c) an allocation that is expressly or implicitly conditional on the receipt of future orders or the purchase of any other service from ABGSC by an investment client, or any entity of which the investor is a corporate officer.

Subject to any parameters agreed with the client, when allocating securities (after the price of the transaction has been determined), ABGSC would normally expect to take into consideration some or all of the following factors:

- Overall subscription level for the relevant investor (absolute and relative to the investor's assets)
- The extent to which the investor's expressed interest and the size of the allocation requested appears consistent with the investor's expressed investment strategy and objectives and purchasing capacity (including any indication or reasonable belief that an investor has exaggerated its indication of interest in anticipation of being scaled back)
- The level of participation by the investor in the marketing of the transaction (e.g. amount of time and effort put into analysing the company, attendance at pre-launch meetings, roadshow meetings and analyst meetings)
- Quality of feedback provided during the marketing process for the transaction
- Timing of the order, relative to the final management meeting for that investor (if applicable)
- Whether the investor specifies a price limit, and the level thereof
- The category or description into which the investor falls
- Holding in comparable companies
- Behaviour in precedent, comparable transactions

All advice to the client concerning allocations shall be given by Investment Banking personnel, and the discussion on allocations shall involve the local Head of ECM or DCM (both as representatives of the Investment Banking Department), as the case might be.

#### **4 Record keeping**

ABGSC shall ensure that any instructions received from the client in respect of allocation (received prior to final allocation) shall be confirmed in writing by the client or documented in writing by the relevant Investment Banking team. All proposals for allocation sent to the client as well as the final allocation and the client's agreement to the allocation, shall be kept on record by the Investment Banking team. The allocation instructions (if any) and the allocation records shall be kept in a separate sub-directory labelled "Allocation" on the directory for the relevant engagement.

Together with the final allocation ABGSC will establish a record:

- highlighting the top twenty per cent. of allocations ranked both: (i) by size of total allocation and (ii) by "fill" (i.e. allocation as a proportion of the bid/order of the investor);
- including a statement of or reference to the agreed client objectives and/or other allocation criteria that have been used in determining allocations to those (top twenty per cent) highlighted investors (taken as a group);
- including specific justification for any allocations to any of those highlighted investors which are inconsistent with, or not clearly justifiable by reference to, those criteria or where the relevant firms believe a specific further explanation would be desirable or appropriate.

The local ECM or DCM team (as the case may be) is responsible for ensuring that ABGSC keeps the relevant records.

#### **5 Review and monitoring**

The Policy shall be assessed and reviewed by the Board of Directors on a regular basis and in accordance with any relevant changes to local rules and/or regulations or the Conflict of Interest Policy.

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The Allocation Policy was approved by the Board of ABG Sundal Collier Holding ASA and ABG Sundal Collier ASA on 5 June 2024 and will apply until the Board decides otherwise.