



## **APPENDIX 8**

# **ALLOCATION AND MARKETING OF SECURITIES**

CORESTATE Bank GmbH  
Neue Mainzer Strasse 66-68  
60311 Frankfurt am Main  
Germany

Tel.: +49 69 99999 64 0

e-mail: [info@corestate-bank.com](mailto:info@corestate-bank.com)

## TABLE OF CONTENTS

<b>1.</b>	<b>OBJECTIVES</b>	<b>2</b>
	<b>1.1 Allocation</b>	<b>2</b>
	<b>1.2 Recommendations</b>	<b>3</b>
<b>2.</b>	<b>BOOK BUILDING, PRICING AND ALLOCATION</b>	<b>4</b>
<b>3.</b>	<b>MANAGING CONFLICTS OF INTEREST</b>	<b>4</b>
<b>4.</b>	<b>MARKETING</b>	<b>6</b>

## 1. OBJECTIVES

This summary outlines the policy CORESTATE Bank (hereinafter referred to as "**CORESTATE Bank** ") applies when allocating and marketing securities. In order to manage potential conflicts of interest and to comply with all relevant legal requirements, we strive to balance the interests of all participants in a placement and to ensure that the allocation decisions are transparent and consistent with the overall objectives of the issuer and/or seller.

We allocate the securities in accordance with indications of interest from investors (hereinafter referred to as "**Book Building**") based on the objectives agreed with the issuer and/or seller.

### 1.1 ALLOCATION

We generally assume that the issuer and/or seller aims to achieve the best price and a broad allocation of securities, in particular to institutional investors. The broadest possible allocation also has a beneficial effect on an orderly and liquid secondary market with respect to the issue volume, if this is sought by the issuer.

We agree objectives with the issuer and/or seller before commencing Book Building. CORESTATE Bank also ensures that its preliminary allocation recommendations reflect the agreed objectives.

## 1.2 RECOMMENDATIONS

CORESTATE Bank's experience in Book Building and allocating transactions and the knowledge it has gained about investors and their investment style enables it to recommend the most suitable allocation. Our preliminary allocation recommendation will be based on some or all of the following factors:

- I. The issuer's and/or seller's preferences as regards the type of investor and their geographical location.
- II. For each potential investor individually:
  - i. their current holding of the issuer's securities and/or any previous transactions;
  - ii. indicative interest in the securities in question (regarding the issue terms, the volume of demand and timetable, through participating at roadshows and direct contact with CORESTATE Bank and/or the issuer);
  - iii. understanding of how the security is structured;
  - iv. interest and proven investments in the securities of other issuers in the issuer's sector;
  - v. the anticipated investment horizon for the security in question;
  - vi. the level of assets under management;
  - vii. and potential relations with the issuer and/or seller.
- III. Other pertinent factors.
- IV. Subject to factors I–III listed above, CORESTATE Bank makes placements in particular with institutional investors.

## **2. BOOK BUILDING, PRICING AND ALLOCATION**

While we determine the final price for the issue in talks with the issuer, pricing primarily takes place as part of the Book Building process. Accordingly, CORESTATE Bank assumes no liability if the price is too high or too low or if investors sell the securities allocated to them.

Prior to the final meeting at which the allocation is determined, CORESTATE Bank makes the book available to the issuer and/or seller. If relevant, analysis of investors' subscription requests at various placement prices is also made available.

CORESTATE Bank takes into consideration the specific objectives of the issuer and/or seller and other factors listed in section 0 when making the preliminary allocation recommendation.

The issuer and/or seller is/are then given the opportunity to discuss, question and make modifications to the preliminary allocation recommendation and each individual allocation.

- I. In the final allocation plan, CORESTATE Bank singles out the following in each case for the 20% of investors who initially receive an allocation:
  - i. allocation by nominal volume (arranged in descending order from largest nominal allocation to smallest nominal allocation) and
  - ii. percentage allocation based on the investor's bid/order in relation to the nominal amount actually allocated (arranged in descending order from the largest allocation percentage to the smallest allocation percentage)
- II. CORESTATE Bank refers to the objectives agreed with the issuer and all other allocation criteria used in determining the allocation to the (upper 20%) of investors (treated as a group), and
- III. CORESTATE Bank attaches the specific grounds for all allocations to the (upper 20%) of investors that do not correspond to these criteria or cannot be clearly justified by reference to these criteria. The same applies if the issuer and/or seller considers specific further explanations desirable or appropriate.

As soon as the issuer and/or seller and CORESTATE Bank have agreed on the final allocation plan, CORESTATE Bank will make the allocation plan available to the issuer and/or seller.

## **3. MANAGING CONFLICTS OF INTEREST**

Potential investors are not generally clients of CORESTATE Bank within the meaning of the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*). In the exceptional case that an investor is also a client, CORESTATE Bank will seek to fairly mitigate for the benefit of all concerned all actual or potential conflicts of interest that may arise.



Under no circumstances will an allocation be made in connection with the following:

- I. **"laddering"**, in other words an allocation made by an investment firm to its client to incentivise the payment of disproportionately high fees for unrelated services provided by the investment firm, such as disproportionately high fees or commissions paid by the (ancillary) investment services client, or disproportionately high volumes of business at normal levels of commission provided by the client as compensation for receiving an allocation of the issue;
- II. **"spinning"**, in other words 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 orders to the investment firm;
- III. 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;

CORESTATE Bank 's Institutional Sales staff have no influence over the final recommendations on pricing and allocations. While they contribute insights into investor demand during the Book Building process, it is CORESTATE Bank 's front office management that is responsible for preparing the preliminary and final allocation recommendations.

#### **4. MARKETING**

CORESTATE Bank may take a range of factors into consideration when selecting investors for the purpose of a market survey, among them one or more of the following:

- I. any preference of instruction on the part of the issuer;
- II. the investor's expertise and experience;
- III. prior business relationships;
- IV. expected interest in the transaction based on historical and/or other available information;
- V. all regulatory and legal restrictions.

Other factors may be agreed between CORESTATE Bank and the issuer and/or seller with regard to the specific circumstances of the transaction.