

## RABOBANK BOND SYNDICATE ALLOCATION POLICY

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### 1. Introduction

This is the allocation policy (the “**Policy**”) of Coöperatieve Rabobank U.A. trading as Rabobank (“**Rabobank**”), which is authorised by the Dutch Central Bank (“**DNB**”), is headquartered in The Netherlands and operates through its branches globally when providing investment services.

This Policy is intended to provide clients with information relating to bond primary issuance allocation arrangements Rabobank has in place to comply with its obligations under the Markets in Financial Instruments Directive 2014/65/EU (“**MI FID II**”) and [New Issues Process for Fixed Income Markets](#). This Policy applies when Rabobank acts as a Sole or Joint Active Bookrunner in a primary markets transaction and all employees on Bond Syndicate are obliged to comply with the policy.

The Policy applies in the same way when Rabobank acts as Active Bookrunner on bond issues where Rabobank itself is the Issuer.

### 2. Overall objective

The basic objective of allocation is to produce an appropriate spread of investors with a view to achieving an orderly aftermarket with sufficient liquidity and reasonable price stability. Transparency, fairness and consistency with issuer objectives must also be achieved. Any documentation factors (e.g. selling restrictions, minimum denominations) will also be taken into account.

### 3. General Parameters

Any request for the allocation of securities to the firm’s proprietary or market making book, or to the asset management division of an associated entity, would be submitted under the same arrangements that apply to requests for allocations from clients.

Any orders that appear suspicious (including inflated orders) will be reported to the relevant NCA as suspicious orders.

### 4. Factors that may influence allocation

The following factors may be taken into consideration during the allocation process. No one factor will be definitive and the following list is not exhaustive

- issuers’ preferences (if any)
- the size of demand for the securities and any price sensitivity
- the nature and level of interest shown by the investor in the issuer and the particular offering, for example its involvement in roadshows and other direct contact with the issuer or seller of the securities;
- the investor’s interest in, and past dealings in, other securities of the issuer as well as interest in investor updates provided by the issuer;
- the investor’s behavior in and following of past issues generally (i.e. typical holding period);

- the investor's interest in, and past dealings in securities of other issuers in the sector;
- the timing of the investor's interest, especially if interest is expressed either at an early stage (Indication of Interest provided) or only at a relatively late stage;
- any statement by the investor about its intentions and the perceived credibility of any such statement;
- the category or description into which the investor falls (e.g. pension fund, fund manager, hedge fund, insurance company, bank treasury, private bank etc.);
- the geographical location of the investor (if the issuer has expressed a preference for any particular jurisdiction);
- the sector or sectors of the investor's main business;
- any selling restrictions or other relevant legal or regulatory restrictions in jurisdictions with which the investor is connected;
- the desirability of avoiding allocations in inconvenient or uneconomic amounts.
- the extent to which the investor's expressed interest and size of allocation requested appears consistent with the investor's investment strategy, objectives and purchasing capacity.
- Investors that are known to be using SRI/Green bond principles or dedicated SRI/Green funds

The following practices are prohibited:

- Requiring investors to purchase additional securities in the after-market as a condition of being allocated securities in an offering ("laddering" or "tie-in" arrangements);
- Other "quid pro quo" arrangements under which the allocation of securities to an investor in an offering is made conditional on or linked with a compensating benefit such as the client's undertaking to accept allocations in another offer of securities or payment of excessive commissions on aftermarket dealings in the offered securities or on dealings in other securities;
- "Spinning" arrangements under which Rabobank uses an allocation as an inducement to the recipient to award or procure the award, or as a reward for the past award, of other business to Rabobank.
- Allocation recommendations should not be determined by the amount of trading, commission or other income received or expected by from business with a particular investor (i.e. other commercial relationship with the Bank).
- Protection of investor orders (i.e. promising full allocation to one or more investors), unless this is at the specific request of the Issuer.

The issuer is offered the opportunity of active involvement in the process of allocation, including the opportunity to express any requirements, wishes or preferences regarding allocation to specific investors. Such discussions are initiated early in the deal execution process and are documented. The Issuer's final approval is sought on all allocations.

## **5. Factors considered during investor selection for market soundings and investor roadshows**

### **(a) Investor selection for market soundings**

- The syndicate (joint/sole) conducting the sounding will identify a small selection of investors deemed to be potential key anchor buyers of the issue and who have not informed any bank of a desire not to be included in a sounding process. The list should be as short as possible, but sufficient to potentially provide valuable insight as to the viability of the trade being considered.

This list will be presented to the Issuer and issuer approval is required before any approach to investors is made.

- Such judgement will be based on factors such as: the nature and level of interest shown by the investor in the Issuer's outstanding (if any) bonds in the secondary market; its involvement in previous (if any) deal/non-deal roadshows; the investor's interest in, and past dealings in, other securities of the Issuer as well as interest in investor updates provided by the Issuer; the investor's behaviour in and following of past issues generally (i.e. typical holding period); the investor's interest in, and past dealings in securities of other issuers in the sector.

Any approach will be made in line with relevant sounding procedures and regulations.

#### **(b) Investor selection for Investor roadshows**

- Factors considered for choice of investors for investor roadshows are same as above.
- In addition, geographical locations of a roadshow are determined in conjunction with the other Joint Syndicate banks and the issuer. Issuer availability dictates how much time can be spent on a roadshow. Roadshow locations are determined based on the time available and the perceived interest from the institutional investor base in each jurisdiction for the deal in question.