



## Preliminary remarks

This document summarizes the general principles and main safeguards set out in Mediobanca internal rules and observed by Mediobanca when providing underwriting or placing financial instruments with or without a firm commitment basis in the context of Equity Capital Markets and Debt Capital Markets transactions (respectively, "ECM" and "DCM").

This document summarizes in particular the principles observed by Mediobanca when performing:

- ◆ marketing and order collection;
- ◆ allocation of investor orders;
- ◆ activities following the allocation of orders.

The principles and safeguards described herein apply, without limitation, to Initial Public Offering (IPO), Accelerated Book Building (ABB), Reverse Accelerated Book Building (RABB) and any other transaction of a similar type or public offer for which Mediobanca acts as a global coordinator, joint global coordinator, joint bookrunner or lead manager (or in any other relevant role from time to time, the "**Relevant Transactions**").

This document is available on Mediobanca website and is in any case provided to issuer / shareholder clients who engage with Mediobanca for the provision of underwriting or placement services before such services are provided.

## General principles

In line with the applicable regulatory requirements, Mediobanca has adopted processes so that all Relevant Transactions are carried out in an appropriate, fair and transparent manner in respect of both issuer / shareholder clients and investment clients in Relevant Transactions and no negative impacts occur on the markets.

Mediobanca therefore acts in compliance with the principles of confidentiality and the rules on market abuse, ensuring fair treatment of its issuer / shareholder clients and investment clients, as well as an adequate management of the financial risks that Mediobanca may take on when acting in the context of Relevant Transactions.

In each Relevant Transaction, Mediobanca might exercise its own judgment in respect to allocation. Mediobanca will act in a professional manner, taking into account the agreement with the clients, with the aim of providing a fair and transparent allocation among investors and achieving the best possible result in executing the Relevant Transaction and the best possible aftermarket. Mediobanca in any case avoids allocations that are not consistent or justifiable in light of the criteria agreed with the issuer / selling shareholder clients.

During all the phases of Relevant Transactions Mediobanca will be in contact with issuer / shareholder clients, providing them with book details, with evidence of the different price levels, and requesting opinions or instructions in this regard whenever it deems it appropriate.



## Marketing and collection of orders

In the context of Relevant Transactions, Mediobanca Sales and Traders ensures the utmost confidentiality in relation to orders placed by their investors clients in order to minimize the possible cases of market abuse.

Mediobanca Sales and Traders are prohibited to comment or express opinions or recommendations on the progress of any Relevant Transaction until a Relevant Transaction has been completed or press releases have been published describing the results at a given time.

In any case, any selective disclosure of information on the status of a Relevant Transaction is forbidden, while indications regarding the progress of orders collected may be disclosed but only at the same time to all investors.

## Allocation process

Mediobanca will submit to its issuer / selling shareholder clients the criteria (listed below without limitation and not in order of importance) to be considered for the purpose of allocating orders received from investors in Relevant Transactions. The proposed criteria constitute the basis for discussion with clients in order to agree, on a case-by-case basis, the application of those which fit the most to the characteristics of each Relevant Transaction and to the needs expressed by clients. In the event of transactions carried out in syndication, the criteria are agreed within the Syndicate firms which express a single view of the allocation criteria to follow. These criteria may vary depending on the characteristics of the Relevant Transaction and may include some or all of the following elements:

- ◆ characteristics of the order (the price level and any price or spread limits, the timing, the size in absolute terms compared to the size of the single Relevant Transaction);
- ◆ characteristics of the investor (tier, long-term strategy, relative importance of the investment, knowledge of the sector, etc.);
- ◆ attendance and receptiveness / reactivity of investors in the various stages of the process (e.g. pilot fishing, market sounding, roadshow);
- ◆ potential effect on the performance of the aftermarket;
- ◆ preferences indicated by the client for specific investors (considered aspects such as the investor's time horizon, the long-term against the short-term, the AUM, the reference geography, taking into account any applicable selling restrictions);
- ◆ further factors, to consider on a case-by-case basis, on the basis of the inputs of the Sales area (to the extent permitted) and of further specific clients' requests.

The criteria proposed by Mediobanca for each Relevant Transaction are considered final unless requests for change come from the clients. Mediobanca keeps record of the agreement with the clients on the allocation criteria and any changes to them, in coordination with other syndicate firms (where relevant).

Mediobanca acts on the basis of the information legitimately held as a result of carrying out its business activities or obtained from third parties deemed to be reasonably reliable by Mediobanca.



During the allocation, Mediobanca Syndicate team may request input from Mediobanca Sales in order to detect potential critical issues and avoid damage, even if only involuntary, to commercial relations with clients and investors.

These inputs may include:

- ◆ expressions of interest and comments from investors;
- ◆ presence of internal investor restrictions on purchase limits in general or for the specific transaction;
- ◆ investors' knowledge of the sector and / or the issuer;
- ◆ the time horizon of the investment;
- ◆ minimum spread (if significant, in particular for Relevant Transactions in the Debt Capital Markets area).

Mediobanca also encourages Sales and Traders to pay attention to investors' inconsistent behaviour so as to avoid "inflated demand".

In any case, before proceeding with the final allocation to the investors, Mediobanca will propose to the clients, in order to obtain their consent, provisional allocations determined on the basis of previously agreed allocation criteria that also highlight the type of potential investors and the level of book prices. In case of clients agreement, the allocation is considered final (save made for cases in which significant events occur before the settlement and this requires to make changes (e.g. requests for cancellation of orders or reduction of order quantities given by investors)).

## General prohibitions

Mediobanca does not allow the level of trading commissions (past or future) received or promised by an investor to be a key factor for the purpose of the extent of the allocation in favour of such investor. Similarly, Mediobanca does not accept any consideration from investors other than the stated price, for Relevant Transactions with a fixed price, or from the price negotiated at market conditions, for Relevant Transactions with variable prices.

In any case, the following practices are prohibited:

- ◆ laddering – i.e. an allocation made for the purpose of soliciting the payment of disproportionately high commissions for separate services provided by Mediobanca, such as disproportionately high fees or commissions paid by an investor, or disproportionately high business volumes with commissions at normal levels procured by investor as consideration in exchange for an allocation in the context of Relevant Transactions;
- ◆ spinning – i.e. an allocation made to a manager or a company officer of an issuer client and / or current or potential shareholder in exchange for the past or future award of corporate finance mandates;
- ◆ an allocation implicitly or expressly subject to the receipt of future orders or to the purchase of any other service by Mediobanca by an investor or any other entity of which the investor is a company officer;
- ◆ requests by Mediobanca to investors to express interest in allocations in the context of Relevant Transactions which are not considered "hot issues" in exchange for allocations in



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the context of subsequent Relevant Transactions which are considered "hot issues" and, more generally, request from Mediobanca to investors to express their interest in the investment.

## **Post allocation**

Mediobanca keeps appropriate record of the process illustrated in this document (including electronic correspondence and recordings of telephone calls with the clients) for the time required by law (from 5 to 7 years).

Mediobanca adequately motivates the allocation criteria used in concrete terms and keeps the relevant records.

## **Acceptance of this Allocation Summary**

By accepting the services provided by Mediobanca in their favor, clients acknowledge and fully accept this document and its contents. In any case, Mediobanca reserves itself the right to seek consent from such clients on preliminary allocations before proceeding with final allocations.