

Swedbank AB (publ)

Marketing and allocation policy in connection with debt securities offerings

1. Objectives

This allocation policy (“**Policy**”) is a summary of the procedures that Swedbank AB (publ) (“**Swedbank**”) intends to apply to the process of marketing, allocating and placing financial instruments by our issuer clients to investors. The objective of the Policy is to provide information to issuers and investors alike, on Swedbank’s allocation process and methodology.

The Policy is applicable in transactions where Swedbank assists an issuer client in a placing of debt securities. This policy does not apply when Swedbank is acting as a passive bookrunner or co-lead manager in a transaction and therefore is not involved in the allocation process.

The Policy is intended to ensure that:

- The marketing and allocation process is conducted in a transparent manner and in accordance with proper standards of market conduct;
- The issuer client and investors are treated fairly;
- A solid and diversified investor base is created, ensuring both long-term investments and aftermarket liquidity and performance;
- Any conflicts of interest are appropriately managed; and
- An orderly market is maintained.

2. Marketing Process

2.1. *General*

Before the launch of any securities offering and subsequent bookbuilding and allocation, it is customary for issuers and banks to carry out market soundings and/or issuer roadshows in order to introduce the issuer to potential investors and to gauge investor interest in potential transactions.

2.2. *Election of potential investors*

When considering which investors are approached to participate in market soundings and issuer roadshows, Swedbank would normally expect to take into consideration some or all of the following factors:

- The issuer’s preferences;
- The behavior, and level of engagement, of the investors in similar processes of the issuer or in the issuer’s sector;
- The behavior of the investors subsequent to investing in similar past offerings;
- The investors’ perceived interest in the issuer or in the issuer’s sector;
- The need to comply with applicable selling restrictions or other relevant legal or regulatory restrictions in each jurisdiction where potential investors are located; and
- The relevant target market identified as a part of Swedbank’s product governance process.

The outcome of this marketing process is based on Swedbank's experience in marketing potential offerings of debt securities. Normally, multiple factors will be determinative in the process and the particular facts and circumstances of the issuer and the investors will ultimately determine the basis of the selection of the investors for each marketing process.

3. Allocation Process

3.1. Bookbuilding

As is customary in debt securities offerings, the price and allocation will be determined by means of bookbuilding.

The bookbuilding process enables Swedbank to build a picture of investor interest and demand for the offering and assists in pricing. Primarily, Swedbank seeks to build a mix of investors who are likely to be long term holders of the securities and investors who provide liquidity. This can help facilitate relative price stability and the development of an active market in the securities after issue.

3.2. Pricing

The bookbuilding process may also serve the purpose of Swedbank's recommendation regarding pricing of the offering. Such pricing recommendation will be based on different factors depending on the nature and size of the offering.

3.3. Allocation criteria

Swedbank is available to work with the issuer to develop strategies for targeting specific types or groups of potential investors depending on the issuer's requirements. Swedbank encourages the issuer to provide any specific desires or requests in this regard as early as possible in the process. Subject to any parameters agreed with the issuer, when allocating securities, Swedbank would normally expect to take into consideration some or all of the following factors (several are for obvious reasons the same as in the marketing process).

Issuer specific criteria

- The importance of establishing a balanced investor base, as mentioned above in particular an appropriate balance between likely long-term investors and providers of liquidity in the aftermarket;
- The issuer's preferred category of investors (pension funds and insurance companies) including geographic spread of investors;
- The issuer's likely long-term interest (whether in this or potential future offerings).

Investor specific criteria

- The level of engagement by investors in the issuer and the offering, for example their involvement in roadshows, meetings and valuation discussions and other contacts with the issuer; and
- The behavior of the investor in, and following, past offerings, if any;
- The investor's interest in, and past dealings in, securities of the specific issuer and/or other issuers in the same sector;
- The timeliness of the investor's indication of interest, i.e. how early in the issue process the investor expressed interest;

- The size of the investor's expressed interest (both absolute and relative to the investor's portfolio or assets under management);
- Whether the investor specifies a price limit, and the level thereof; and
- The extent to which the investor's expressed interest appears consistent with the investor's expressed investment strategy and objectives and purchasing capacity.

General allocation criteria

- The eligibility of investors and the need to comply with applicable selling restrictions or other relevant legal or regulatory restrictions in each jurisdiction where potential investors are located; and
- Any indication or reasonable belief that investors have exaggerated their indication of interest in anticipation of being scaled back.

3.4. Swedbank internal and related entities

As regards allocations to Swedbank internal and/or related entities (e.g. funds within Swedbank Robur), allocations will only be made when permitted under applicable law and when such allocations are considered to be in the best interest of the issuer.

3.5. Final allocation

The final allocation process will depend on the actual jurisdiction of the offering due to different legislations.

The final allocation proposal presented by Swedbank is based on the particular facts and circumstances in the relevant offering or placing and the allocation proposal is a matter of judgment based on Swedbank's extensive experience in distributing offerings of securities. Taking into consideration the relevant facts and circumstances, Swedbank will put forward the final allocation proposal to the issuer after the subscription period has ended. The issuer makes the ultimate decision on the allocation.

Unless the issuer indicates otherwise, Swedbank would expect to provide the issuer with regular updates as to the progress of the bookbuilding process, including specific institutional investors' indications of interest. Issuers should let Swedbank know if they have specific requirements as to the regularity or content of these updates. When the final allocation has been made, Swedbank will provide the issuer with details of the final allocation.

If *Norwegian law* is applicable however, Swedbank as manager will make the ultimate decision on the allocation based on the particular facts, factors and circumstances in the relevant offering or placing and judgment based on Swedbank's extensive experience in distributing offerings of securities.
