

Morgan Stanley EMEA Marketing and Allocation Policy in connection with securities offerings

This document is a summary of certain of the policies that Morgan Stanley & Co. International plc would expect to apply to the process of marketing and allocating securities offerings by our issuer clients to our investor clients.

These policies are designed to ensure that:

- The marketing and allocation process is conducted in a transparent manner and in accordance with proper standards of market conduct;
- Our issuer and investor clients are treated fairly;
- Any conflicts of interest are appropriately managed; and
- An orderly market is maintained.

Marketing Process

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.

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

- The behaviour of the investor in, and following, similar processes;
- The investor's interest in the issuer or in the issuer's sector;
- The level of engagement by the investor in the issuer, or in the issuer's sector, or in past offerings by the issuer;
- 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 views of the issuer.

This decision is a matter of judgment based on our extensive experience in marketing potential offerings of securities. Normally, no one factor would be determinative in the marketing process and the particular facts and circumstances of the issuer and the investor will ultimately determine the basis of the selection of the investors for each marketing process.

Allocations Process

As is customary in offerings of this type, the price and allocations will be determined by means of bookbuilding. The bookbuilding process enables us to build a picture of investor interest and demand for the offering and assists in pricing. Primarily, Morgan Stanley seeks to build a mix of investors who are likely to be long term holders of the securities or providers of liquidity. This can help facilitate relative price stability and the development of an active market in the securities after issue.

We are available to work with the issuer to develop strategies for targeting specific types or groups of potential investors depending on the issuer's requirements. Subject to any parameters agreed with the issuer, when allocating securities, we would normally expect to take into consideration some or all of the following factors:

- The size of the investor's expressed interest (both absolute and relative to the investor's portfolio or assets under management);
- The behaviour of the investor in, and following, past offerings, if any;
- The investor's interest in, and past dealings in, securities of the issuer and/or other issuers in the sector;
- 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;
- The importance to the issuer of establishing a balanced share register, in particular an appropriate balance between likely long-term holders and providers of liquidity in the aftermarket;
- Whether the investor specifies a price limit, and the level thereof;
- The timeliness of the investor's indication of interest, i.e. how early in the issue process the investor expressed interest;
- The level of engagement by the investor in the issuer and the offering, for example its involvement in roadshows, meetings and valuation discussions and other contact with the issuer;
- The category or description into which the investor falls (e.g. retail fund, tracker fund, emerging markets specialist, industry specialist fund) and the eligibility of investors to participate;
- The geographic spread of investors;
- The need to comply with applicable selling restrictions or other relevant legal or regulatory restrictions in each jurisdiction where potential investors are located;
- The issuer's likely long-term interest (whether in this or potential future offerings); and
- Any indication or reasonable belief that an investor has exaggerated its indication of interest in anticipation of being scaled back.

The allocation decision is a matter of judgment based on our extensive experience in distributing offerings of securities. Normally, no one factor would be determinative in the allocation process and the particular facts and circumstances will ultimately determine the basis of allocation.

The relevant Syndicate Desk within our Global Capital Markets Division is responsible for the pricing and allocation process. Unless the issuer indicates otherwise, we 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 us know if they have specific requirements as to the regularity or content of these updates. We will also provide the issuer with details of the final allocations.

We would like to draw attention to the following specific points relating to allocation:

- For compliance reasons, including "know-your-customer" requirements, our general practice is to only allocate securities to existing investor clients of Morgan Stanley. We make considerable efforts to manage effectively and appropriately the conflicts of interest that might arise as a result. Issuers should be aware that our clients may make a profit from the resale of the securities and may also provide future revenue to Morgan Stanley.
- In this process we are required to treat our Private Wealth Management division, which deals with our high net worth individual and small corporate and institutional clients, as one investor for the purposes of allocations within the bookbuilding process. That division then allocates securities to its clients without involvement from the relevant Syndicate desk.
- Where permissible, our own trading desks and Morgan Stanley Investment Management may indicate interest in participating as investors in the offering. In order to minimize any perception of conflict of interest, our internal policies provide, among other things, that they may be treated no more favourably than other investors with similar characteristics.
- If the issuer so wishes, we will endeavour to agree the list of proposed allocations with the issuer. However, please be aware that for reasons of proper risk management, allocations must be final once we agree a firm price.
- While we endeavour to agree allocation criteria and the application of these criteria with our joint bookrunner(s), there may be occasions upon which we disagree as to the suitability of a particular investor and allocations represent a compromise between us. This might arise, for example, where we are not familiar with a particular client of a joint bookrunner or where we disagree with the joint bookrunner as to the appropriate size of allocation to an investor. Similarly, when we allocate to any co-managers we do not have visibility as to onward allocations to the co-managers' investor clients.
- If the issuer wishes to include a Friends and Family tranche in the offering, please let us know as soon as possible. We will rely on the issuer to identify potential participants in this tranche; we will not seek to include our existing clients though the issuer may of course do so. Since participants will generally not need to be existing clients of ours, we may need to enlist the issuer's assistance in satisfying ourselves regarding anti-money laundering and know-your-customer requirements for these individuals.

We hope that this overview has been informative regarding the bookbuilding, allocation and marketing process. Please do not hesitate to contact your Morgan Stanley coverage team at any time with any questions on this document.