



---

**Scotiabank (Ireland) DAC  
Summary of Allocation Policy**

---

**July 2021  
Version 1**

VERSION CONTROL			
Version	Date	Author/Reviewer	Description of key changes
1.0	07/05/21	G Bruce	First Draft
	09/05/21	Conor Doyle	Review of first draft
	12/05/21	Compliance and Conduct Committee (CCC)	Approval by CCC

DOCUMENT GOVERNANCE	
<b>Document Title:</b>	SIDAC Allocation Policy Summary
<b>Status</b>	Final
<b>Document Type:</b>	Policy Summary
<b>New / Existing:</b>	New
<b>Version</b>	1.0
<b>Effective Date:</b>	TBC
<b>Supersedes:</b>	N/A
<b>Approval Date</b>	12/05/2021
<b>Approved By:</b>	Compliance and Conduct Committee (CCC)
<b>Review Frequency:</b>	Annual
<b>Next Review:</b>	12-Jun-22
<b>Document Sponsor:</b>	Conor Doyle Head of SIDAC Compliance
<b>Document Owner:</b>	Giuliana Bruce Senior Compliance Advisory Manager
<b>Responsible Department:</b>	Front Office
<b>Content Manager / Author:</b>	Giuliana Bruce Senior Compliance Advisory Manager
<b>Risk Category:</b>	External

APPROVAL PATHWAY		
Role	Committee	Date
<b>Reviewing Committee</b>	Compliance & Conduct Committee (CCC)	12-May-21
<b>Final Management Approval</b>	As for above	12-May-21
<b>Board</b>	For notification only	28-July-21

<b>RELATED GROUP DOCUMENT</b>	
<b>Document Title:</b>	N/A

<b>ADVICE &amp; COUNSEL (A&amp;C)</b>	
<b>Is A&amp;C required:</b>	YES
<b>A&amp;C provider:</b>	Matheson (External Legal Counsel)
<b>Date received:</b>	27-May-21
<b>Evidence on file:</b>	N/A

<b>RELATED LEGISLATION/REGULATIONS/STANDARDS</b>	
<b>Name</b>	<b>GAP Analysis completed under Regulatory Change Process</b>
Regulations governing the provision by SIDAC on investment services; principally the European Union (Markets in Financial Instruments) Regulations 2017 (which implement Directive 2014/65/EU (MiFID II) into Irish law) and the Commission Delegated Regulation 565/2017/EU (Art 38 -43)	N/A

## Summary of Allocation Policy

### Scotiabank (Ireland) Designated Activity Company (SIDAC)

#### 1. Introduction

- 1.1 Scotiabank (Ireland) Designated Activity Company referred to throughout this document as 'SIDAC' is authorised and regulated by the Central Bank of Ireland (CBI). Details about the extent of SIDAC regulation by the CBI are available from us on request.
- 1.2 The Bank of Nova Scotia ("BNS") and its subsidiaries and affiliates (including SIDAC) are referred to throughout this document as the 'Scotiabank Group.'
- 1.3 The purpose of this document is to summarise SIDAC Allocation policy (the "Allocation Policy") that applies to SIDAC. Full details of the Allocation Policy may be made available upon request.
- 1.4 In accordance with the European Union (Markets in Financial Instruments) Regulations 2017, implementing MIFID II (Directive 2014/65/EU ("MiFID II"), as supplemented by the Commission Delegated Regulations (2017/565) ("Delegated Regulations"), credit institutions carrying on investment activities or providing investment services are required to establish, implement and maintain an allocation policy that sets out the process for developing allocation recommendations.
- 1.5 This Allocation Policy summary represents the policy which is designed to inform issuers' clients of the allocation measures adopted by SIDAC in relation to them.

#### 2. Conflicts of Interest

- 2.1 SIDAC maintains a conflicts of interest framework that contains measures to identify conflicts that may arise between itself and its clients or between one client and another while providing its services or conducting its activities. SIDAC also has measures in place to identify conflicts of interest that may arise as a result of the structure and business activities of other members of the Scotiabank Group.
- 2.2 In the context of SIDAC providing advice on corporate finance strategy, or underwriting /placing services for financial instruments (each a "Relevant Activity"), the Conflicts Framework enables SIDAC to:
  - Identify all underwriting and placing operations and record such information, including the date on which it was informed of potential underwriting and placing operations, in way that enables potential conflicts to be identified and managed appropriately.
  - Manage potential conflicts of interest between various services provided (e.g. execution, research, underwriting and placing) and between different clients receiving those services. Additionally, SIDAC Ireland has internal arrangements in place to prevent or manage conflicts that arise where persons responsible for providing services to investment clients are directly involved in decisions about recommendations to the issuer client on allocation.

- Maintain effective arrangements to prevent placing recommendations from being inappropriately influenced by any existing or future relationships. This could include, for instance, where any previous lending or credit has been provided to the issuer client by SIDAC or the Scotiabank Group which could be repaid with the proceeds of such an issue.
  - Manage or prevent potential conflicts of interest that may arise as a consequence of SIDAC engaging in the placement of financial instruments issued by itself or other entities within Scotiabank Group to its own clients to prevent adverse effect on clients.
  - Disclose to a client, when required, an explanation of the nature and source of the conflict of interest inherent in the activity along with details about the specific risk related to such practices equipping the client to make an informed investment decision.
  - Identify and manage conflicts of interest that may arise in relation to possible under-pricing or over-pricing of an issue or involvement of relevant parties in the process.
- 2.3 The pricing of offerings in relation to the issuance of financial instruments is subject to the Conflicts of Interest Policy and SIDAC has controls in place to ensure that the pricing of an offer does not promote the interests of other clients or its own interests in a way that may conflict with the issuer's, and also allows for the prevention or management of a situation where persons responsible for providing services to SIDAC's investment clients are directly involved in decisions about corporate finance advice on pricing to the issuer.
- 2.4 Further information on the Conflicts Framework can be found in SIDAC Conflicts of Interest Policy Summary, which can be made available upon request.

### **3. Disclosures to Issuer Clients**

- 3.1 Prior to engaging in a Relevant Activity, SIDAC will inform issuer's clients of the following before accepting a mandate to manage an offering:
- various financing alternatives which may be appropriate to their needs along with an indication of the amount of transaction fees associated with each alternative;
  - the timing and the process with regard to the corporate finance advice on pricing of the offer;
  - the timing and the process with regard to the corporate finance advice on placing of the offering;
  - the details of the targeted investors, to whom SIDAC Ireland intends to offer the financial instruments
  - the job titles and departments of the relevant persons/individuals involved in the provision of corporate finance advice on the price and allotment of financial instruments SIDAC arrangements to prevent or manage conflicts of interest, including those that may arise where SIDAC places the relevant financial instruments with its investment

- Information about how the recommendation as to the price of the offering and the timings involved is determined. In particular, clients will be informed about any hedging or stabilization
- strategies that SIDAC intends to undertake with respect to the offering, including how these strategies may impact the issuer clients' interests.

3.2 SIDAC will additionally take all reasonable steps to keep the issuer client informed about developments with respect to the pricing of the issue during the offering process.

#### **4. Allocation Methodology**

4.1 When identifying an allocation strategy, SIDAC may take into account a number of relevant factors including (but not necessarily limited to):

- any preferences (such as preferred target market) expressed by or agreed with the issuer;
- the quantity and price at which investors have expressed interest during any book building or price discovery processes;
- any statements made by an investor about its intentions (e.g. holding period, nature and level of interest in issuer etc.) and the perceived credibility of such statements;
- the investor's past conduct in relation to issues;
- the nature, geographic location and reputation of the investors.

4.2 In addition, SIDAC will:

- involve the issuer client in discussions about the placing process, enabling it to take into account their interests and objectives; and
- secure the issuer client's agreement to its proposed allocation per type of client for the transaction in accordance with this methodology.

#### **5. Review**

5.1 This Policy is subject to review on at least an annual basis or where there is a material change occurs that affects SIDAC's ability to continue to obtain the best possible allocation result for the Clients.