



Scope Group Policy on Corporate Conflicts of Interest

Scope Ratings GmbH, Scope Hamburg GmbH,
Scope Ratings UK Ltd., and Covered Employees
of Scope Group

January 2022



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1. Introduction

This policy on Corporate Conflicts of Interest (the "Policy") outlines Scope CRAs obligation to ensure that Credit Ratings are independent and not affected by any existing or potential conflict of interest or business relationship involving Relevant CRA Members and/or Relevant Shareholders of Scope CRAs ("Corporate Conflicts of Interest").

Scope CRAs identify, eliminate, or manage and disclose, clearly and prominently, any actual or potential Corporate Conflicts of Interest that may arise from a certain relationship between their Relevant CRA Members and/or Relevant Shareholders and an Impacted Entity, an Impacted Related Third Party, or the Controlling Shareholder of an Impacted Entity or Impacted Related Third Party.

2. Applicability

This Policy and its requirements apply to all Covered Employees of Scope CRAs and Covered Employees of Scope Group who work for the Investor Relations team, External Relations team, or Markets. Associated Individuals must acknowledge to abide by this Policy.

The contents of this Policy and any future updates or changes are published on Scope Ratings' website and are made available on Scope's intranet.

For defined terms used in the Policy please see Scope's Defined Terms Glossary that is available on Scope Ratings' website and Scope's intranet.

3. Conflict of Interest Management

3.1 Disclosure on website

Scope CRAs discloses actual or potential Corporate Conflicts of Interest on their website.

3.2 Prohibition to issue Credit Ratings

Scope CRAs will not issue a Credit Rating if the Corporate Conflict of Interest reaches the following thresholds:

- a 10% Shareholder or Relevant CRA Member holds 10% or more of the capital or voting rights or any other ownership rights in the Impacted Entity and/or an Impacted Related Third Party or in the Controlling Shareholder of the Impacted Entity or Impacted Related Third Party, or
- a 10% Shareholder or Relevant CRA Member exercises a Significant Influence that is comparable to a $\geq 10\%$ shareholding on the Impacted Entity and/or the Impacted Related Third Party or in the Controlling Shareholder of the Impacted Entity or Impacted Related Third Party, or
- any Scope CRA or other Scope Group entity holds financial instruments of or any other ownership rights in the Impacted Entity or Impacted Related Third Party or of the Controlling Shareholder of the Impacted Entity or Impacted Related Third Party.

There is an exception to this rule for holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance which will not count towards the 10% threshold.

Scope CRAs will also assess whether there are grounds for withdrawing an existing Credit Rating affected by such a Corporate Conflict of Interest. Even if Scope CRAs decide to maintain the Credit Rating for an asset class or programme which is issued by the Impacted Entity, they will refrain from rating future drawdowns under the rated programme or rating future issuances under the rated asset class.

Furthermore, the following situations are prohibited and shall be monitored by Scope CRAs. Should this situation occur, Scope CRAs shall inform the Shareholder and request for divestment of one of its positions or the termination of a consultancy/advisory relationship:



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- a 5% Shareholder or Relevant CRA Member or holder of Significant Influence in Scope CRAs, holds also 5% or more of the shares or voting rights in another CRA, or is a member of the administrative or supervisory board of such other CRA, or has significant influence or dominant control over another CRA, or has the right to appoint or dismiss administrative or supervisory board members in another CRA. Exception to this rule are cases where shareholdings in another CRA are result from diversified collective investment schemes or when CRAs belong to Scope Group.
- a 5% Shareholder or Relevant CRA Member or holder of significant influence in Scope CRAs, provides consultancy or advisory services to the Impacted Entity or a related entity or Impacted Related Third Party regarding the corporate or legal structure, assets, liabilities or activities of that Impacted Party or related third party.

In addition, Scope CRAs are prohibited from issuing or maintaining a credit rating with respect to any of Scope KG's direct or indirect Controlling Shareholders.

3.3 Disclosure of the Conflict of Interest

Scope CRAs will disclose the Corporate Conflict of Interest if it reaches the following thresholds

- a 5% Shareholder or Relevant CRA Member holds 5% or more of the capital or voting rights or any other ownership rights in the Impacted Entity and/or an Impacted Related Third Party or in the Controlling Shareholder of the Impacted Entity or Impacted Related Third Party, or
- a 5% Shareholder or Relevant CRA Member exercises a Significant Influence that is comparable to a $\geq 5\%$ shareholding on the Impacted Entity and/or the Impacted Related Third Party or in the Controlling Shareholder of the Impacted Entity or Impacted Related Third Party, or

There is an exception to this rule for holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance which will not count towards the 5% threshold.



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