



Conflicts of Interests Policy

Scope Ratings GmbH
Scope Ratings UK Ltd.

May 2021



Conflicts of Interests Policy

Scope Ratings GmbH and Scope Ratings UK Ltd.

1. Introduction

The Conflicts of Interests Policy (the “Policy”) sets forth requirements related to the prevention, identification, management and disclosure of actual or potential conflicts of interests at Scope Ratings GmbH and Scope Ratings UK Ltd. (hereinafter referred to as “Scope Ratings”). Scope Ratings has defined procedures and mechanisms designed to minimize the likelihood that conflicts of interest will arise, or to appropriately manage and disclose those conflicts that may arise.

When, in the course of its business, an actual or potential conflict of interest is identified, Scope Ratings determines whether the conflict of interest is prohibited (and so must be eliminated) or whether the conflict can be managed and disclosed.

2. Applicability

This Policy and its requirements apply to all Covered Employees. Associated Individuals must acknowledge to abide by this Policy.

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

Note:

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

3. Conflicts of Interests Policy

Analytical Personnel is required to use care and professional judgment to maintain their independence and objectivity.

Scope Ratings’ Credit Rating Actions are determined by rating committees and not by a single Analyst to ensure that the determination of a credit rating is influenced only by factors relevant to the credit analysis and as a key mechanism to prevent that any conflicts affect Scope Ratings’ Credit Ratings.

3.1 Potential personal conflicts

A potential for a conflict of interests may arise where Analytical Personnel who is directly involved in the rating process has specific personal interests in Issuers or their agents. Therefore, the Analytical Personnel at Scope Ratings are not permitted to approve, participate in or otherwise influence the determination of a Credit Rating, if Analytical Personnel:

- Owns Securities (including derivatives of Securities) issued, guaranteed or otherwise supported by the rated entity, its affiliates or any of the related third parties, or has a Family Member who owns such securities. Please refer to the **Personal Account Dealings Policy** for more information and guidance;
- Has had a recent employment or other significant business relationship with the rated entity, its affiliates or related third parties, that either constitutes a conflict of interest or creates the impression of a conflict of interest;
- Has a Family Member who works for the rated entity, its affiliates or related third parties, in circumstances where this employment relationship either constitutes a conflict of interest or creates the impression of a conflict of interest;
- Has, or had, any other relationship with the rated entity, its affiliates or related third parties, or any related entity thereof that either constitutes a conflict of interest or creates the impression of a conflict of interest;
- Has, or had initiated, or participated in fee discussions with the rated entity, its affiliates or related third parties (excluding accidental receipt of fee information)
- Has received (or has a Family Member who received) gifts, benefits or entertainment from the rated entity, its affiliates or related third parties, that either constitutes a conflict of interest or creates the impression of a conflict of interest. Please refer to the **Gifts, Entertainment and Anti-Bribery Policy** for more information and guidance.

When Analytical Personnel terminates his or her employment with Scope Ratings, if the she/he has accepted a new employment contract with an entity rated by Scope Ratings and the Analytical Personnel participated in the determination of the Credit Rating, then Scope Ratings will conduct a review to determine whether a conflict of interest of the Analytical Personnel influenced a Credit Rating of this rated entity (future employer).

3.2 Potential business-related conflicts

Scope Ratings will not refrain from taking a Credit Rating Action, or from initiating or concluding a review of a Credit Rating, based on the potential effect (economic, political, or otherwise) of the action on Scope Ratings, an issuer, an investor or other market participant.



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Scope Ratings will not engage in any other businesses that may present a conflict of interest with its Credit Ratings business. Scope Ratings will disclose on its website any ancillary services and other services it offers. Scope Ratings and Employees are prohibited from providing consulting or advisory services to a rated entity or a related third party regarding the corporate or legal structure, assets, liabilities or activities of that rated entity or related third party.

Reporting lines for Covered Employees and their compensation arrangements are structured to eliminate or manage actual and potential conflicts of interest. Analytical Personnel are not compensated or evaluated on the basis of the amount of revenue that Scope Ratings derives from issuers that the Analytical Personnel rate or with which the Analytical Personnel regularly interact.

Analytical Personnel is prohibited from initiating, arranging, negotiating or participating in discussions involving fees or commercial matters related to selling of any Scope Ratings services. All such sales activities are required to be conducted by Non-Analytical Personnel who are excluded from Credit Rating activities. Sales and Business Development Personnel are prohibited from sharing information on fees or commercial matters with Analytical Personnel. Please refer to the **Commercial Separation Policy** for more information and guidance.

3.3 Disclosure of potential conflicts of interests related to the issuance of Credit Ratings

Potential conflicts of interests related to the issuance of Credit Ratings shall be disclosed on Scope Ratings' website.

Upon discovery of issuance of a Credit Rating affected by an actual or potential conflict of interest Scope Ratings shall disclose this fact in a timely manner.

4. Violation of the Conflicts of Interests Policy

Covered Employees must immediately report violations or suspected violations of this Policy to Compliance.

Any action by Scope Ratings or by any Employee which violates, or might reasonably be expected to lead to or result in a violation of, the provisions set forth in this Policy is strictly prohibited and can result in disciplinary action, up and including, termination of employment. Any potential infringements of these requirements will be investigated and reported to Senior Management to determine appropriate intervention.

Compliance along with Scope Ratings Management will be responsible for the implementation and the enforcement of this Policy.



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