



Outside Business Interests and Other Individual COI Policy and Procedure

Scope CRAs



Scope
CRAs

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December 2022



Outside Business Interests and Other Individual COI Policy and Procedure

Scope CRAs

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Applies to:		Entities affected			
<input checked="" type="checkbox"/> Covered employees		<input checked="" type="checkbox"/> Scope SE & Co. KGaA <input checked="" type="checkbox"/> Scope Ratings GmbH <input checked="" type="checkbox"/> Scope Ratings UK Ltd. <input type="checkbox"/> Scope Hamburg GmbH <input checked="" type="checkbox"/> All existing and future subsidiaries and affiliates of the above			
<input checked="" type="checkbox"/> This document and any future updates or changes are made available on Scope's Intranet. <input checked="" type="checkbox"/> This document and any future updates or changes are made available on Scope's website.					
<input checked="" type="checkbox"/> This document contains defined terms made available in the Defined Terms Glossary available on Scope's intranet. <input checked="" type="checkbox"/> This document contains defined terms made available in the Defined Terms Glossary available on Scope's website.					

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1. Introduction

Scope Ratings GmbH and Scope Ratings UK Ltd. – hereinafter referred to as “Scope Ratings” – have defined and implemented the Outside Business Interests and Other Individual Conflict of Interest Policy (the “Policy”) that sets out the standards to perform certain activities outside the scope of employment relationships with Scope, and the management of potential conflicts deriving from these activities.

Covered Employees must not engage, or have been engaged, in any activities outside Scope Ratings or Scope SE & Co. KGaA that would interfere with their duties, contractual or otherwise, or that represents or appear to represent a conflict of interest.

2. Defined Terms

- Conflict of Interest or COI means any situation where the assignment or maintenance of Credit Ratings is influenced by a corporate, business, or individual consideration unrelated to the creditworthiness of the Issuers or securities being rated.
- Internal Directorships means a position as a member of the management body of an institution or another legal entity.
- Compensation: includes receipt of anything of present or future value in exchange for services rendered, including, but not limited to, cash, share/stock options or warrants or referral fees, or receipt of services or products as remuneration.
- Position: Roles or appointments in any organization (both profit and not for profit) whereby an individual acts as an (i) officer (ii) director (iii) managing member (iv) partner (v) trustee (vi) governor or in a similar position (for example, serving on an advisory, supervisory or management board), regardless of whether compensation is received or expected to be received in connection with the Position.
- Compliance refers to the Compliance function from the relevant affected rating agency.

3. Purpose

The purpose of the Policy is to:

- Identify, manage, and prevent COI:
 - between any outside business interests (OBIs) and the duties of a Covered Employee under his or her employment contract with Scope Ratings;
 - arising from work relationships of Family Members of Scope’s employees with entities rated by Scope;
 - arising from the previous employment relationships of Covered Employees.
- Protect Scope Ratings and its staff against any risk arising from above-mentioned COI;



4. Outside Business Interests

4.1 General Rule

A Covered Employee may not engage in any OBI without prior written approval from his/her manager after People and Organisation (P&O) and Compliance have given their opinion, as set forth in number 6 below.

4.2 Categories of OBIs

OBIs are certain interests or activities undertaken by Covered Employees outside their normal role at or with Scope that may create a potential conflict of interest. For purposes of the Policy, the following categories of interests or activities are considered OBIs:

4.2.1 Outside Positions

Positions in any organization (both for profit and not-for-profit) that is not part of the Scope Group regardless of whether compensation is received or expected to be received.

Outside Positions do not include:

- Internal Directorships.
- being a member of a financial services industry committee, bar association or other professional organization.
- Ownership interests in a Private Investment Transaction (PIT) provided that the Covered Employee does not hold a Position in the PIT or actively participate in the business, management, or operations of the PIT.

4.2.2 External Employment

Working for and receiving compensation from another organization outside the Scope Group or being self-employed (including as an independent contractor or sole proprietor) outside of the regular business hours at Scope.

Providing consultancy or advisory services to an Issuer or a related entity or Related Third Party regarding the corporate or legal structure, assets, liabilities or activities of that Issuer or Related Third Party.

4.2.3 Political/ Governmental Offices Appointments

Any role, Position, or assignment in a political or governmental office or agency, whether by election or appointment, and whether at a national or local level. This does not include volunteer work in connection with the political campaigns of others.

4.2.4 Large Shareholder

The Covered Employee owns or controls a percentage in any class of the voting shares of a publicly traded or listed company, such that the Covered Employee is obligated to disclose their ownership interest to applicable regulatory or governmental authorities.

4.2.5 Pre-Existing OBIs

New Covered Employees must formally disclose pre-existing OBIs as part of their onboarding process, by filling in the Form available in Annex II. This form shall be made available to the new joiner during the onboarding process.

Any potential conflicts identified by People & Organisation and Compliance during the onboarding process must be resolved with the support of the hiring manager prior to an offer being made.

4.3 General rules for engaging in some OBIs

The below represents minimum standards that must be followed where a Covered Employee wishes to pursue activities outside the scope of his/her employment relationship with Scope Ratings.

4.3.1 Covered Employees can maintain an OBI as long as:

- (i) it does not create an actual or potential conflict of interest;
- (ii) it does not affect the ability of Employees to perform their professional responsibilities within Scope and,
- (iii) the Covered Employee does not approve, participate in or otherwise influence the determination of a Credit Rating that is associated with such OBI



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The below represents minimum standards that must be followed where a Covered Employee wishes to pursue activities outside the scope of his/her employment relationship with Scope Ratings.

4.3.2 Covered Employees must not engage in any OBI, which is similar to, or might be in competition with, any of the products or services offered by Scope Ratings.

Competitive business activities include, but are not limited to, commercial or investment banking, investment advisory services, real estate management or sales, securities and investment-related services, life insurance services and sales, financial arrangers, company launching funds and other financial services.

4.3.3 Covered Employees must not use Scope Ratings' name, facilities or other resources in connection with their involvement or participation in any OBI.

However, on a case-by-case basis, Covered Employees can be allowed to use the logo, the Scope Ratings brand or mention Scope Ratings for outside activities, a pre-approval must be sought with the Communication team.

4.3.3 *Covered Employees must not take up an outside Position with a Client of Scope Ratings where they have a Client relationship or Client coverage responsibilities.*

4.3.4 *Covered Employees must not take for themselves personally or on behalf of the OBI, any advantage that is identified during or in connection with their employment at Scope Ratings, or using Scope Ratings' resources, activities, contacts, staff or businesses: or*

4.3.5 *Covered Employees must not, in connection with the OBI, use or share any personal information of Scope Ratings' Clients or Covered Employees or any other confidential or proprietary information involving Scope Ratings or its business or activities.*

Unless prior approval has been granted by Compliance for such use or disclosure.

5. Other Individual COI

Other Individual COI are applicable to Analyst, and are as follows (the below is not an exhaustive list, Compliance will assess if any other circumstance can be considered as conflict, and decide how to proceed):

5.1 Business Interest of Family Members

Actual or potential COI may arise from the business interests of Family Members of Analysts (irrespective of their time as Scope's employees) with Rated Entities, its affiliates, or Related Third Parties. Analysts are required to notify Compliance according to section 6.12 below, if any such business interests of Family Members of which he or she is aware that may reasonably create an actual or potential conflict of interest

5.2 Recent Employments or other significant business relationship of Covered Employees

Analysts who are new joiners are required to report to their manager and to Compliance any employment with an entity included in the Restricted List or Related Third Party (RTP) , or other relevant position as, for example, a director, officer, consultant or contractor, in the 6 months prior to joining Scope Ratings.

New joiners must notify Compliance during the onboarding process according to number 6.23 below. If Compliance concludes that the recent employment or relevant engagement disclosed by the new joiner, represents an actual conflict or is likely to be perceived as a conflict of Interest, Compliance will provide guidance on how to best manage such potential conflict. For example, Compliance may request the Analyst to refrain from participating in certain activities related to his/her role at Scope permanently for a certain period of time.



6. Procedures for approval of OBIs and other individual COI

6.1 Disclosure and Approval of Outside Business Interests

- Covered Employees can only engage in an OBI after they have obtained a positive approval by filling the "OBI disclosure form" in Annex II of this Policy.
- A Covered Employee may not approve, participate in or otherwise influence the determination of the Credit Rating of any Issuer or RTP, where an actual or potential COI might arise from an OBI of the Covered Employee.
- Approval may be subject to specific conditions or limitations on the activity, depending on the materiality of the OBI or the nature of the potential conflicts. Compliance has the faculty of vetoing the approval of the OBI, if deem appropriate.

While certain activities may generally not be subject to disclosure and pre-approval under this Policy, Covered Employees are reminded that in accordance with the Code of Ethics, they are required to conduct themselves a manner that is consistent with Scope's values and beliefs. When in doubt, Covered Employees should seek guidance from Compliance.

6.2 Disclosure and approval of Other Individual COI

- Analysts are required to disclose and obtain approval from Compliance, before participating in any rating activity of any Issuer or RTP of the entity with who they may be conflicted.
- The "Other Individual COI disclosure form" is available in Annex III of the Policy.

Compliance will assess whether the circumstances may constitute a potential individual COI. If it does, the Analyst may not approve, participate in or otherwise influence the determination of the Credit Rating of any Issuer or RTP, where an actual or potential COI might arise from the Analysts Family Members business relationship and/ or previous employments (or other potential individual conflicts of interests).

7. Compliance Monitoring

- On a periodic basis, Compliance will conduct sample checks of Covered Employees disclosures. A set of Covered Employees chosen at Compliance discretion, will be requested to re-send their OBI or Other Potential Forms (available in Annex II and III of this Policy), with updated information.
- Compliance will assess whether the conditions for the OBI or other potential conflicts approval remain. If Compliance considers that the requirements stated in number 4.3 and 5 of this Policy are not met, Compliance can withdraw the approval, after informing the hiring manager and P&O.

8. Changes to or Termination of an Approved OBI

- If at any time there is a change to a previously approved OBI, such as a change to the nature of the activity, an extension of the terms of office or a change in the role performed by the Covered Employee, the Covered Employee is required to update the previously disclosed information, and request approval to continue participating in or with the OBI in the same manner in which they initially sought approval.
- If a Covered Employee is no longer engaged in a previously approved OBI, they must disclose the termination in the same way they initially sought pre-approval.
- If the law, facts, circumstances, environment, or risk appetite of Scope Ratings changes such that Scope Ratings determines that a previously approved OBI is no longer appropriate, Scope Ratings reserves the right at its sole discretion to withdraw approval.
- Similarly, if Scope Ratings learns of additional information not disclosed during the OBI approval process that would have been relevant to a decision to approve or reject the OBI, Scope Ratings reserves the right at its sole discretion to the withdraw approval. In such cases, the Covered Employee must terminate the OBI within 30 days of receiving notice from Scope Ratings. Scope Ratings will not be held responsible or liable for any losses or damages (monetary or otherwise) that a Covered Employee may incur in connection with the termination of an OBI.



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Compliance with this Policy and requirements regarding breaches

This Policy reflects the way Scope CRAs implements regulatory requirements.

If case of questions about this Policy or any doubt as to employees' obligations under this Policy, guidance should be sought from Compliance.

Breach of this Policy may lead to breach of regulatory obligations applying to Scope CRAs. As a result, any action by Employees to whom this Policy applies which breaches or might reasonably be expected to lead to or result in a breach, 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.

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

Annex I – Examples

Examples of OBIs and their scope for disclosure

1. In scope

Compliance notification and manager's approval required for: (i) Political appointments and/or (ii) Outside positions, (iii) Part-time employment in:

- Any listed or unlisted public or private company.
- Society, club, trust, institute, association or other body with national or international standing.
- Local government authority (or sub-committee), industry association/panel.
- Charitable organisations whose activities and profile are of national or international standing (e.g. Save the Children).
- Governor of school (no family connection).
- Organisations (e.g., charities, cultural foundations) supported formally by Scope's Corporate Social Responsibility program.

2. Out of scope

No Compliance notification, no manager's approval required for (i) Outside positions, (ii) Part-time employment such as:

- Member/ Chairman of a charitable organisation whose activities and profile remain focused around Covered Employee's local community.
- Parent governor of local school.
- Position on an association, club, community group, political group or society where the activities profile remains focused around the Covered Employee's local community.
-

Examples of individual conflicts of interest as defined in section 7 of the Policy

1. **Example of previous employer:** *A new joiner leaves the rated entity X on 31 December 2021 and joins Scope on 1 January 2022.*
 - *Until 1 July 2022, he cannot participate in any rating committee for entity X;*
2. **Example of previous employer:** *As in Example 1, but now he joins Scope on 1 May 2022.*
 - *Until 1 July 2022, he cannot participate in any rating committee for entity X;*
3. **Example of other significant business relationship:** *A new joiner has a floating interest mortgage from rated bank Y. On 1 January 2022, he joins Scope. On 1 August 2022, he pays off his mortgage.*
 - *The rating affects the cost of borrowing for the bank thus the interest rate on the mortgage. Therefore, the new joiner has a financial interest in the rating and thus is there a significant business relationship and a conflict of interest. Until 1 August 2022, he cannot participate in any rating committee for entity X;*
4. **Example of possible Family Members business interest 1:** *A new joiner has a brother working in rated entity Z. On 1 January 2022 he joins Scope. On 1 July 2022, the brother leaves Z.*
 - *If there is no financial dependence between the new joiner and his brother, the brother is not considered a Family Member, and he is not conflicted for entity Z.*
5. **Example Family Members business interest 2:** *As in Example 4, but now his partner is employed in entity Z. On 1 July 2022, the partner leaves Z. In this example, the Employee's partners cohabit and shares financial responsibilities with the Employee. Therefore, the new joiner is conflicted and cannot participate in any rating committee for entity Z until 1 July 2022.*



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6. Examples a new joiner is a Credit Rating Analysts and indicates any the following situations during his/hers onboarding process:

6.1 The Analyst has a Family Member who works for an entity on the Restricted List applicable to his/her line of business.

6.2 The Analyst 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.



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Annex II – Disclosure Form Outside Business Interests

Employee's information				
Name, Surname	Legal Entity	Department	Corp. Title	
Classification	<input type="checkbox"/> Employee	<input type="checkbox"/> Working Student	<input type="checkbox"/> Intern	
	<input type="checkbox"/> Contractor	<input type="checkbox"/> Managing Director		
Status	<input type="checkbox"/> Full-Time	<input type="checkbox"/> Part-Time (indicate percent _____%)		
Disclosure	<input type="checkbox"/> New	<input type="checkbox"/> Renewal / Updates		
<input type="checkbox"/> I have the following Outside Business Interests to disclose <input type="checkbox"/> I have no Outside Business Interest to disclose				
External Entity / Inviting Company				
Legal Entity Name	Address	Public / Private Company?	Listed / Unlisted Company?	Industry Type
Entity is Client / prospect Client of Scope?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Do you (or a family member) have an ownership in this entity?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Request to engage in External Activity				
Begin date for Activity	-- / -- / ----	End date for Activity (if known)	-- / -- / ---	
Number of days devoted to this activity:	___ Days	Activity exceeds more than 5 days in any 5 week period?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Type of Activity	<input type="checkbox"/> Outside Position <input type="checkbox"/> External Employment <input type="checkbox"/> Political / Governmental Appointment <input type="checkbox"/> Large Shareholder <input type="checkbox"/> Other			
If Outside Position, please specify:	<input type="checkbox"/> Internal Directorship <input type="checkbox"/> Ownership Interest (PIT) <input type="checkbox"/> Board Member (Advisory, Supervisory, Management)			



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	Basis for Income / Payments:	Nature of Ownership in external entity:
	<input type="checkbox"/> Consulting or Occasional lecturing	<input type="checkbox"/> Equity interest
	<input type="checkbox"/> Income related to serving as Officer, Advisor or similar	<input type="checkbox"/> Partnership
	<input type="checkbox"/> Service on Advisory Board, Board of Directors	<input type="checkbox"/> Other (please explain)
<input type="checkbox"/> Writing commissioned reports, research	Percentage of Ownership:	
<input type="checkbox"/> Income related to royalties, patents	<input type="checkbox"/> > 3%	
<input type="checkbox"/> Other (please explain)	<input type="checkbox"/> < 3%	

Value of Income / Payments: _____ €		

Answer the following questions to the best of your knowledge.	Yes	No
Do you intend to perform Research for this external entity?		
Will this activity require the use of Scope equipment or facilities?		
Are you required to assign any intellectual property rights to the entity?		
Is your involvement with the external entity likely to be construed as a violation of the Outside Business Interest and Other Individual COI Policy?		
Are you aware of any circumstances that may constitute a conflict of interest?		
Will this activity allow you to influence the external entity's financials, or its business or marketing/communication strategy?		

Explanations / Additional Comments

Affirmation by the employee

In submitting this form I affirm that the above information is true to the best of my knowledge. I certify that I have read and understood Scope's Outside Business Interests Policy and other related policies and procedures, and that I have made all required disclosures.

I will comply with any conditions or restrictions imposed by Scope to manage, reduce and eliminate conflicts of interest I further understand that I may not engage or continue to engage in this requested/reported activity/position until appropriate Scope Approvals have been granted.

Applicant Date



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Opinion:

Veto

Comments:

Compliance Officer (Name, signature)

Date

P&O Officer – Review

Comments:

P&O Officer (Name, signature)

Date

Hiring Manager – Review

Approved

Declined

Comments:

Hiring Manager (Name, signature)

Date



Data Protection and Privacy

In order to comply with Regulation (EC) No 1060/2009 of the European Parliament and of the Council as amended by Regulation (EU) No 513/2011 and Regulation (EU) No 462/2013 on credit rating agencies (the “CRA Regulation”), Scope is required to obtain details of your outside business interests as set out in more detail in Scope’s Outside Business Interests Policy (available on www.scooperatings.com).

You can find the text of the relevant provisions of the CRA Regulation below for your convenience. This Privacy Statement explains the basis upon which we collect and handle such information.

The controller

Controller of the collection, processing and use of personal data in terms of data protection laws is Scope (ScopeRatings GmbH, Lennéstraße 5, 10785 Berlin, Tel.: +49 (0)30 27891-255, compliance@scooperatings.com). You can reach Scope’s data protection officer as follows: Scope Ratings GmbH, Lennéstraße 5, 10785 Berlin, Tel.: +49 (0)30 27891-163, c.werner@scopegroup.com.

Collection, processing and use of your personal data

Personal data means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

The collection, processing and use of your personal data through Scope shall always be in line with the Federal Data Protection Act (FDPA) and – as of 25 May 2018 – the General Data Protection Regulation (GDPR).

Scope only collects, processes or uses your personal data if permitted by law. This applies also to the transfer of personal data. We commission other companies to perform certain services for us. Transfer of your personal data by Scope to third parties takes place only on the basis of legal regulations or in the context of the order data processing.

For purpose of compliance with Article 6 par. 1 and 2, Annex I Section A point 7, Annex I Section B point 1, point 3(aa), (b), (c), (ca) and (d), Article 7 par. 3 and Annex I Section C point 1 and point 2 (c) of the CRA Regulation, Scope requires details of your outside business interests. Any personal data received by Scope in connection with such a request will be entered in centralized databases hosted and maintained by Scope in the EU. These databases are accessible by Scope’s personnel of the Legal and Compliance department, HR, and personnel responsible for the administration of the databases, for the purposes of assessing compliance with the above legal and regulatory requirements under the CRA Regulation. Scope may also use agents or contractors, bound by the obligation of confidentiality, in connection with performing the foregoing functions. Further, Scope may release your data to third parties if required by law regulation, or court order. Your personal data can be processed during the continuance of your employment at ‘Scope and thereafter, as long as reasonably necessary for Scope’s legitimate business purposes and as permitted by applicable law. The legal basis for this processing of personal data is Article 6 (1) (f) of the GDPR.

Your personal data shall be deleted immediately, if the personal data is no longer necessary in relation to the purposes for which they were collected or otherwise processed (Art. 17 of the GDPR). The data shall only be stored for a longer period if it is necessary for compliance with a legal obligation or for archiving purposes in the public interest.

Your rights

You shall have the right of access to your personal data stored. Furthermore, you shall have the right to obtain confirmation as to the information listed in Article 15 of the GDPR.

You shall have the right to rectification in accordance with Article 16 GDPR as well as the right to erasure (“right to be forgotten”) in accordance with Article 17 of the GDPR.



You have the right to obtain restriction of processing subject to Article 18 of the GDPR.

You shall have the right to lodge a complaint with the following competent supervisory authority: Berliner Beauftragte für Datenschutz und Informationsfreiheit, Maja Smolczyk, Friedrichstr. 219, 10969 Berlin, Telefon:

13889-0 Telefax: (030) 2155050, E-Mail: mailbox@datenschutz-berlin.de, Homepage: <http://www.datenschutz-berlin.de>.

If you request any further information about the collection and processing of your personal data, please contact the Compliance department of Scope.

Requirements under the CRA Regulation:

Article 6 par. 1: A credit rating agency shall take all necessary steps to ensure that the issuing of a credit rating or a rating outlook is not affected by any existing or potential conflicts of interest or business relationship involving the credit rating agency issuing the credit rating or the rating outlook, its shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control.

Article 6 par. 2: In order to ensure compliance with paragraph 1, a credit rating agency shall comply with the requirements set out in Sections A and B of Annex I.

Annex I Section A point 7: A credit rating agency shall establish appropriate and effective organizational and administrative arrangements to prevent, identify, eliminate or manage and disclose any conflicts of interest referred to in point 1 of Section B. It shall arrange for records to be kept of all significant threats to the independence of the credit rating activities, including those to the rules on rating analysts referred to in Section C, as well as the safeguards applied to mitigate those threats.

Annex I Section B point 1: A credit rating agency shall identify, eliminate, or manage and disclose, clearly and prominently, any actual or potential conflicts of interest that may influence the analyses and judgments of its rating analysts, employees, or any other natural person whose services are placed at the disposal or under the control of the credit rating agency and who are directly involved in credit rating activities and persons approving credit ratings and rating outlooks.

Annex I Section B point 3: A credit rating agency shall not issue a credit rating or a rating outlook in any of the following circumstances, or shall, in the case of an existing credit rating or rating outlook, immediately disclose where the credit rating or rating outlook is potentially affected by the following:

- (aa) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, holds 10 % or more of either the capital or the voting rights of the rated entity or of a related third party, or of any other ownership interest in that rated entity or third party, excluding holdings in diversified collective investment schemes and managed funds such as pension funds or life insurance, which do not put him in a position to exercise significant influence on the business activities of the scheme;
- (b) the credit rating is issued with respect to the rated entity or a related third party directly or indirectly linked to the credit rating agency by control;
- (c) a person referred to in point 1 is a member of the administrative or supervisory board of the rated entity or a related third party; or
- (ca) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, is a member of the administrative or supervisory board of the rated entity or a related third party;
- (d) a rating analyst who participated in determining a credit rating, or a person who approved a credit rating, has had a relationship with the rated entity or a related third party which may cause a conflict of interests.



Article 7 par. 3: A credit rating agency shall ensure that persons referred to in paragraph 1 meet the requirements set out in Section C of Annex I.¹

Annex I section C point 2: No person referred to in point 1² shall participate in or otherwise influence the determination of a credit rating or rating outlook of any particular rated entity if that person:

- (c) has had a recent employment, business or other relationship with the rated entity that may cause or may be generally perceived as causing a conflict of interest.

¹ Article 7 section 1: A credit rating agency shall ensure that rating analysts, its employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in credit rating activities have appropriate knowledge and experience for the duties assigned.

² Annex I Section C point 1: Rating analysts, employees of the credit rating agency as well as any other natural person whose services are placed at the disposal or under the control of the credit rating agency and who is directly involved in credit rating activities, and persons closely associated with them within the meaning of Article 1(2) of Directive 2004/72/EC, shall not buy or sell or engage in any transaction in any financial instrument issued, guaranteed, or otherwise supported by any rated entity within their area of primary analytical responsibility other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.

Article 1 (2): Person closely associated with a person discharging managerial responsibilities within an issuer of financial instruments' shall mean: (a) the spouse of the person discharging managerial responsibilities, or any partner of that person considered by national law as equivalent to the spouse; (b) according to national law, dependent children of the person discharging managerial responsibilities; (c) other relatives of the person discharging managerial responsibilities, who have shared the same household as that person for at least one year on the date of the transaction concerned; (d) any legal person, trust or partnership, whose managerial responsibilities are discharged by a person referred to in point 1 of this Article or in letters (a), (b) and (c) of this point, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.



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Internal Document

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Annex III– Disclosure Form "Other Individual Conflict of Interest"

Employee's information				
Name, Surname	Legal Entity	Department	Corp. Title	Phone
Classification	<input type="checkbox"/> Employee <input type="checkbox"/> Working Student <input type="checkbox"/> Intern <input type="checkbox"/> Managing Director <input type="checkbox"/> Contractor			
Status	<input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time (indicate percent _____%)			
Disclosure	<input type="checkbox"/> New <input type="checkbox"/> Renewal / Updates			
I have the following Potential Individual Conflict of Interest: <input type="checkbox"/> Recent Employment <input type="checkbox"/> Business Interest of Family Members <input type="checkbox"/> Other				
Entity involved:				
Legal Entity Name	Address	Public / Private Company?	Listed / Unlisted Company?	Industry Type
Entity is Client / prospect Client or Related Third Party of Scope? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Please describe the potential conflict				
<div style="border: 1px solid black; height: 60px; padding: 5px;"> <ul style="list-style-type: none"> • </div>				
Affirmation by the employee				
<p>In submitting this form, I affirm that the above information is true to the best of my knowledge. I certify that I have read and understood Scope's Outside Business Interests Policy and Other Individual COI and other related policies and procedures, and that I have made all required disclosures. I will comply with any conditions or restrictions imposed by Scope to manage, reduce, and eliminate conflicts of interest or commitment. I further understand that I may not engage in this requested activity until appropriate Scope Approvals have been granted.</p>				
<hr/> Applicant		Date		



Outside Business Interests and Other Individual COI Policy and Procedure

Internal Document

Scope CRAs

Opinion:

Veto

Compliance officer (name, signature, date)

Approved Declined

Comments

Hiring Manager (name, signature, date)



Data Protection and Privacy

In order to comply with Regulation (EC) No 1060/2009 of the European Parliament and of the Council as amended by Regulation (EU) No 513/2011 and Regulation (EU) No 462/2013 on credit rating agencies (the "CRA Regulation"), Scope is required to obtain details of your outside business interests as set out in more detail in Scope's Outside Business Interests Policy (available on www.scooperatings.com).

You can find the text of the relevant provisions of the CRA Regulation below for your convenience. This Privacy Statement explains the basis upon which we collect and handle such information.

The controller

Controller of the collection, processing and use of personal data in terms of data protection laws is Scope (ScopeRatings GmbH, Lennéstraße 5, 10785 Berlin, Tel.: +49 (0)30 27891-255, compliance@scooperatings.com). You can reach Scope's data protection officer as follows: Scope Ratings GmbH, Lennéstraße 5, 10785 Berlin, Tel.: +49 (0)30 27891-163, c.werner@scopegroup.com.

Collection, processing and use of your personal data

Personal data means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

The collection, processing and use of your personal data through Scope shall always be in line with the Federal Data Protection Act (FDPA) and – as of 25 May 2018 – the General Data Protection Regulation (GDPR).

Scope only collects, processes or uses your personal data if permitted by law. This applies also to the transfer of personal data. We commission other companies to perform certain services for us. Transfer of your personal data by Scope to third parties takes place only on the basis of legal regulations or in the context of the order data processing.

For purpose of compliance with Article 6 par. 1 and 2, Annex I Section A point 7, Annex I Section B point 1, point 3(aa), (b), (c), (ca) and (d), Article 7 par. 3 and Annex I Section C point 1 and point 2 (c) of the CRA Regulation, Scope requires details of your outside business interests. Any personal data received by Scope in connection with such a request will be entered in centralized databases hosted and maintained by Scope in the EU. These databases are accessible by Scope's personnel of the Legal and Compliance department, HR, and personnel responsible for the administration of the databases, for the purposes of assessing compliance with the above legal and regulatory requirements under the CRA Regulation. Scope may also use agents or contractors, bound by the obligation of confidentiality, in connection with performing the foregoing functions. Further, Scope may release your data to third parties if required by law regulation, or court order. Your personal data can be processed during the continuance of your employment at 'Scope and thereafter, as long as reasonably necessary for Scope's legitimate business purposes and as permitted by applicable law. The legal basis for this processing of personal data is Article 6 (1) (f) of the GDPR.

Your personal data shall be deleted immediately, if the personal data is no longer necessary in relation to the purposes for which they were collected or otherwise processed (Art. 17 of the GDPR). The data shall only be stored for a longer period if it is necessary for compliance with a legal obligation or for archiving purposes in the public interest.

Your rights

You shall have the right of access to your personal data stored. Furthermore you shall have the right to obtain confirmation as to the information listed in Article 15 of the GDPR.

You shall have the right to rectification in accordance with Article 16 GDPR as well as the right to erasure ("right to be forgotten") in accordance with Article 17 of the GDPR.



You have the right to obtain restriction of processing subject to Article 18 of the GDPR.

You shall have the right to lodge a complaint with the following competent supervisory authority: Berliner Beauftragte für Datenschutz und Informationsfreiheit, Maja Smolczyk, Friedrichstr. 219, 10969 Berlin, Telefon:

(31) 13889-0 Telefax: (030) 2155050, E-Mail: mailbox@datenschutz-berlin.de,

Homepage: <http://www.datenschutz-berlin.de>.

If you request any further information about the collection and processing of your personal data, please contact the Compliance department of Scope.

Requirements under the CRA Regulation:

Article 6 par. 1: A credit rating agency shall take all necessary steps to ensure that the issuing of a credit rating or a rating outlook is not affected by any existing or potential conflicts of interest or business relationship involving the credit rating agency issuing the credit rating or the rating outlook, its shareholders, managers, rating analysts, employees or any other natural person whose services are placed at the disposal or under the control of the credit rating agency, or any person directly or indirectly linked to it by control.

Article 6 par. 2: In order to ensure compliance with paragraph 1, a credit rating agency shall comply with the requirements set out in Sections A and B of Annex I.

Annex I Section A point 7: A credit rating agency shall establish appropriate and effective organisational and administrative arrangements to prevent, identify, eliminate or manage and disclose any conflicts of interest referred to in point 1 of Section B. It shall arrange for records to be kept of all significant threats to the independence of the credit rating activities, including those to the rules on rating analysts referred to in Section C, as well as the safeguards applied to mitigate those threats.

Annex I Section B point 1: A credit rating agency shall identify, eliminate, or manage and disclose, clearly and prominently, any actual or potential conflicts of interest that may influence the analyses and judgments of its rating analysts, employees, or any other natural person whose services are placed at the disposal or under the control of the credit rating agency and who are directly involved in credit rating activities and persons approving credit ratings and rating outlooks.

Annex I Section B point 3: A credit rating agency shall not issue a credit rating or a rating outlook in any of the following circumstances, or shall, in the case of an existing credit rating or rating outlook, immediately disclose where the credit rating or rating outlook is potentially affected by the following:

- (aa) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, holds 10 % or more of either the capital or the voting rights of the rated entity or of a related third party, or of any other ownership interest in that rated entity or third party, excluding holdings in diversified collective investment schemes and managed funds such as pension funds or life insurance, which do not put him in a position to exercise significant influence on the business activities of the scheme;
- (b) the credit rating is issued with respect to the rated entity or a related third party directly or indirectly linked to the credit rating agency by control;
- (c) a person referred to in point 1 is a member of the administrative or supervisory board of the rated entity or a related third party; or
- (ca) a shareholder or member of a credit rating agency holding 10 % or more of either the capital or the voting rights of that credit rating agency or being otherwise in a position to exercise significant influence on the business activities of the credit rating agency, is a member of the administrative or supervisory board of the rated entity or a related third party;
- (d) a rating analyst who participated in determining a credit rating, or a person who approved a credit rating, has had a relationship with the rated entity or a related third party which may cause a conflict of interests.

Article 7 par. 3: A credit rating agency shall ensure that persons referred to in paragraph 1 meet the requirements set out in Section C of Annex I.¹

Annex I section C point 2: No person referred to in point 1² shall participate in or otherwise influence the determination of a credit rating or rating outlook of any particular rated entity if that person:

- (c) has had a recent employment, business or other relationship with the rated entity that may cause or maybe generally perceived as causing a conflict of interest.

¹ Article 7 section 1: A credit rating agency shall ensure that rating analysts, its employees and any other natural person whose services are placed at its disposal or under its control and who are directly involved in credit rating activities have appropriate knowledge and experience for the duties assigned.

² Annex I Section C point 1: Rating analysts, employees of the credit rating agency as well as any other natural person whose services are placed at the disposal or under the control of the credit rating agency and who is directly involved in credit rating activities, and persons closely associated with them within the meaning of Article 1(2) of Directive 2004/72/EC, shall not buy or sell or engage in any transaction in any financial instrument issued, guaranteed, or otherwise supported by any rated entity within their area of primary analytical responsibility other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.

Article 1 (2): Person closely associated with a person discharging managerial responsibilities within an issuer of financial instruments' shall mean: (a) the spouse of the person discharging managerial responsibilities, or any partner of that person considered by national law as equivalent to the spouse; (b) according to national law, dependent children of the person discharging managerial responsibilities; (c) other relatives of the person discharging managerial responsibilities, who have shared the same household as that person for at least one year on the date of the transaction concerned; (d) any legal person, trust or partnership, whose managerial responsibilities are discharged by a person referred to in point 1 of this Article or in letters (a), (b) and (c) of this point, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.