



Outside Business Interests Policy

Scope Ratings GmbH

Scope Ratings UK Ltd.

January 2021



1. Introduction

Scope Ratings GmbH and Scope Ratings UK Ltd. – hereinafter referred to as “Scope Ratings” – have defined and implemented the Outside Business Interests Policy (the “Policy”) that sets out the minimum standards for certain activities outside the scope of employment relationships with Scope.

Covered Employees are expected to devote their best efforts and abilities to Scope Ratings. Covered Employees must not engage in any activities outside Scope Ratings that would interfere with their duties, contractual or otherwise, to Scope Ratings or that involve or appear to involve a conflict of interest.

The purpose of the Policy is to:

- avoid conflicts between any outside business interest and the duties of a Covered Employee under his or her employment contract with Scope Ratings;
- protect Scope Ratings and its staff against reputational and other risk which might result from a Covered Employee having an outside business interest (“OBI”);
- assist Compliance in the identification and prevention of conflicts;
- set standards for the approval and reporting of OBI.

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 in a manner that is consistent with Scope’s values and beliefs. When in doubt, Covered Employees should seek guidance from their manager and, for Scope Ratings Covered Employees, from Compliance.

2. Applicability

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

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

Note:

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

3. Categories of Outside Business Interests and Definitions

OBI 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:

3.1. 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.

3.2. 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 Covered Employee’s regular business hours at Scope.



3.3. 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.

3.4. 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.

For purposes of the Policy, the following definitions also apply:

3.5. Compensation

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, referral fees, or receipt of services or products as remuneration.

3.6. Positions

Roles or appointments in any organisation (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.

4. Prohibitions

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

4.1. Principles

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 (i.e. solar, wind power, etc.) and other financial services. This prohibition does not include personal activities related to, or investment in, rental real estate properties. However, such activities/investments must be disclosed either as an OBI pursuant to this Policy, or a PIT pursuant to the Personal Account Dealings Policy.
- Use Scope Ratings' name, facilities or other resources (for example, Scope Ratings email, logo, computer or telecom equipment, premises, supplies, etc.) in connection with their involvement or participation in any OBI.
- However, on a case by case basis, Covered Employees should be allowed to use the logo, the Scope Ratings brand or mention Scope Ratings for outside activities, a pre-approval should be sought with the Corporate Communication team.
- Take up an Outside Position with a client of Scope Ratings where they have a client relationship or client coverage responsibilities;
- 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 through the use of Scope Ratings' resources, activities, contacts, staff or businesses; or
- 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 for such use or disclosure when the Covered Employee obtained approval for the OBI.

5. Internal Approval Requirements

5.1. Disclosure and Approval

- Covered Employees are required to disclose and obtain approval from their manager and, for Scope Ratings Covered Employees from Compliance prior to engaging or agreeing to engage in an OBI unless the OBI is subject to an exemption from pre-approval set forth elsewhere in the Policy.
- 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.
- Covered Employees must follow the disclosure and approval process applicable at Scope Ratings, **the OBI disclosure form** is available in Appendices of the Policy.

Below is a non-exhaustive list of examples of activities and their scope for disclosure.

In scope

Compliance notification and 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.

Out of scope

No Compliance notification, no Compliance 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.



5.2. 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 manner in which 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 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.

5.3. Pre-Existing OBIs for New Joiners

New Covered Employees must disclose any pre-existing OBIs during the hiring process, notification of pre-existing OBIs should be completed prior starting with Scope Ratings.

The hiring manager is responsible for ensuring this dialogue takes place, and that any potential conflicts or issues are raised to Human Resources and, for prospective Scope Ratings Covered Employees to Compliance and resolved prior to an offer being made.

New Covered Employees must then formally disclose pre-existing OBIs within 45 days of their start date.

6. Violation of this policy – Measures

Covered Employees must immediately report violations or suspected violations of the Policy to their manager, and for Scope Ratings Employees to Compliance.

Any action by Scope Ratings or by any Covered 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 the Separation Policy.



Outside Business Interests Policy

Scope Ratings GmbH and Scope Ratings UK Ltd.

Scope Ratings GmbH

Headquarters Berlin

Lennéstraße 5
D-10785 Berlin
Phone +49 30 27891 0

London

Suite 301
2 Angel Square
London EC1V 1NY
Phone +44 20 3457 0444

Oslo

Haakon VII's gate 6
N-0161 Oslo
Phone +47 21 62 31 42

Frankfurt am Main

Neue Mainzer Straße 66-68
D-60311 Frankfurt am Main
Phone +49 69 66 77 389 0

Madrid

Paseo de la Castellana 95
Edificio Torre Europa
E-28046 Madrid
Phone +34 914 186 973

Paris

33 rue La Fayette
F-75009 Paris
Phone +33 1 82 88 55 57

Milan

Via Paleocapa 7
IT-20121 Milan
Phone +39 02 30315 814

info@scoperatings.com
www.scoperatings.com