



Rating Governance Policy

Scope Ratings GmbH
Scope Ratings UK Ltd.

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Rating Governance Policy

Scope Ratings GmbH and Scope Ratings UK Ltd.

1. Introduction

Scope Ratings GmbH and Scope Ratings UK Ltd. – both hereinafter referred to as “Scope Ratings” assign long-and short-term credit ratings. It also provides several other analytical services defined as “ancillary services”. The list of ratings and services is available on Scope Ratings’ website. Unless stated otherwise, the Rating Governance Policy (the “Policy”) applies to all credit ratings and ancillary services (together “ratings”) which are subject to a rating committee.

Scope Ratings has adopted this Policy which sets forth standards for the Credit Rating process at Scope Ratings to promote the objectivity and integrity of its ratings and the transparency of its operations.

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

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

3. Policy

3.1 Initiating the Rating Process

The rating process is initiated when:

- Scope’s Markets Division requests Scope Ratings to perform a new rating (public, private or subscription), or
- Scope Ratings’ analytical team requests a rating for analytical purposes.

3.2 Credit Rating Actions

Credit Rating Actions are determined by rating committees (“RC”) and reflect rating decisions that are a collective assessment of Scope Ratings’ opinion rather than the view of individual analysts.

The following Credit Rating Actions can be executed:¹

- **Preliminary:** Preliminary (P) ratings are assigned in advance of the issuance of the debt. Scope will only assign a preliminary rating on products/structures where it would also assign a new rating, subject to all documentation being finalized.
- **New:** The assignment of a new rating (may or may not be preceded by a preliminary rating).
- **Upgrade:** The upgrade of a rating.
- **Downgrade:** A downgrade of a rating.
- **Default:** The assignment of a default status to a rating of either D or SD.
- **Under Review:** The placement of a rating ‘under review’ for a possible upgrade or downgrade, or for a developing outcome.
- **Confirmation:** If a rating is removed from the review or observation status without an upgrade or downgrade.
- **Affirmation:** If a rating is affirmed following a RC.²
- **Withdrawal:** A rating is withdrawn.
- **Outlook new or outlook change:** The assignment or change of an outlook. An outlook can be stable, positive, negative or developing.

¹ Not all Credit Rating Actions may apply to all ratings. E.g. Scope does not assign outlooks to structured finance ratings..

² For the avoidance of doubt, a RC’s decision not to change the rating and not to affirm it, does not constitute a Credit Rating Action.

3.3 Rating Committees

A RC is convened to:

- Consider a potential Credit Rating Action or Rating Assessment Service;
- Consider the rating implications of certain amendments to a transaction, a credit relevant event, market or economic trends, change of circumstances, or a change of Scope Ratings' Credit Rating Methodology, Model or Key Rating Assumption,
- Determine whether there is sufficient information to maintain a rating and monitor ratings.

RC participation is limited to Analytical Personnel of Scope Ratings. Non-analytical personnel do not participate in RC deliberations, with the exception of Compliance, Independent Review Function (IRF) or Legal department, which can attend as observers (no voting rights).

Scope Ratings assigns or maintains a Credit Rating only if the amount and quality of information and data available to Scope Ratings enables it to assign a Credit Rating without compromising, in any way, the quality of the analysis supporting it. Whenever a RC concludes that there is not sufficient information to assign or maintain a Credit Rating, no preliminary or initial Credit Rating shall be assigned or an existing Credit Rating shall be withdrawn.

For any Credit Rating Action including outlook changes, Scope Ratings shall inform the rated entity or its agent of the Credit Rating Action as soon as practically possible. The notification to the rated entity or its agent shall occur during the working hours of the rated entity and at least a full working day before publication (or dissemination to subscribers) of the respective Credit Rating Action.

Once informed of the rating decision, the issuer may appeal the Credit Rating Action based on new material or additional information that was not available to or considered by the RC.

4. Release of Credit Rating Actions

All Credit Rating Actions are released by Scope Ratings by means of a Rating Action Release in a timely manner and on a non-selective basis. Until released, the Credit Rating Action shall be deemed to be inside information.

Credit Rating Actions on sovereign ratings can only be released on the dates set in the Sovereign rating calendar as disclosed on Scope' website. Credit Rating Actions on sovereign ratings can only be released after close of business hours of regulated markets, and at least one hour before their opening.

Private ratings are released to the issuer or its agent on a confidential basis using a private-rating letter format.

5. Monitoring of Credit Ratings

Scope Ratings monitors its outstanding ratings and rating outlooks, except for point-in time ratings, on an ongoing basis, and reviews them at least once within 12 months. Sovereign ratings (including sub-sovereign ratings) are reviewed at least every six months.

Outstanding Credit Ratings are monitored applying the same methodologies as applicable to new ratings.

6. Violation of the Policy

Covered Employees must immediately report violations or suspected violations of this Policy 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 is responsible for the implementation and the enforcement of this Policy.



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Scope Ratings GmbH and Scope Ratings UK Ltd.

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