

TERMS AND DEFINITIONS

1 INTRODUCTION AND APPLICABILITY

This document is supplemental to all policies, instructions, and routines ("the Governance Framework") of Nordic Credit Rating AS ("NCR").

The purpose of this document is to avoid repeating key terms and definitions used throughout the Governance Framework.

This document is published on NCR's website and made available to the Employees on NCR's intranet.

2 DEFINITIONS

"**Administrative Employees**" means other Employees than Analysts, members of the Compliance Function, Commercial Employees, or Board Members.

"**Analyst**" means any Employee whose function is to (i) assign or monitor Credit Ratings, (ii) assist in drafting materials or developing models, (iii) assist in providing Ancillary Services or (iv) supervise Employees included in (i) (ii) or (iii) of this definition. The definition of Analyst excludes Administrative Employees. An Analyst must be part of the Analytical Function.

"**Analytical Employee**" means all Employees in Analytical Roles.

"**Analytical Function**" means the group of Employees performing analytical tasks (see "Analyst") and is included in the reporting hierarchy under the Chief Rating Officer.

"**Analytical Interaction**" means a verbal or written analytical Communication made, or meeting attended, by an Analyst with an Issuer, when such communication forms part of Credit Rating Activities. It excludes administrative contact, routine data gathering, and general research including on the related market sector.

"**Analytical Role**" means the role of an Employee when acting as an Analyst.

"**Ancillary Services**" a product or service provided by NCR on a commercial basis that is not a Credit Rating or a Credit Rating Activity.

"**Articles of Association**" means a document that specifies the regulations for a company's operations and that define the company's purpose and lay out how tasks are to be accomplished within the organization.

"**Associated Company**" means a company's parent undertaking, subsidiaries and Significant Shareholders.

"**Board of Directors**" means a group of individuals that are elected in compliance with the Norwegian Companies Act to establish corporate management related policies and to make decisions on major issues of NCR.

"**Board Members**" means elected members of NCR's Board of Directors, including for the avoidance of doubt, the Independent Board Members and the Chair.

"**CEO**" or "**Chief Executive Officer**" means the NCR Employee who holds that title and is engaged in the management of NCR's business and operational activities. Examples include: (i) managing the business and coordinating the operations of a unit including overseeing quality, human resources and policy compliance; participating in marketplace outreach; establishing marketing and business strategy for the unit and making decisions with respect to product development, (ii) overseeing analytical operations without participating in the evaluation, approval, issuance, or review of any specific Credit Rating Action and (iii) budgeting and managing revenues, profits,

expenses, and other financial targets, including establishing general fee structures, together with Commercial Employees.

"**Chair**" means the elected chair of NCR's Board of Directors.

"**Chairperson**" or "**Rating Committee Chairperson**" means the Analyst whose role is to oversee the Rating Committee, including the process for arriving at a Rating decision and approve the Rating Decision as determined by the Rating Committee.

"**CRO**" or "**Chief Rating Officer**" means the manager of the Analytical Function and is appointed by the CEO.

"**Cloud Outsourcing**" means using a third party's server capacity when conducting performing a business process, either partly or in full.

"**Close Associates**" and a "**Closely Associated Persons**" means the persons mentioned in section 2-5 of the Norwegian Securities Trading Act (as amended).

"**Companies Act**" means the Norwegian Private Limited Companies Act (as amended from time to time).

"**Commercial Activities**" means activities that are directed at increasing, improving, maintaining, obtaining, securing or defending the sales, marketing, business development, or market position of NCR. It also involves any efforts directed at selling or marketing products to Issuers and prospective Issuers and negotiating, discussing, or collecting fees for any activities conducted by NCR, including all activities relating to fees and/or payments; and any other matters relating to (i) commercial requests for Credit Ratings (ii) contractual and other commercial matters that arises in the process of entering into an agreement with the client (iii) any subsequent discussion or follow-up regarding above mentioned matters such as fee calculation and pricing.

"**Commercial Employees**" means any Employee in a Commercial Role.

"**Commercial Role**" means the role of an Employee involved in Commercial Activities.

"**Compliance Function**" means the function carrying out the compliance tasks and responsibilities as set out in policy for Organisation of material functions.

"**Compliance Officer**" means the NCR Employee who holds that title.

"**Confidential Credit Rating**" means a Credit Rating that is not made public by NCR and is not intended to be disclosed by the party requesting the Credit Rating to any party other than advisors bound by appropriate confidentiality obligations.

"**Confidential Information**" means all privileged Non-Public Information obtained, accessed or processed or otherwise handled by Employees. This includes all information, regardless of its form of recording, that is not in the public domain and that relates to or is received from customers of NCR or is a proprietary and financial information of NCR. Information that is publicly available is not considered to be Confidential Information.

"**Control Role**" or "**Internal Control function**" means the role of an Employee in a Compliance, Risk, Information Security, or Rating Review Function.

"**CRA**" refers to a Credit Rating Agency in general.

"**CRAR**" means EEA-rules corresponding to regulation (EC) no 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies together with any

supplemental regulations and directives (each, as amended from time to time) and as incorporated into Norwegian law ("Lov om kredittvurderingsbyråer").

"Credit Assessment" means an indicator of NCR's view of the creditworthiness of an issuer or a specific instrument. It reflects our general views of credit risk but might not take all factors into account that are analysed for a Credit Rating. It is confidential and expressed on NCR's rating scale but using lower-case letters (e.g. 'bbb+'). A Credit Assessment is a point-in-time analysis and is not under surveillance. For these reasons, a Credit Assessment is not a substitute for, nor constitute a Credit Rating. A Credit Assessment can be requested by a third party and requires no consent of the underlying entity. This is classified and delivered as an Ancillary Service.

"Credit Committee File" means the documentation which the Credit Rating Committee base its decision on.

"Credit Conditions Council" means a group of NCR analysts meeting on a regular basis to discuss current credit conditions. The council is chaired by the Chief Rating Officer or his/her delegate.

"Credit Rating" means a forward-looking opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other Financial Instrument, or of an Issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using NCR's rating scale.

"Credit Rating Action" and/or **"Rating Action"** means any initial assignment of a Credit Rating, change to or affirmation of an existing Credit Rating, withdrawal or suspension of an existing Credit Rating, or watch action, in each case as and when such action is released to NCR's internal systems. A complete list of Credit Rating Actions is set out in the Policy on Issuance and review of Credit Ratings (section 6.1).

"Credit Rating Activities" means an activity engaged in by NCR that leads to or directly supports the issuance and surveillance of a Credit Rating, including (i) the issuance, approval, and review of Credit Ratings, (ii) analysis of data and information related to Credit Ratings (iii) a Credit Rating Action or Rating Decision and (iv) the development and approval of Criteria, including the development or approval of qualitative and quantitative models (Examples include: Participating and/or voting in Rating Committees, attending meetings with issuers that are for the purpose of gathering information used for determining the basis of a rating recommendation, Managing Analysts in their analytical work, developing Criteria, Conducting surveillance of a Credit Rating and developing analytical models to support Criteria in which the results are used by a Rating Committee as part of determining a Credit Rating.)

"Credit Rating Committee" or **"Rating Committee"** is a group of analysts with voting rights that determines and reviews Credit Ratings as described in the policy on Issuance and review of Credit Ratings.

"Credit Rating File" means a compilation of all material information created or received by NCR relating a rated Issuer. It contains documents that are presented at the Credit Rating Committee, correspondence with an Issuer, surveillance documents, information documenting the rating process, and rating related data.

"Credit Rating Report" means the written rationale associated with a Credit Rating that explains the principal basis for the Credit Rating, regardless of whether it is published or not. A Credit Rating Report may support more than one Credit Rating.

"Crisis Management Function" means the function carrying out, inter alia, internal and external crisis communications in accordance with Article 14 of the Digital Operational Resilience Act (DORA).

"Criteria" means published guidance that governs the analytic basis for determining Credit Ratings. Criteria include all fundamental factors, analytical principles, methodologies and assumptions that NCR use in the rating process to produce or maintain surveillance on Credit Ratings.

"Criteria Committee" means the group of qualified analysts that evaluates proposals for new methodologies, adjustments or amendments to existing methodologies. The committee is further described in policy on Rating Methodologies.

"Credit Rating Process" means the process leading up to and resulting in a Credit Rating Action.

"Defined Terms Glossary" or **"Terms and Definitions"** means the terms defined in this document.

"DORA" means the Digital Operational Resilience Act (EU) 2022/2554)

"EEA Agreement" means the Agreement on the European Economic Area, enabling Iceland, Liechtenstein and Norway to participate in the internal market of the European Union.

"Employees" means all NCR employees who are in active (permanent or temporary) employment or in training or internship relationships with the company.

"EFTA Surveillance Authority" means the authority monitoring compliance with the EEA Agreement in Iceland, Liechtenstein and Norway.

"ESMA" means the independent EU Authority (European Securities and Markets Authority) that contributes to safeguarding the stability of the European Union's financial system by enhancing the protection of investors and promoting stable and orderly financial markets. In NCR's policies and procedures, every reference to ESMA should be read as a reference to EFTA Surveillance Authority (where applicable).

"Financial Instruments" and **"Security"** means instruments as defined in section 2-2 of the Norwegian Securities Trading Act.

"General Meeting" means a gathering of NCR's shareholders pursuant and as further described in the Companies Act.

"Chief Rating Officer" means the most senior person in an Analytical Role and the person responsible for managing Analytical Employees.

"Head of Stockholm Branch" means the head of the Stockholm Branch, being the CEO.

"ICT Risk" means risk of loss due to breach of confidentiality, failure of integrity of systems and data, inappropriateness or unavailability of systems and data or inability to change information technology within a reasonable time and with reasonable costs when the environment or business requirements change. This includes security risks resulting from inadequate or failed internal processes or external events including cyber-attacks or inadequate physical security.

"ICT System" means a set-up consisting of hardware, software, data, and the people who use them.

"Independent Board Members", **"Independent Non-Executive Directors"** and **"INEDs"** means elected independent members of NCR's Board of Directors.

"Information Security Function" means the function carrying out the information security tasks and responsibilities set out in the policy for Organisation of material functions.

"Instruction" means a corporate governance document issued by the head of a function, for example the Analytical Function. An Instruction is related to Policies and Routines and describe how to perform specific actions or activities.

"Internal Audit" means the annual evaluation function or activity as further described in policy on Organisation of material functions.

"Issue" means a debt, loan, financial obligation, or other similar Financial Instrument.

"Issuer" and **"Rated Entity"** means an entity either with a Credit Rating issued by NCR or in the process of being assigned a Credit Rating.

"Issuer Confidential Information" means verbal or written non-public information from an Issuer or its agents and/or advisors that NCR has agreed to keep confidential, whether temporarily, such as during the rating process until a rating is published, or indefinitely.

"Investing Public" means participants in the financial market that make direct or indirect use of NCR's ratings.

"Lead Analyst" means the main analyst assigned for amending or developing a methodology. For the purpose of reporting rating actions to ESMA's RADAR platform, Lead Analyst refers to the Primary Analyst.

"Management Body" is used interchangeably with the Board of Directors when references are made to the Digital Operational Resilience Act (DORA).

"Material Functions" or **"Important Operational Functions"** means the functions set out in policy on Organisation of material functions.

"Material Information" means information that might constitute inside information in connection with a public or non-public financial instrument pursuant to section 3-2 of the Norwegian Securities Trading Act.

"Material Non-Public Information" means information that is both Material Information and Non-Public Information.

"Model Repository" means an internal database for all models used to support a Rating Decision.

"NCR" means Nordic Credit Rating AS.

"NCR Confidential Information" means any information relating to the ratings process which has not yet been released publicly. Examples include: (i) a Rating Recommendation, (ii) Rating Decision, (iii) unpublished versions of ratings, criteria, opinions and unpublished information regarding the committee process and timing of potential rating actions.

"NCR website" means the public website that is provided with free access for regulatory disclosures including public Credit Ratings and related information.

"Nomination Committee" means the committee appointed to nominate the Board Members.

"Non-Public Information" means information which has not been publicly disseminated (including through any of the following methods: public filing with a securities regulatory authority; issuance of a press release; disclosure of the information in a national or broadly disseminated financial news service; or the issuance prospectus).

"**NUES Code**" means the Norwegian Code of Practice for Corporate Governance ("Norsk anbefaling for eierstyring og selskapsledelse"), issued by the Norwegian Corporate Governance Board, most recently revised on 17 October 2018. (as amended).

"**Outsourcing**" means any arrangement of any form between NCR and a Service Provider by which that Service Provider performs a process, a service, or an activity which would otherwise be an undertaking by NCR itself.

"**Policy**" means a corporate governance document that states a set of rules or guidelines and is approved in a board meeting by the Board of Directors. A Policy is often accompanied by Instructions and/or Routines.

"**Preliminary Credit Rating**" means a Credit Rating that is based on information and assumptions that are subject to finalization of a pending event.

"**Primary Analyst**" means the Analyst who has been assigned the responsibility for (i) making a Rating Recommendation, (ii) presenting that Rating Recommendation to a Rating Committee and (iii) Communicating with an Issuer with respect to a specific Rating Action.

"**Private Credit Rating**" means a Credit Rating produced pursuant to an individual order and provided exclusively to the entity or legal person who requested the Private Credit Rating. It is not intended for public disclosure or distribution by subscription.

"**Private Credit Analysis**" is a private, point-in-time Credit Assessment accompanied by a written report on the rationale. It is not made public and is not intended to be disclosed to any party, other than a limited number of third parties as identified by the party requesting the Private Credit Analysis. A Private Credit Analysis is not a Credit Rating.

"**Publication**" means information in written form created by NCR and distributed to the public on the NCR website or other broad distribution platforms.

"**Public Information**" means information which has been released in the public domain.

"**Rating Committee Chairperson**" or "**Chairperson**" means the Analyst whose role is to oversee the Credit Rating Committee, including the process for arriving at a Rating Decision and approve the Rating Decision as determined by the Rating Committee.

"**Rating Decision**" means a Credit Rating Action that is determined by a Credit Rating Committee prior to its Release.

"**Rating Evaluation Service**" means the assessment of the potential credit rating implications of one or more hypothetical scenarios for an entity.

"**Rating Recommendation**" means a Credit Rating Action that is recommended by the Primary Analyst and is presented to the Credit Rating Committee for consideration.

"**Rating Model**" means a model that is used in the process for determining a Credit Rating.

"**Ratings Education**" means an activity conducted by Analytical Employees to educate market participants, actual and prospective Issuers, and investors on Credit Ratings, NCR methodologies and models, and the historical performance of NCR's Credit Ratings. In Ratings Education meetings, Analytical Employees may only discuss NCR based on the substance and performance of its Credit Ratings and never engage in any discussions regarding Commercial Activities.

"**Related Third Party**" means the originator, arranger, sponsor, servicer or any other party that interacts with a Credit Rating Agency on behalf of a Rated Entity, including any person directly or indirectly linked to that Rated Entity by control.

"**Relevant Persons**" has the meaning given to the term in each relevant description, policy, or procedure (as applicable) of NCR.

"**Review Function**" means the function carrying out the review tasks and responsibilities set out in policy on Organisation of material functions.

"**Routine**" means a corporate governance document issued by the head of a function, e.g. the Analytical Function. A Routine describes how to implement an activity or action and is related to Policies and Instructions.

"**Secondary Analyst**" means an analyst that shall be able to perform any tasks normally performed by the Primary Analyst if the latter is absent or unable to perform any tasks. The Secondary Analyst often participate in analytical interaction with the Issuer, such as management meetings and conference calls.

"**Senior Management**" means the persons who effectively direct the core business areas of NCR.

"**Sensitive Counterpart**" means a type of individual or organisation to which specific laws or rules apply governing the giving/receipts of gifts or entertainments. It includes public officials (including state owned enterprises and state-controlled entities) and union officials in all countries.

"**Service Providers**" means the providers of a process, service or an activity on behalf of NCR pursuant to an Outsourcing arrangement.

"**Significant Shareholder**" means a holder of shares in a company representing 20% or more of the voting capital of such company.

"**Solicited Credit Rating**" means a Credit Rating assigned by NCR at the request of the Issuer. A Credit Rating is considered to be at the request of an issuer if the Issuer pays for the Credit Rating.

"**Stockholm Branch**" means the offices of NCR in Stockholm, Sweden.

"**Technology Function**" means the group of Employees performing tasks related to developing and maintaining internal tools and technical infrastructure supporting these tools. The Technology Function is included in the reporting hierarchy under the Chief Technology Officer.

"**Under Criteria Review (UCR)**" is assigned to Credit Ratings which might be affected by a published change in Criteria. Affected Credit Ratings will be assigned an UCR identifier until reviewed under the new Criteria.

"**Unsolicited Credit Rating**" means a Credit Rating that is not requested by the issuer.

"**Voting Analyst**" means an Analyst who has been approved by the Chief Rating Officer to vote in a Credit Rating Committee.

1 DOCUMENT INFORMATION, VERSION HISTORY AND DISTRIBUTION

1.1 Document information

DOCUMENT STATUS	
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Status	Effective 2024-09-16
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Adopted by:	Not applicable
Adopted on:	Not applicable
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1.2 Version history

#	AUTHOR	ROLE	APPROVED	DATE	COMMENT
1.0	Thommessen	Author	Board of Directors	2018-02-06	Initial application document
1.1	Compliance	Review	NA	2020-12-10	Document updated in policy review 2020
1.2	Compliance	Review	NA	2021-06-02	Added Secondary Analyst
1.3	Compliance	Review	NA	2022-05-31	Update with Lead Analyst
1.4	Compliance	Review	NA	2023-04-20	Added RES
1.5	Compliance	Review	NA	2024-09-16	DORA additions and ad hoc review

1.3 Distribution and access

ROLE	NAME	E-MAIL
	All employees	

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