



POLICY ON CONFLICTS OF INTEREST

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1 INTRODUCTION

This document (the "Policy") sets out NCR's policy on the handling of potential or actual conflicts of interest.

For defined terms used in this Policy, please see NCR Defined Terms Glossary available on NCR's website and intranet.

This policy is approved by the Board of Directors.

2 APPLICABILITY

Unless specifically indicated otherwise, this Policy applies to all Employees and the Board of Directors (each a "Relevant Person") and the general operations of NCR.

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

As to compliance with this Policy and reporting of material breaches to ESMA, please confer the procedures regarding the Compliance Function set out in the *policy on Organisation of material functions*.

3 GENERAL POLICY ON CONFLICTS OF INTEREST

3.1 Introduction

The purpose of this Policy is to identify existing, potential or perceived conflicts of interest and provide guidance on the measures and procedures that shall be undertaken in order to eliminate or manage identified, potential or perceived conflicts of interest. Any conflict of interest which cannot be eliminated shall be disclosed. Such disclosures shall specify the measure undertaken to manage the potential conflict of interest.

3.2 General Principles

The following general principles shall govern NCR's Rating Activities and Ancillary Services:

- (i) NCR's determination of a Credit Rating is influenced only by factors relevant to assessing the creditworthiness of the Rated Entity.
- (ii) The Credit Rating NCR assigns to an entity is not affected by whether there is an existing or potential conflict of interest or business relationship between NCR and the Rated Entity or a Related Third Party.
- (iii) NCR shall not delay or refrain from taking a Credit Rating Action based on the potential effect of the action on NCR, a Rated Entity or Related Third Party.

3.3 Record keeping, communication of procedures and training

3.3.1 Record keeping

The Compliance Function shall on an ongoing basis ensure that the conflicts of interest covered in this policy are relevant for NCR. The identified existing and potential conflicts

of interest shall be documented and records should be kept in accordance with NCR's record-keeping policy.

3.3.2 Communication

The Compliance Function shall on an ongoing basis advise the Senior Management and the organisation in general on how to identify, eliminate, or manage and disclose, potential and actual conflicts of interest and to raise the awareness of Employees in this respect, and monitor the compliance of such measures as laid down in the Procedures regarding the Compliance Function. Further, the Compliance Function shall ensure that Employees have been made aware of any updates to the inventory of conflicts of interest.

3.3.3 Training

To make sure all Employees of NCR are aware of the policies and procedures of NCR, including this Policy, NCR requires all Employees to follow the program described in the section on Training and development of staff in *policy on Staffing and compensation*.

4 PROHIBITED CONFLICTS OF INTEREST

NCR shall not issue a Credit Rating or a Rating Outlook in any of the following circumstances, and shall, in the case of an existing Credit Rating or Rating Outlook immediately (i) disclose where the Credit Rating or Rating Outlook is potentially affected and (ii) assess whether there are grounds for re-rating or withdrawing the existing Credit Rating or Rating Outlook:

- (i) if NCR, Analysts, any other natural person whose services are placed at the disposal or under the control of NCR and who are directly involved in the Credit Rating Activities and persons approving Credit Ratings and Rating Actions directly or indirectly owns Financial Instruments issued by the Rated Entity or the Related Third Party or has any other direct or indirect ownership interest in that entity or party, other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life. These circumstances have been addressed by specific organisational measures in this Policy and should therefore not arise in NCR;
- (ii) if a shareholder or a Close Associate of NCR holding 10 % or more of either the capital or voting rights of NCR or being otherwise in a position to exercise significant influence on the business activities of NCR, 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 Related 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. According to the Articles of Association, no single shareholder shall own more than 5 % of the voting rights of NCR. The Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion;
- (iii) if the Credit Rating is issued with respect to the Rated Entity or a Related Third Party directly or indirectly linked to NCR by control. According to the Articles of Association, no single shareholder shall own more than 5 % of the voting rights of

- NCR. The Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion;
- (iv) if the Rated Entity, a Related Third Party or a Close Associate of a Rated Entity or Related Third Party, holds 10 % or more of the voting rights of NCR. According to the Articles of Association, no single shareholder shall own more than 5 % of the voting rights of NCR. The Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion;
 - (v) if an Analyst, any other natural person whose services are placed at the disposal or under the control of NCR and who are directly involved in the Credit Rating Activities and persons approving Credit Ratings and Rating Actions is a member of the Board of Directors of a Rated Entity or a Related Third Party;
 - (vi) if a shareholder or Close Associate of NCR holding 10 % or more of either the capital or voting rights of NCR or being otherwise in a position to exercise significant influence on the business activities of NCR, is a member of the administrative or supervisory board of the Rated Entity or a Related Third Party. According to the Articles of Association, no single shareholder shall own more than 5 % of the voting rights of NCR. The Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion;
 - (vii) Analysts have any relationship with the Rated Entity or Related Third Parties which may cause a conflict of interest;
 - (viii) if NCR or any other person holding, directly or indirectly, at least 5 % of either the capital or voting rights of NCR or otherwise being in a position to exercise significant influence on the business activities of NCR has provided consultancy services or advisory services to the Rated Entity or Related Third Party regarding the corporate or legal structure, assets, liabilities or activities of that Rated Entity or Related Third Party. NCR shall not provide such services and NCR does not have shareholders holding 5 % or more of the shares in NCR. According to the Articles of Association, the Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion;
 - (ix) if an Analyst who participated in determining a Credit Rating, or a person who approved a Credit Rating, has had a recent work relationship with the Rated Entity or a Related Third Party which may cause a conflict of interest;
 - (x) if an Employee directly involved in the Credit Rating Activities has participated in or initiated a discussion on fees or payments with a Rated Entity or a Related Third Party;
 - (xi) if an Employee directly involved in the Credit Rating Activities receives any money, gifts or services from a Rated Entity or a Related Third Party; or
 - (xii) if an Analyst has provided advice in relation to the scenarios of a Rating Evaluation Service.

5 MANAGEMENT OF PERMITTED CONFLICTS OF INTEREST

5.1 Issuer Pays Model

5.1.1 Existing Conflict of Interest

NCR applies the "issuer pays" model, whereby it is paid by the Rated Entity or Related Third Parties rather than by clients that are provided access to the rating. Some may argue that NCR, as a legal entity, therefore is incentivised to provide ratings that are favourable

to the Rated Entity in order to strengthen the business relationship and attract business opportunities.

5.1.2 Measures to eliminate or manage the conflict of interest

NCR has implemented the following measures in order to mitigate the conflicts of interest that are associated with the "issuer pays" model:

- (i) NCR's Credit Rating Committee has the final and ultimate authority on rating decisions. The Credit Rating Committee's members shall act independently of NCR's business concerns.
- (ii) NCR's rating processes are subject to review by the Compliance Function, which operates independently of the Rating Activities.
- (iii) Analysts shall not be involved in discussions concerning fees or in any other commercial aspects of NCR's business such as marketing a new or existing product or service. Analytical Employees are not compensated based on commercial aspects (such as revenue, fees, or market share) but rather on relevant factors such as analytical expertise, teamwork, and the quality and efficiency of the Employee's work as further set out in *policy on Staffing and compensation*.
- (iv) NCR discloses the identity of any Rated Entity that represents 5% or more of its annual revenue. NCR may only issue a rating or take a Credit Rating Action where the Rated Entity represents 10% or more of its annual revenue in the previous accounting year, if the Independent Board Members have decided that doing this is compatible with NCR's independence.
- (v) NCR physically separate its Credit Rating business and its analysts from any other business of NCR that may present a conflict of interest.
- (vi) Analysts shall not have access to information relating to fees or NCR's commercial dealings, c.f. below.
- (vii) NCR annually discloses fees charged for individual Credit Ratings and any Ancillary Services to ESMA.

The above-mentioned measures will not fully eliminate existing, potential or perceived conflicts of interest related to its business model. NCR prominently discloses the conflicts of interest associated with the "issuer pays" model on its website.

5.2 Rated Entities may also be shareholders of NCR

5.2.1 Potential Conflict of Interest

NCR may rate entities or groups of entities within the same segment that have a direct or indirect ownership interest in NCR. Such Rated Entities may seek to exert formal or informal influence through their ownership position in order to obtain a favourable rating or exert other undue influence on the rating process.

5.2.2 Measures to eliminate or manage the potential conflict of interest

NCR does not have any shareholders that hold a direct or indirect ownership position of more than 5%. According to the Articles of Association, the Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion. This risk of actual or perceived conflicts of interest will be a relevant issue to consider in that respect. In any

event, NCR shall disclose in relation to any rating or Credit Rating Action whether a Rated Entity holds a direct or indirect ownership position in NCR.

The Board of Directors – including the Independent Board Members - shall ensure that no groups of shareholders exert undue influence over the management of NCR.

Furthermore, no single individual rating analyst shall perform or prepare a Rating Action. This is undertaken by the Credit Rating Committee in compliance with the procedure set out in *policy on Issuance and review of credit ratings*, and this will reduce the potential conflict of interest on this point.

5.3 Shareholders may have credit relationship with Rated Entities

5.3.1 Potential Conflict of Interest

NCR may rate entities that have established credit relationship with NCR's shareholders (i.e. to Nordic banks or credit institutions). The shareholders may therefore be incentivised to influence NCR so that such entities receive favourable ratings.

5.3.2 Measures to eliminate or manage the potential conflict of interest

NCR does not have any shareholders that hold a direct or indirect ownership position of more than 5%. According to the Articles of Association, the Board of Directors may veto subsequent acquisitions of shares above this threshold at its discretion.

The Board of Directors – including the Independent Board Members - shall ensure that no groups of shareholders may exert undue influence over the management of NCR.

Furthermore, no single individual rating analyst can perform or prepare a Rating Action. This is undertaken by the Credit Rating Committee in compliance with the procedure set out in *policy on Issuance and review of credit ratings*, and this reduces the potential conflict of interest on this point.

5.4 Outsourcing arrangements

5.4.1 Existing Conflict of Interest

NCR outsources certain activities to external parties, that are not directly subject to NCR's internal safeguards that ensure independence towards the Rated Entities.

5.4.2 Measures to eliminate or manage the existing conflict of interest

Pursuant to *policy on Organisation of material functions*, any outsourcing agreement that NCR enters into shall include provisions that ensure that the Service Provider is and remains sufficiently independent of NCR's clients and its shareholders. The Board of Directors – including the Independent Board Members - shall conduct annual reviews to ensure that NCR's Service Providers does not have relationships to NCR's clients or shareholders that may impair their judgement.

5.5 No gradual rotation mechanism

5.5.1 Potential Conflict of Interest

NCR has not implemented a gradual rotation mechanism with regard to Analysts, and consequently such personnel may become biased towards Rated Entities which they analyse for a longer period.

5.5.2 Measures to eliminate or manage the conflict of interest

No single individual rating analyst can decide a Rating Action. Rating Actions are made by the Credit Rating Committee in compliance with the procedure set out in *policy on Issuance and review of credit ratings*, and this will reduce the potential conflict of interest on this point.

5.6 Employee bias

5.6.1 Existing Conflict of Interest

Employees involved in the Credit Rating Process are likely to feel loyal to NCR and its business interests and can therefore be biased towards providing favourable ratings in order to promote NCR's business interests.

5.6.2 Measures to eliminate or manage the existing conflict of interest

Analysts shall not be compensated or evaluated on the basis of the revenue received from entities the Rating Activities. Furthermore, no single individual rating analyst will decide a Rating Action. This will be undertaken by the Credit Rating Committee in compliance with the procedure set out in *policy on Issuance and review of credit ratings*, and this will reduce the existing conflict of interest on this point.

5.7 Personal interest in rating outcomes

5.7.1 Potential conflict of interest

Employees involved in the Credit Rating Process or Ancillary Services may have a personal interest in the Credit Rating outcome of a Rated Entity.

5.7.2 Measures to eliminate or manage the conflict of interest

An employee shall not be involved in the Credit Rating Process or Ancillary Service related to a Rated Entity if:

- (i) The Employee, or a Close Associate of the Employee, is on the Board of Directors of the Rated Entity;
- (ii) A Close Associate of the Employee, holds or transacts securities of that rated Entity;
- (iii) The Employee or a Close Associate has formerly been employed by the Rated Entity;

- (iv) The Employee, or a Close Associate of the Employee, has received any gift or benefit that is deemed as an unacceptable inducement;

NCR's employees are required to notify the Compliance Function of any other personal relationship to a Rated Entity or its agents that may give rise to a potential or perceived conflict of interest.

5.8 Methodologies

5.8.1 Potential conflict of interest

Rigorous, systematic and continuous methodologies are of high importance for the operations of NCR. The business lines responsible for Credit Rating Activities may be influenced by the Rated Entities and Related Third Parties and have incentives to adopt, promote and use methodologies not necessarily rigorous, systematic and continuous.

5.8.2 Measures to eliminate or manage the conflict of interest

NCR has decided that the Criteria Committee is responsible for the methodologies. The Criteria Committee and the process of rating methodology development and approval is subject to strict procedures set out in *policy on Methodologies* and the Review Function's independence is especially addressed in *policy on Organisation of Material Functions*.

5.9 Compliance and risk management function performed by same person

5.9.1 Potential conflict of interest

The Risk Management Function and Compliance Function are performed by the same person. There is a potential for a conflict of interest between the Risk Management Function and the Compliance Function.

5.9.2 Measures to eliminate or manage the conflict of interest

Risk reports and risk indicators are selected and monitored in collaboration with the board to ensure objective measurements that should reduce subjectivity by Risk Management Function. The Board of Directors and INEDs are aware of the potential conflict of interest and monitors this in their assessment of effectiveness of internal controls.

5.10 Information security function performed by Operations and Technology officer

5.10.1 Potential conflict of interest

The Information Security Function is responsible for monitoring NCR's compliance with information security policies and procedures. The non-independence of the Function could potentially contribute to lack of detection of compliance breaches and contribute to insufficient reporting.

5.10.2 Measures to eliminate or manage the conflict of interest

Reporting and monitoring of Information Security function is done to the Board and Compliance Officer in second line. It is implemented objective risk indicators that seek to

introduce objective measures for monitoring of information security. The Board of Directors and INEDs are aware of the potential conflict of interest and monitors this in their assessment of effectiveness for the Information Security Function.

5.11 Divergence of rating resources

5.11.1 Potential conflict of interest

Provision of Ancillary Services may redirect NCR's resources from the Rating Activities to an extent that reduces the quality of NCR ratings.

5.11.2 Measures to eliminate or manage the conflict of interest

NCR has established several functions and measures, including the Review Function, the Compliance Function and the Independent Board Members, that are specifically tasked with safeguarding the quality of NCR's Credit Ratings

5.12 Business concerns may affect Credit Ratings

5.12.1 Potential conflict of interest

Income related to Ancillary Services can become a significant source of income for NCR. If such income is derived from Rated Entities, there is a risk that NCR takes account of the income generated by Ancillary Services when rating such entities.

5.12.2 Measures to eliminate or manage the conflict of interest

NCR acknowledges that offering Ancillary Services and Credit Ratings may amount to certain conflicts of interest and NCR has consequently decided not to offer any Ancillary Services to Rated Entities. Employees involved in Credit Rating Activities or Ancillary Services shall not participate in Commercial Activities, including discussions on fees, and such Employees shall be functionally separated from any dealings with Commercial Activities, as per Section 6 of this Policy. In addition, NCR has established several functions and measures, including the Review Function, the Compliance Function and the Independent Board Members, that are specifically tasked with the safeguarding the quality of NCR's Credit Ratings.

5.13 Users may seek to influence analysts

5.13.1 Potential conflict of interest

Customers that are provided access to analysts may have an interest in the outcome of NCR's Credit Ratings, and therefore seek to influence the analyst through its discussions and interactions with the analysts.

5.13.2 Measures to eliminate or manage the conflict of interest

NCR's Credit Rating Committee has the final and ultimate authority on rating decisions. The Rating Committee's members shall act independent of NCR's business concerns. Further, NCR's Credit Rating processes are subject to ongoing review by the Compliance Function, which operates independently of the Credit Rating Activities.

6 REGARDING ANCILLARY SERVICES

NCR has defined Ancillary Services as any product or service provided by NCR on a commercial basis that is not a Credit Rating or a Credit Rating Activity. NCR will ensure that the provision of Ancillary Services does not present conflicts of interest with its Credit Rating Activities and to disclose in the final rating reports any Ancillary Service provided for the Rated Entity or any Related Third Party.

Further, to avoid any conflict of interest arising from the provision of Ancillary services, the restrictions set out in 6.1 below is applied..

6.1 Restrictions on Ancillary Services

6.1.1 NCR is prohibited from advising on matters relevant to ratings

NCR shall not in the course of its provision of Ancillary Services provide implicit or explicit advice on how to obtain a favourable rating. Consequently, NCR shall never provide its customers with advice that may influence a Credit Rating Action and shall take particular care not to comment or opine on corporate, commercial or financial matters in a manner that explicitly or implicitly recommend actions or strategies to improve a potential rating.

6.1.2 NCR may only issue ratings that have been subject to the mandatory rating process

CRAR defines Credit Rating as an opinion regarding the creditworthiness of an entity issued using an established and defined ranking system of rating categories. The CRO must ensure that NCR does not unintentionally provide opinions in the course of providing Ancillary Services that meet the definition of a Credit Rating, as such unintentional Credit Ratings are unlikely to conform with the mandatory requirements prescribed by the CRAR.

7 REGARDING SEPARATION OF ACTIVITIES

NCR applies a strict separation between its commercial and analytical activities to avoid potential conflicts of interest and to ensure confidentiality. The separation of activities includes organizational, physical, and technical measures. These are described in detail in the NCR *Instruction on Separation of Activities*.

8 DOCUMENT INFORMATION, VERSION HISTORY AND DISTRIBUTION

8.1 Document information

DOCUMENT STATUS

| | |
|-------------------|-----------------------|
| Version | 3.0 |
| Author | Compliance |
| Status | Effective 2024-08-30 |
| Classification | Conflicts of interest |
| Adopted by: | Board of Directors |
| Adopted on: | 2024-08-29 |
| Next review date: | Jun. 2025 |

8.2 Version history

| # | AUTHOR | ROLE | APPROVED | DATE | COMMENT |
|-----|-----------------|---------------|--------------------|------------|--|
| 1.0 | Thommessen | Author | Board of Directors | 2018-02-06 | Initial application document |
| 2.0 | CCO | Author | CEO | 2019-06-28 | Non-material change made to section 4 – license agreement, and 7 - pricing policy |
| 2.1 | CEO, Compliance | Policy review | Board of Directors | 2020-06-16 | Editorial changes. |
| 2.2 | CEO | Author | Board of Directors | 2020-12-04 | Amending personal account dealings in chapter 9 |
| 2.3 | Compliance | Policy review | Board of Directors | 2021-06-07 | Added potential conflicts of interest for NCR's Risk Management Function and Information Security Function |
| 2.4 | Compliance | Review | Board of Directors | 2022-06-09 | Updated with one year rule for PAD according to instruction for PAD |
| 2.5 | Compliance | Review | Board of Directors | 2023-04-20 | Added Rating Evaluation Service(RES) and Conflicts of interests regarding RES |
| 3.0 | Compliance | Review | Board of Directors | 2024-06-10 | Revised policy. Removed repeated wording. Clarified parts and corrected references. |

8.3 Distribution and access

| ROLE | NAME | E-MAIL |
|------|---------------|--------|
| | All employees | |

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nordiccreditrating.com

OSLO

Ruseløkkveien 34
0251 Oslo
Norway

STOCKHOLM

Norrlandsgatan 10
111 43 Stockholm
Sweden