

## **POLICY ON PRICING**

## 1 INTRODUCTION

This document is Nordic Credit Rating's ("NCR") policy on pricing for its rating services (the "**Policy**"). The Policy sets out the main principles for pricing.

## 2 APPLICABILITY

This Policy applies to the commercial operations of NCR and is available for all market participants to access on NCR's website for transparency purposes. The current valid fee schedule will be distributed to relevant parties upon request.

This Policy will be reviewed and updated, when necessary, but at least annually,

As to compliance with this Policy and reporting material breaches to ESMA, please confer the compliance procedures in Section 5 of this Policy.

## 3 MAIN PRICING PRINCIPLES

NCR uses an issuer-pays model in providing its rating services whereby clients pay an initial fee and an annual fee which includes monitoring and updating the credit rating.

When formulating its pricing policy and specifying price parameters of specific client agreements NCR takes all possible measures to ensure its full compliance with the (EC) No 1060/2009 (CRA regulation).

NCR's price for rating services shall be non-discriminatory and based on actual costs associated with producing the credit rating. Differences in fees charged for the same type of service should be justifiable by a difference in the actual costs of providing this service to different clients.

The price for a rating service is based on the complexity of the rating process, respecting a cost-based principle. Hence, more complex issuers can be charged a higher fee than less complex issuers due to the analytical time spent in completing and monitoring the rating assignment.

The size of the fee for the rating service shall not depend on the level of assigned credit rating or rating outlook.

Rating assignments are formalized in a contract, based on a standardized agreement, containing, inter alia, the pricing terms and conditions.

## 4 GOVERNANCE

The fee schedule is approved by an internal commercial committee and is reviewed at least annually.

Fee levels for new rating clients and adjustments to fee levels for existing rating clients are decided by commercial employees in line with price ranges stated in the most current fee schedule.

Fee levels for existing rating clients shall always reflect the current fee schedule.

Commercial operations, such as sales, marketing, and price negotiations, are isolated from the rating process and methodology development. Price parameters of contracts have no

influence on the work of the rating analysts, their compensation, or their opinions or decisions.

The Compliance officer performs an evaluation of the application of this Policy, including that fee setting is according to fee schedules.

## **5 COMPLIANCE PROCEDURE**

Employees of NCR are required to report any potential or actual violation of this Policy to the Compliance Officer.

In case of any material breach of pricing policies or procedures which may result in a breach of point 3c of Section B of Annex I of the CRA regulation, Compliance Officer informs without delay the Board of Directors, Independent Non-Executive Directors and European Security and Market Authority. If it would end or avoid the breach, the contract causing the breach should be terminated, and the credit rating withdrawn.

Violation with this Policy may cause disciplinary actions, termination of employment, criminal prosecution, or civil penalties in line with applicable regulations.

## 6 DOCUMENT INFORMATION, VERSION HISTORY AND DISTRIBUTION

### 6.1 Document information

#### DOCUMENT STATUS

Version	8.4
Author	Compliance
Status	Effective 2024-08-30
Classification	Pricing policy
Adopted by:	Board of Directors
Adopted on:	2024-08-29
Next review date:	Jun. 2025

## 6.2 Version history

#	AUTHOR	ROLE	APPROVE D	DATE	COMMENT
1.0	CEO	Author	BOD	2018-07-27	Initial version
2.0	CEO	Author	BOD	2018-09-17	Added fee structure under section 4.2.2
3.0	CEO	Author	BOD	2018-10-23	Amendments price structure
4.0	CEO	Author	BOD	2018-12-19	Addition in section 4.2.4
5.0	CEO	Author	BOD	2019-05-02	Updated price structure
6.0	CEO	Author	BOD	2019-09-30	Non-material update rating services price structure 4.2.1 for covered bonds
7.0	CEO	Author	BOD	2019-12-20	Adjustment of fees
8.0	CEO	Author	BOD	2020-12-03	Separating fee schedule from pricing policy
8.1	Compliance	Review	BOD	2021-06-15	Editorial changes
8.2	Compliance	Review	BOD	2022-05-31	Editorial changes
8.3	Compliance	Review	BOD	2023-04-20	Editorial changes
8.4	Compliance	Review	BOD	2024-02-08	Editorial changes, removed repeating wording

## 6.3 Distribution and access

ROLE	NAME	E-MAIL
	All employees	

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