

# **POLICY ON STAFFING AND COMPENSATION**

## 1 INTRODUCTION

This document sets out NCR's policy (the "**Policy**") on staffing and compensation. The Policy covers key staffing and compensation topics such as compensation practices, training and development, mitigation of key-person risk, arrangements for termination of employment and joining a Rated Entity, and procedures for whistleblowing and reporting of concerns.

For defined terms used in this Policy, please see NCR Defined Terms Glossary made 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.

The contents of the Policy and any future updates or changes are published and made available on NCR's intranet. The Policy will be reviewed and updated, when necessary, but at least annually.

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 COMPENSATION AND PERFORMANCE EVALUATION

### 3.1 Introduction

In order to avoid conflicts of interest, the compensation of certain persons involved in Credit Rating Activities or control activities should not depend on the business performance of NCR or the amount of revenue that NCR derives from the Rated Entities or Related Third Parties.

### 3.2 Compensation and performance evaluation practices for Analysts, Chief Rating Officer and persons approving Credit Ratings or Rating Outlooks (i.e. members of the Credit Rating Committee)

Analytical employees receive fixed compensation. The fixed compensation is determined based on the role and position of the individual Employee, including *inter alia* professional experience, seniority, education, responsibility, job complexity, local market conditions and is further set out in each individual employment agreement.

Analysts, Chief Rating Officer and other Employees directly involved in the Credit Rating Activities may partake in NCR's Employee Shareholding Program. See further information in the Instruction for Employee shareholding Program.

### 3.3 Compensation and performance evaluation practices for the CEO

The CEO may receive variable compensation in addition to his or her fixed compensation.

The CEO's fixed compensation is determined on the basis of the role and position of his or her professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. and is further set out in his or her individual employment agreement.

The Board of Directors determines the amount of variable remuneration (if any) to be granted to the CEO. The variable compensation and performance evaluation shall be contingent on, *inter alia*, the CEO's personal performance.

### **3.4 Compensation and performance evaluation practices for the Internal Control Functions**

The Internal Control Functions may not receive variable compensation in addition to his or her fixed compensation.

The Internal Control Function's fixed compensation is determined on the basis of the role and position of the individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. and is further set out in his or her individual employment agreement. The compensation may not be linked to the business performance of NCR and is arranged to ensure the independence of his or her judgement.

The Internal Control Functions may not partake in NCR's Employee Shareholding Program. See further information in the Instruction for Employee shareholding Program.

### **3.5 Compensation to any other Employees and other natural person whose services are placed at NCR's disposal or under NCR's control**

Any other Employees and other natural person whose services are placed at NCR's disposal or under NCR's control, not referred to in section above, may, as a point of departure, receive variable compensation in addition to his or her fixed compensation.

The fixed compensation is determined based on the role and position of the individual Employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. and further set out in the individual employment agreement.

The CEO and Chief Rating Officer shall suggest the amount of variable remuneration for the individual Employee and the Board of Directors determines the amount (if any) to be granted. The variable compensation and performance evaluation shall be contingent on, *inter alia*, the individual Employee's personal performance.

### **3.6 Review**

The Compliance Function or the INEDs should conduct formal and periodic reviews, at least annually, of the compensation and performance evaluation practices for each Employee.

## **4 TRAINING AND DEVELOPMENT OF STAFF**

### **4.1 Training and development statement**

NCR is committed to developing a strong learning culture, in which everyone can achieve their full potential, and which will increase job satisfaction and support career development. As such, NCR is committed to providing training and development opportunities for its staff, which meet the operational and strategic objectives of NCR, as well as individuals' own learning aspirations and needs. The CEO shall ensure that the Employees have appropriate knowledge and experience for the duties assigned.

### **4.2 General requirements**

The following trainings are mandatory for all Employees:

- Company mission, vision, and values

- Internal control training, including conflicts of interest and information security

In addition, Employees are required to participate in role-specific training. Detailed requirements on training are set out in the *Instruction for Training and Development*.

The Board of Directors shall receive training relevant for their role at the time of onboarding. The INEDs shall receive annual training that cover their roles, responsibilities, processes, steering documents, and their control and reporting obligation. The purpose of the INED training program is to safeguard that their duties can be carried out as required and recommended by ESMA. Detailed requirements on training for the Board of Directors and INEDs are set out in *Policy on Boards of Directors* and *Instruction for Onboarding of INEDs*.

#### **4.3 Examination or other types of formal assessment required for the conduct of Credit Rating Activities**

The Compliance Officer shall monitor if examination or another type of formal assessment is required for the conduct of Credit Rating Activities, and if relevant, the content of such examination or other types of formal assessment.

In addition to the above, the Compliance Officer and the CEO shall both conduct ongoing reviews of the need for additional training and development of current Employees and the need for additional staff.

### **5 THE RISK OF OVER-RELIANCE ON INDIVIDUAL EMPLOYEES**

#### **5.1 Introduction**

NCR acknowledges the importance of having measures in place to mitigate the risk of over-reliance on individual Employees in NCR. The description in the section below should be read in conjunction with the *policy on Organisation of material functions*.

#### **5.2 Description of the measures in place to mitigate the risk of over-reliance on individual Employees**

The CEO shall on an ongoing basis assess the risk related to NCR's reliance on individual Employees and the risk facing NCR if such Employees were to terminate their employment or in any other way is unable to perform their tasks (due to illness or other unforeseen events).

The risk assessment must *inter alia* consider (i) the importance of the relevant Employees for the ongoing performance of NCR's services, (ii) the degree of specialization of the relevant Employees and (iii) the possibility to replace the required competence of such Employees within a short timeframe to ensure continuity of services in NCR.

As a general remark, NCR acknowledges the negative consequences of not being able to perform a Rating Action due to the lack of capacity and has, *inter alia*, described further procedures regarding continuity in the *policy on Organisation of material functions* and in the *Instruction for Business Continuity Management*

### **6 TERMINATION OF EMPLOYMENT**

#### **6.1 Introduction**

NCR acknowledges the importance of having procedures in place when an Employee terminates his or her employment and joins a Rated Entity and the importance of having arrangements in place to ensure that the Employees are aware of the prohibition for Employees and their Close Associates to take up key management positions with a Rated Entity or Related Third Party.

Certain of the obligations below in this section are also applicable for Persons Closely Associated with an Employee.

### **6.2 Arrangements in place to ensure that NCR is informed when a Employee terminates his or her employment and joins a Rated Entity**

If an Employee terminates his or her employment, the Employee must deliver a notice of resignation to the Chief Rating Officer with a copy to the CEO, together with a description of the entity in which the Employee will start working.

### **6.3 Arrangements in place when an Employee terminates his or her employment and joins a Rated Entity**

Where an Employee terminates his or her employment with NCR and joins a Rated Entity, which he or she has been involved in rating, or a financial firm (i.e. underwriters or investment firms), with which he or she has had dealings as part of his or her duties at NCR, NCR shall review the relevant work of the Employee over two years preceding his or her departure.

The review shall be performed by the Compliance Function as soon as possible after the Employee has delivered a notice of resignation as described in section 7.2 above.

The Employee may not participate in the rating activities of NCR relating to the Rated Entity, which he or she is to join, or the financial firm (as mentioned above), which he or she is to join, after delivering its notice of resignation as described in section 7.2 above.

### **6.4 Arrangements in place to ensure that the Employees and Persons Closely Associated are aware of the prohibition to take up key management positions with a Rated Entity or Related Third Party**

Employees and Persons Closely Associated with a Employee shall not take up a key management position with the Rated Entity or a Related Third Party within six months of the issuing of a Credit Rating or rating outlook.

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

Employees shall accept this restriction in writing upon joining NCR, inform its Closely Associated Persons about the prohibition and shall also be reminded of the prohibition by confirming their knowledge in writing at least annually.

## **7 WHISTLEBLOWING**

The following procedure is established in cooperation with the Employees of NCR, as required by applicable law, including the Norwegian Working Environment Act:

Where a Employee has (i) concerns about censurable conditions at NCR (whatever the nature of such concerns) or (ii) considers that any other Employee has engaged in conduct that he or she considers illegal, the Employee is encouraged to raise his or her concern by contacting the Compliance Officer.

If the Employee's concerns mentioned above relates to the Compliance Function and/or Compliance Officer, the Employee is encouraged to raise his or her concern by contacting the Independent Non-Executive Directors (INEDs).

The notification will only be received and read by the Compliance Officer or the INEDs (as applicable), who will then consider the next applicable steps, depending on the nature of the concerns.

There will be no negative consequences for any person who raise his or her concern with the Compliance Officer or the INEDs in good faith, provided the person who reports reasonably believes the information disclosed, and any allegation contained in it, are substantially true.

## 8 DOCUMENT INFORMATION, VERSION HISTORY AND DISTRIBUTION

### 8.1 Document information

Document status	
Version	2.5
Author	Compliance
Status	Effective 2024-08-30
Classification	Staffing, compensation and outsourcing
Adopted by:	Board of Directors
Adopted on:	2024-08-29
Next review date:	Jun. 2025

### 8.2 Version history

#	AUTHOR	ROLE	APPROVE D	DATE	COMMENT
1.0	Thommessen	Author	Board of Directors	2018-02-06	Initial application document
2.0	CCO	Author	CEO	2019-08-26	Non-material change made to section 4.5 – added the Review Function, and 5.2 – compliance seminar and Code of Conduct certification

2.1	Compliance, CEO	Review	Board of Directors	2020-06-16	Policy review with editorial changes
2.2	Compliance	Review	Board of Directors	2021-06-05	Added references to Risk Officer and editorial changes.
2.3	Compliance	Review	Board of Directors	2022-06-02	Editorial changes
2.4	Compliance	Review	Board of Directors	2023-04-20	Added reference to Employee Shareholding Program
2.5	Compliance	Review	Board of Directors	2024-08-29	Policy review, moved parts regarding the Board, INEDs, Nomination Committee and Training to other policies.

### 8.3 Distribution and access

ROLE	NAME	E-MAIL
All employees		