



Analyst Rotation Policy

Scope Ratings GmbH

January 2021



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1. Introduction

Scope Ratings GmbH has adopted the following policy covering the requirements for a gradual rotation of Analytical Personnel who are assigned to cover Credit Ratings as a Lead Analyst, Person Approving the Credit Rating or Rating Analyst.

2. Applicability

This Policy and its requirements apply to Analytical Personnel at Scope Ratings GmbH.

The contents of this Policy and any future updates or changes are published on Scope Ratings' GmbH website and are made available on its intranet.

3. Policy

Scope Ratings GmbH's approach to Analyst Rotation is designed to rotate Lead Analysts, Rating Analysts and Persons Approving Credit Ratings, from Covered Entities. Upon assignment to a Credit Rating, an Analyst who serves in any of the above roles is presumed to be involved in Credit Rating Activities with regard to the relevant Covered Entity. For each Credit Rating, Scope Ratings GmbH will rotate:

- its Lead Analysts assigned to the same Covered Entity after a maximum Time On Period of 4 years.
- its Rating Analyst(s) assigned to a Covered Entity after a maximum Time On Period of 5 years;
- Persons Approving Credit Ratings (PACRs) assigned to a Covered Entity after a maximum Time On Period of 7 years.

After the maximum Time On Period, each Analyst who served in one of the above roles will be subject to a Cooling Off Period before he or she can engage in Credit Rating Activities or be re-assigned as a Lead Analyst, Rating Analyst or PACR to the same Covered Entity.

Managing Directors in the lines of business are responsible for overseeing that Analysts are assigned to undertake Credit Rating Activities in a way that adheres to this Policy.

4. Definitions

4.1 Cooling Off Period

A Cooling Off Period is the continuous two (2) year period that follows after the Time On Period and during which the relevant Analyst is not permitted to engage in Credit Rating Activities with respect to a Credit Rating and its relevant Covered Entity.

4.2 Covered Entity

A Covered Entity is a Rated Entity that has an active public or subscription Credit Rating assigned to it or issues securities that have an active public or subscription Credit Rating assigned to them, and, where relevant, any legal entity that acts as a Related Third Party to that entity.

4.3 Rating Analyst

An Rating Analyst is an Analyst who has been assigned to support the Lead Analyst in preparation of a new, or monitoring of an existing Credit Rating or related Rating Outlook by performing analytical functions that are necessary for issuing of a Credit Rating or related Rating Outlook. Participation as a voting member at a credit rating committee does not mean that the respective Analyst is deemed to be an Rating Analyst.

4.4 Person Approving Credit Rating (PACR)

The Person Approving Credit Ratings (PACR) is the rating committee chair, or, in the absence of a rating committee, the MD of the business line covering the credit, who provides formal sign-off for the release of a Credit Rating Action.

4.5 Time On Period

The Time On Period means the period of time from the date an Analyst is assigned to a public or subscription Credit Rating until the date the Analyst ceases to be involved in Credit Rating Activities for that public or subscription Credit Rating and its relevant Covered Entity.

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



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5. Violation of this policy

Analytical Personnel must immediately report violations or suspected violations of the Policy to Compliance. Any potential infringements of these requirements will be investigated and reported to senior management to determine appropriate intervention.

Any action by Scope Ratings GmbH or by Analytical Personnel 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.

Compliance along with senior management will be responsible for the implementation and the enforcement of this policy.



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