

## **Information on existing or potential conflicts of interest**

Pursuant to the provisions defined in item 1 section B of Attachment 1 to the Regulation of the European Parliament and of the Council No. 1060/2009 on credit rating agencies, as well as on the internal regulations in place in EuroRating credit rating agency on the avoidance, identification, disclosure, elimination and managing of conflicts of interest, the EuroRating credit rating agency discloses and publishes on its website information about any existing (or potentially perceived as existing) conflicts of interest, which may potentially affect the rating activity conducted by the agency.

### **Potential conflicts of interest and methods of their elimination and management**

1. As a potential conflict of interest may be perceived the fact, that credit ratings for part of the entities rated by EuroRating are assigned on the basis of a contract concluded by the agency with these rated entities, which pay fees for assigning and monitoring their credit ratings („issuer pays” model – concerns only solicited ratings).

EuroRating effectively manages this potential conflict of interest through a separation of the company's business activity (including, in particular, in the scope of negotiations of fees paid by the rated entities) from analytical activity and from the process of assigning and monitoring credit ratings. In no case is the level of the assigned rating dependant on the mere fact of the rated entity paying fees for the rating or on the amount of these fees.

In addition, pursuant to the provisions of the Regulation of the European Parliament and of the Council No. 1060/2009 on credit rating agencies, EuroRating publishes on its website information about rated entities, from which the agency receives at least 5% of its annual sales revenue.

2. As a potential conflict of interest can be perceived the fact, that EuroRating conducted in September 2020 (as part of the agency's ancillary services) an order for a valuation of a company for the Bank Gospodarstwa Krajowego, ie. the entity rated by EuroRating on the basis of unsolicited rating (for which the rated entity does not pay any charges). The valuation was then (based on a separate order) updated in March 2021.

In the agency's opinion, the execution of that orders for BGK did not created a risk of a conflict of interest, since the orders were realized without the participation of rating analysts and members of the Rating Committee involved in the credit rating process for BGK and hence they did not have and will not have any impact on the credit rating assigned to the rated entity. Moreover, the revenues from the execution of the orders does not constitute a major share of the total annual sales revenue of the agency (below 5%).

#### **Actual conflicts of interest and methods of elimination and management**

Actual conflicts of interest do not occur.