

POTENTIAL CONFLICTS OF INTEREST

Please find below a list of existing and potential conflicts of interest and how they will be eliminated or managed and disclosed.

Article 21 (1. and 2.): Inventory of existing and potential conflicts of interest	Article 21 (3.): How will they be eliminated or managed and disclosed
<p><u>Spread Research conflicts of interests:</u> Spread Research identifies the following potential conflicts of interest in relation to credit rating activities applicable to Spread Research.</p>	
<p><u>With third parties i.e. rated companies and customers</u></p>	
<p>* Spread Research is paid by persons for subscriptions to receive or access the credit ratings of Spread Research and/or for ancillary services offered by Spread Research where such persons may use the credit ratings of Spread Research to comply with, and obtain benefits or relief under, statutes and regulations relating to permitted investments and capital adequacy.</p>	<p>Spread Research shall not refrain from taking a rating action based its potential effect on Spread Research subscribers' possible holdings as defined in their investment policies.</p>
<p>* Spread Research is paid by persons for subscriptions to receive or access the credit ratings of Spread Research and/or ancillary services offered by Spread Research where such persons also may own investments or have entered into transactions that could be favorably or adversely impacted by a credit rating issued by Spread Research.</p>	<p>Spread Research shall not refrain from taking a rating action based its potential effect on Spread Research performance of investment recommendations and an issuer, an investor, a subscriber or other market participant.</p>
<p>* There may be potential conflicts of interest if Spread Research starts rating an existing subscriber to either unsolicited rating or ancillary services.</p>	<p>The Code of Conduct clearly discloses that Spread Research cannot rate an existing subscriber that accounts for more than 5% of Spread Research's total revenues. In addition, this is very unlikely to happen since Spread Research's subscribers are financial institutions and Spread Research does not rate financial issuers.</p>
<p><u>Potential conflicts of interest arising from the carrying out of ancillary services:</u> Spread Research's two ancillary services are News flow and Investment recommendations.</p>	
<p>News flow falls into the category "data analysis" of the definition of ancillary services (as defined in the annex 1 Section B point 4). It consists of analyzing news and providing customers with a comment on the news. For the news flow, Spread Research employs two temporary</p>	<p>We believe there is no potential conflict of interest in this activity. News flow editors solely help in finding news on rated entities. Reviewing news and having an opinion on them is integral part of responsibilities</p>

<p><i>employees (David Mouriquand and Fabrice Farigoule defined as “News flow editors”) who are in charge of publishing news on companies covered by Spread Research. News flow editors do not have access to property and records of rating analysts. News flow editors find news on the Internet or Bloomberg. Before being published, the rating analyst covering the company reviews the news and may add a comment with its knowledge of historical public facts.</i></p>	<p><i>of a rating analyst.</i></p>
<p><i>Investment recommendations are performed by Stephane Tremelot and Julien Rerolle thanks to ratings assigned and fundamental opinions expressed by rating analysts. Recommendations are also based on security prices and relative value of securities compared to securities issued by comparable companies. As such, Stephane Tremelot and Julien Rerolle also use Spread Research access to Bloomberg to prepare and distribute investment recommendations. Investment recommendations are communicated by e-mail, or by files published on Spread Research website. No additional technical resource is used.</i></p>	<p><i>Investment recommendations are based on market relative value and analyst’s fundamental opinion on the company and its environment. We believe assigning a rating to a company has no direct link with providing an investment recommendation to our clients. Yet, to erase any suspicion of conflict of interests between credit rating and investment recommendations, these functions are separated and not performed by rating analysts. Besides, Spread Research will be clearly disclosing in disclaimers published with each rating action and investment recommendations that these two activities are not performed by same persons and that rating analysts are not involved in investment recommendations and people in charge of investment recommendations are not involved in rating activities. Once registered as a CRA, Spread Research will seek to develop issuer-paid rating activity. Spread Research won’t do investment recommendations on companies which have directly asked for being rated by Spread Research (solicited ratings).</i></p>
<p><i>Julien Rerolle will be in charge of investment recommendations (as detailed above) and will also be in charge of the Review function.</i></p>	<p><i>Spread Research acknowledges the review function should be clearly independent from the credit rating business line. Yet, due to the current limited size of the company, Julien Rerolle will be in charge of investment recommendations and will also be in charge of the Review function. As such, while the review function remains independent from credit rating activities, there may be a potential conflict of interests as Julien Rerolle may have been recommending a buy or a sell on securities and then may submit to the supervisory board a request to change methodologies of ratings. For instance, this change may in turn lead to an immediate upward or downward revision of all credit ratings that may eventually impact prices of securities on which a buy or a sell was recommended.</i></p>

<i>Providing solicited rating and recommendations to the same client.</i>	<i>This could not happen as clients subscribing to ancillary services are financial entities and Spread Research does not rate financial institutions.</i>
<i>Stéphane Tremelot will be in charge of investment recommendations (as detailed above) and will also be in the supervisory board together with Cedric Rimaud.</i>	<i>Due to the current limited size of the company, Stéphane Tremelot will be in charge of investment recommendations and will also be in the supervisory board. As such, there may be a potential conflict of interests as Stéphane Tremelot may have been recommending a buy or a sell on securities and then may decide to change rating methodologies as he sits in the supervisory board. For instance, this change may in turn lead to an immediate upward or downward revision of all credit ratings that may eventually impact prices of securities on which a buy or a sell was recommended. <i>The probability of such a case is low in our view. Yet, we will be disclosing this potential conflict of interests in any investment recommendations published (by either Stéphane Tremelot or Julien Rerolle).</i></i>
<u><i>Conflicts of interest arising from the carrying out of the outsourced rating activities:</i></u>	
<i>Not applicable as there is no outsourcing.</i>	<i>Not applicable as there is no outsourcing.</i>
<u><i>Individual conflicts of interests:</i></u> <i>Spread Research identifies the following potential conflicts of interest in relation to analysts working for Spread Research and assignment of ratings rising from:</i>	
<i>* Recent employment, business or other relationship with a rated entity (e.g. A member of the analyst's immediate family working in a key management position¹ in a rated entity).</i>	<i>Spread Research collaborators must send, within 60 days following the end of each calendar year, an e-mail to the compliance officer to certify, among other things listed in our answer to Article 20 (3.) of Regulation (EU) No 449/2012 of 21 March 2012, that they have not had a recent employment, business or other relationship with (i) any entity rated by Spread Research analysts or (ii) any entity related to a rated entity. <i>Spread Research analysts cannot be lead analysts on such an entity and cannot participate in credit committees where such an entity is involved. <i>This also applies to cases where a member of the</i></i></i>

¹ Key management position means: a position held by a Spread Research employee's spouse, partner, parent, child or sibling at a rated entity that includes a member of a board of directors or an equivalent position; an executive officer role, such as chairman, chief executive officer, president, chief legal officer, or chief operating officer; chief financial officer or a role that reports directly to the chief financial officer; treasurer or a role that reports directly to the treasurer; or a role in any capacity that interfaces with rating agencies

	<p><i>analyst's immediate family working in a key management position in a rated entity. For instance, we have at Spread Research the uncle of one's analyst working as a regional CFO at Alcatel-Lucent. As such, this analyst does not cover this company and do not attend credit committees on Alcatel-Lucent.</i></p>
<p><i>* Ownership of securities of any rated entity or any entity related to a rated entity covered by Spread Research rating analysts other than holdings in diversified collective investment schemes.</i></p>	<p><i>The ownership of such securities may cause or may be generally perceived as causing a conflict of interest. As stated in Spread Research code of conduct signed by Spread Research employees, "Collaborators must not make any investment in company securities issued by companies under financial assessment, like the one showed in the coverage list on Spread research web page." To make sure this policy is applied, Spread Research collaborators must send, within 60 days following the end of each calendar year, an e-mail to the compliance officer to certify, among other things listed in our answer to Article 20 (3.) of Regulation (EU) No 449/2012 of 21 March 2012, that he or she does not own or engage in any transaction in any financial instrument issued, guaranteed, or otherwise supported by any entity rated by Spread Research analysts other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.</i></p>
<p><i>* Commercial activities.</i></p>	<p><i>There is no potential or existing conflict of interest coming from commercial activities because analysts are not involved in commercial activities and do not have access to data from the marketing and commercial department. The rating process is separated from the marketing department with both physical and non-physical firewalls. The marketing department is located in a closed office, separated from the open space where analysts work. Besides, marketing files are registered under a drive accessible by people involved in marketing only. Only the marketing department makes offers to our customers and negotiates the contract terms with clients.</i></p>
<p><i>Spread Research investing in rated entities.</i></p>	<p><i>This is forbidden under the Code of Conduct, and controlled by the Compliance Officer using detailed financial statements provided by the accounting department.</i></p>