

**Fitch, Inc.**

**2011 Form NRSRO Annual Certification**

**Exhibit 3. Policies and procedures adopted and implemented to prevent the misuse of material, non-public information.**

The following documents, which are a part of Fitch's Code of Ethics, have been adopted and implemented to prevent the misuse of material, non-public information:

- Bulletin 1**     *Code of Conduct*
- Bulletin 4**     *Policy on Business and Relationship Management*
- Bulletin 10**    *Firewall Policy*
- Bulletin 13**    *Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy*
- Bulletin 23**    *Policy on Gifts and Business Events*
- Bulletin 25**    *Procedure for Managing Complaints Concerning Fitch's Analytical Process*

These documents, along with the rest of the documents comprising the Code of Ethics, can be seen as part of Exhibit 5 and can also be accessed here:

<http://www.fitchratings.com/jsp/creditdesk/CodeOfConduct.faces?context=3&detail=1>

Fitch Ratings  
Code of Conduct

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## 1. Introduction

### 1.1 General

Fitch Ratings (“Fitch”) is committed to providing the world’s securities markets with objective, timely, independent and forward-looking credit opinions. Fitch is dedicated to several core principles — objectivity, independence, integrity and transparency. Investor confidence in Fitch’s ratings and research is difficult to win, and easy to lose, and Fitch’s continued success is dependent on that confidence.

Fitch expects all of its employees to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, rules and regulations, and all policies and procedures adopted by Fitch, that govern the conduct of Fitch employees. Each employee is personally responsible for maintaining the highest levels of integrity to preserve the trust and confidence of global investors.

Throughout its history, Fitch has established and implemented policies, procedures and internal controls to ensure the objectivity and integrity of its ratings. Fitch’s Code of Conduct, set forth below (the “Code”), summarizes Fitch’s existing policies and procedures. Any of Fitch’s Chief Executive Officer, Fitch’s President, or any one of his/her respective designees shall be able to interpret this Code and any related policies and procedures and shall be able to approve in writing any exceptions to this Code or any of the related policies and procedures.

### 1.2 Ratings

Fitch publishes opinions on a variety of scales, the most common of which are credit ratings. Credit ratings are opinions on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Ratings are limited by their respective definitions, which are available on Fitch’s free public website at [www.fitchratings.com](http://www.fitchratings.com).

Ratings may apply to a variety of entities, including sovereigns, financial institutions and corporations, and to the securities or other obligations they issues, as well as to structured finance securities backed by receivables and other financial assets. Ratings may also reflect the financial strength of insurance companies, banks and financial guarantors.

## 2. Code of Conduct

### 2.1 Quality and Integrity of the Rating Process

#### A. Quality of the Rating Process

- 2.1.1 Ratings are Fitch’s opinions about future creditworthiness. They do not provide a guarantee of future performance of the rated entity or instrument. The performance of ratings should instead be assessed on whether they have been assigned in accordance with Fitch’s methodologies and established policies and procedures.
- 2.1.2 Fitch shall use rating methodologies and criteria that are rigorous, systematic and, where possible, result in ratings that can be subjected to some form of objective validation based on historical experience.
- 2.1.3 The rating analysis and any rating action shall be based upon criteria and methodologies established by Fitch. Analysts shall apply a given criteria or methodology in a consistent manner, as determined by Fitch.
- 2.1.4 Ratings shall be assigned by Fitch and not by any individual analyst employed by Fitch; ratings shall reflect the consideration of all information known to the relevant rating committee, and believed by such rating committee to be relevant, in a manner generally consistent with Fitch’s established criteria and methodologies; and Fitch shall use people who, individually or collectively (particularly where rating committees are used) have appropriate knowledge and experience in developing a rating opinion for the type of rating being considered.
- 2.1.5 Fitch shall maintain internal records to support its ratings in accordance with Fitch’s *File Maintenance and Recordkeeping Policy*, which is available on Fitch’s free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link “Code of Conduct”, and in accordance with applicable law.
- 2.1.6 Fitch and its analysts shall take steps to avoid issuing any credit analyses or reports that knowingly contain misrepresentations or are otherwise misleading as to the general creditworthiness of an issuer or obligation.
- 2.1.7 Fitch shall ensure that it has and devotes sufficient resources to carry out high-quality credit assessments of all obligations and issuers it rates. When deciding whether to rate or continue rating an obligation or issuer, Fitch shall assess whether it is able to devote sufficient personnel with sufficient skill sets to take a proper rating action and whether its personnel likely will have access to sufficient information needed in order to take such action. Fitch shall adopt reasonable measures so that the information it uses in assigning a rating is of sufficient quality to support a credible rating. If the rating involves a type of

structured financial product presenting limited historical data (such as an innovative financial vehicle), Fitch shall disclose, clearly and in a prominent place, such limitation.

- 2.1.7-1 Fitch shall establish a review body made up of one or more senior managers with appropriate experience to review the feasibility of providing a rating for a type of structure that is materially different from the structures Fitch has rated.
- 2.1.7-2 Fitch shall establish and implement a rigorous and formal review body responsible for periodically reviewing the methodologies and models and significant changes to the methodologies and models it uses. Where feasible and appropriate for the size and scope of its rating services, this body shall be separate from the business lines that are principally responsible for rating various classes of issuers and obligations.
- 2.1.7-3 Fitch shall assess whether existing methodologies and models used in the process of determining ratings of structured products are appropriate when Fitch has determined that the risk characteristics of the assets underlying the relevant structured product have changed materially. Fitch shall refrain from issuing a rating in the case of a new, complex type of structured product, unless Fitch has determined that it has sufficient information and expertise to analyze such product.
- 2.1.8 Fitch shall structure its rating teams to promote continuity and avoid bias in the rating process.

## B. Monitoring and Updating

- 2.1.9 Fitch shall ensure that adequate personnel and financial resources are allocated to monitoring and updating its ratings. Except for point-in-time ratings that Fitch clearly identifies as such, once a rating is published Fitch shall, in accordance with its established policies and procedures on surveillance and based solely upon information it receives from issuers and other public information sources, monitor on an ongoing basis and update the rating by:
  - a. Regularly reviewing the issuer's creditworthiness;
  - b. Initiating a review of the rating upon becoming aware of any information that it believes might reasonably be expected to result in a rating action (including withdrawal of a rating), consistent with the relevant criteria and methodologies; and
  - c. Updating on a timely basis the rating, as appropriate, based on the results of any such review.

Where appropriate, subsequent monitoring should incorporate all cumulative experience obtained. Changes in Fitch's criteria and assumptions shall be applied, where appropriate, to both existing ratings and subsequent ratings.

2.1.9-1 In cases where Fitch uses separate analytical teams for determining initial ratings and for subsequent monitoring of structured finance products, each team shall have the requisite level of expertise and resources to perform its respective functions in a timely manner.

2.1.10 Fitch reserves the right to withdraw any rating at any time for any reason, including withdrawal, without notice, if a rating committee concludes that Fitch lacks sufficient information to maintain the rating or that any information provided to Fitch is unreliable. In the event a public rating is withdrawn, Fitch shall publish an appropriate commentary that includes the current rating(s) and states that the rating(s) has/have been withdrawn and that Fitch will no longer provide the rating(s) or analytical coverage of the issuer.

## C. Integrity of the Rating Process

2.1.11 Fitch and its employees shall comply with all applicable laws and regulations governing its activities in each jurisdiction in which it operates.

2.1.12 Fitch and its employees shall deal fairly and honestly with issuers, investors, other market participants and the public.

2.1.13 Fitch's analysts shall be held to high standards of integrity, and, subject to applicable law, Fitch shall not knowingly employ individuals where there is evidence that they have compromised integrity.

2.1.14 Fitch and its employees shall not, either implicitly or explicitly, give any assurance or guarantee of a particular rating prior to the final rating decision being taken in accordance with Fitch's established policies and procedures. Nothing herein shall preclude Fitch from continuing to provide rating assessments and credit assessments — that is, an assessment of creditworthiness that does not constitute a rating in that the analysis is based on hypothetical scenarios and/or limited information.

2.1.14-1 Fitch shall prohibit its analysts from making proposals or recommendations regarding the design of structured finance products that Fitch rates. Consistent with this prohibition, in assessing the credit risk of a structured finance transaction, Fitch's analysts may properly hold a series of discussions with an issuer or its agents in order to: (1) understand and incorporate into their analysis the particular facts and features of the structured finance transaction, and any modification, as proposed by such issuer or its agents; and (2) explain to such

issuer or its agents the rating implications of Fitch's methodologies as applied to such issuer's proposed facts and features.

- 2.1.15 Fitch's Chief Compliance Officer and staff shall oversee compliance with this Code, the policies referred to herein and all applicable laws and regulations. The Chief Compliance Officer, and any member of the compliance staff, shall not vote on any rating committees and shall not report to any party responsible for the operational management of the rating function. Their compensation shall be independent of Fitch's rating operations. The Chief Compliance Officer shall oversee the design, implementation and performance of a periodic review process through which compliance with this Code and the policies and procedures of Fitch shall be thoroughly assessed.
- 2.1.16 Fitch's employees are not expected to be experts in the law. Nonetheless, its employees are expected to report to the Chief Compliance Officer, or his or her designee, the activities about which they have knowledge that a reasonable person would question as a potential violation of this Code or applicable law. The Chief Compliance Officer, or his or her designee, shall determine the merits of the situation and, if warranted, take appropriate action, as determined by Fitch's policies and procedures and applicable laws and regulations of the relevant jurisdiction. Any employee who, in good faith, makes such a report shall not be retaliated against by Fitch or any other employees of Fitch. The Chief Compliance Officer shall establish and maintain procedures for employees to report any illegal, unethical or inappropriate conduct, including, to the extent practical, through various telephonic and electronic means, on both an anonymous and a disclosed basis. Failure by any Fitch employee to comply with the provisions of this Code could result in disciplinary action being taken against such employee, including the dismissal of such employee.

## 2.2 Independence and Avoidance of Conflicts of Interest

### A. General

- 2.2.1 Fitch shall not forbear or refrain from taking a rating action based on the potential effect (economic, political or otherwise) of the rating action on Fitch, an issuer, an investor or other market participant.
- 2.2.2 Fitch and its analysts shall use care and professional judgment to maintain both the substance and appearance of independence and objectivity. All employees shall comply with the provisions of the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy*, which is available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct". All employees must use special care to avoid even the appearance of a conflict. An appearance of a conflict arises when a reasonable investor or issuer could believe that other interests,

responsibilities or duties of the employee give rise to bias even if the employee believes that he or she can make an unbiased decision.

- 2.2.3 The determination of a rating shall be influenced only by factors known to the relevant rating committee and believed by it to be relevant to such rating.
  - 2.2.4 The rating Fitch assigns to an issuer or security shall not be affected by the existence of or potential for a business relationship between Fitch (or its affiliates) and the issuer (or its affiliates) or any other party, or the non-existence of such a relationship.
  - 2.2.5 Fitch shall separate, operationally and legally, its rating business and rating analysts from any other Fitch businesses, including consulting businesses, that may present a conflict of interest. Fitch shall maintain and publish a formal Firewall Policy governing firewalls and operations between Fitch and its non-rating affiliates to mitigate potential conflicts of interest. This policy is available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct". Fitch shall ensure that ancillary business operations, which do not necessarily present conflicts of interest with Fitch's rating business, have in place procedures and mechanisms designed to minimize the likelihood that conflicts of interest will arise or to appropriately manage those conflicts that may arise. Fitch has defined what it considers, and does not consider, to be an ancillary business and why in Fitch's *Statement on "Definition of Ancillary Business"*, available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct".
- B. Procedures and Policies
- 2.2.6 Fitch shall adopt written internal procedures and mechanisms to (1) identify and (2) eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence the opinions and analyses Fitch makes or the judgment and analyses of the individuals Fitch employs who have an influence on ratings decisions.
  - 2.2.7 Fitch's disclosures of known actual and potential conflicts of interest shall be timely, clear, concise, specific and prominent.
  - 2.2.8 The general nature of Fitch's compensation arrangements with rated entities is as follows: Fitch shall make every effort to manage the potential conflict arising from the payment of fees by issuers and ensure that Fitch's receipt of fees from issuers does not impair the independence, objectivity or integrity of its ratings and rating actions. Fitch shall maintain a set fee schedule and make it available to all issuers and their agents, provided, however, that Fitch reserves the right to periodically revise such fee schedule without prior notice. Fitch shall not base any fees on the success of a bond issue or the issuer achieving any particular rating or other result. Fitch shall disclose in all of its published

research that Fitch is paid fees by the issuers it rates, as well as its range of fees. Any issuer may terminate its fee arrangement with Fitch without fear that its rating will be lowered for that reason. Fitch, however, reserves the right to withdraw any rating at any time for any other reason, including if Fitch deems there is insufficient market interest in the rating or insufficient information to maintain the rating, or both.

- a. If Fitch were to receive from a rated entity compensation unrelated to Fitch's ratings and routine subscription and license fees for its published research and data, such as compensation for consulting services, Fitch shall disclose the proportion such non-rating fees constitute against the fees Fitch receives from the entity for ratings and routine subscriptions and licenses.
- b. Fitch shall disclose if it receives 10 percent or more of its consolidated annual billings for a fiscal year from a single issuer, originator, arranger or subscriber.
- c. Fitch shall encourage issuers and originators of structured finance products to disclose publicly all relevant information with respect to such products to enable investors to conduct their own analyses independently of that of rating agencies. As specified in Clause 3.6 below, Fitch expects that such public disclosure will happen.

2.2.9 In accordance with the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy* (which is available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct"), Fitch's employees shall not engage in any securities or derivatives trading presenting conflicts of interest with their involvement in Fitch's rating activities.

2.2.10 If a rated entity (for example, a government or central bank) has, or is simultaneously pursuing, affiliated oversight functions related to Fitch, Fitch shall use different employees to conduct its rating actions with respect to such entity than those employees involved in its oversight issues.

## C. Analyst and Employee Independence

2.2.11 Reporting lines for Fitch employees and their compensation arrangements shall be structured to eliminate or effectively manage actual and potential conflicts of interest.

- a. An analyst will not be compensated or evaluated on the basis of the amount of revenue that Fitch derives from issuers that the analyst rates or with which the analyst regularly interacts.

- b. Fitch shall conduct formal and periodic reviews of its compensation policies and practices for its analysts and other employees who participate in or who might otherwise have an effect on the rating process to ensure that these policies and practices do not compromise the objectivity of Fitch's rating process.
- 2.2.12 Employees who are directly involved in the rating process shall not initiate, or participate in, discussions regarding fees or payments with any entity they rate.
- 2.2.13 In accordance with the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy* (which is available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct"), no Fitch employee shall participate in or otherwise influence the determination of Fitch's rating of any particular entity or obligation if the employee:
- a. Owns securities or derivatives of the rated entity, other than holdings in diversified collective investment schemes;
  - b. Owns securities or derivatives of any affiliate of a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest, other than holdings in diversified collective investment schemes;
  - c. Has had a recent employment or other significant business relationship with the rated entity that may cause or may be perceived as causing a conflict of interest;
  - d. Has an immediate relation (i.e. a spouse, domestic partner, minor child, other dependants and relatives sharing his/her home) who currently works for the rated entity; or
  - e. Has, or had, any other relationship with the rated entity or any affiliate thereof that may cause or may be perceived as causing a conflict of interest.
- 2.2.14 In accordance with the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy* (which is available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct"), Fitch's analysts and anyone involved in the rating process (or their spouse, domestic partner or minor children) shall not buy or sell or engage in any transaction in any security or derivative based on a security issued, guaranteed or otherwise supported by any entity within such analyst's area of primary analytical responsibility, other than holdings in diversified collective investment schemes.

- 2.2.15 In accordance with the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy* (which is available on Fitch’s free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link “Code of Conduct”), Fitch employees are prohibited from soliciting money, gifts or favors from anyone with whom Fitch does business and are prohibited from accepting gifts offered in the form of cash or any gifts exceeding a minimal monetary value.
- 2.2.16 In accordance with the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy* (which is available on Fitch’s free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link “Code of Conduct”), any Fitch analyst who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest (including, for example, any personal relationship with an employee of a rated entity or agent of such entity within his or her area of analytic responsibility) shall, subject to applicable law, disclose such relationship to the appropriate manager or officer of Fitch.
- 2.2.17 Fitch shall establish a policy and related procedure for reviewing, as appropriate, the past work of analysts that leave the employ of Fitch and join an issuer that any such analyst has been significantly involved in rating or a financial firm with which any such analyst has had significant dealings as part of his or her duties at Fitch.
- 2.3. Responsibilities to the Investing Public and Issuers
- A. Transparency and Timeliness of Ratings Disclosure
- 2.3.1 Fitch shall make every reasonable effort to ensure that the time between a rating committee determining a final rating action and the distribution of that rating action and related commentary should be as short as reasonably possible.
- 2.3.2 Fitch’s policy for distributing public ratings and the related commentary and updates is as follows: Fitch shall publish all public ratings, and related rating actions and opinions, including any withdrawal of a rating, free of charge on a non-selective basis on its free public website, [www.fitchratings.com](http://www.fitchratings.com). Simultaneously with the publication of any initial public rating or subsequent rating action, Fitch shall distribute an appropriate announcement of such rating or rating action, together with related commentary, through such wire services and other media outlets as Fitch may determine are appropriate to disseminate such ratings and rating actions.
- 2.3.3 Fitch shall indicate with each of its ratings when such rating was last updated. Each rating announcement shall also indicate the principal methodology or methodology version that was used in determining the rating and where that

methodology can be found. Where the rating is based, to a significant extent, on more than one methodology or where a review of only the principal methodology might cause financial market professionals to overlook other important aspects of the rating, Fitch shall indicate where the different methodologies and other important aspects, as the case may be, that were factored into the rating decision can be found.

- 2.3.4 Except for private ratings provided only to the requesting party, Fitch shall disclose to the public, on a non-selective basis and free of charge, any rating regarding publicly issued securities, or public issuers themselves, as well as any subsequent decisions to withdraw such a rating, if the rating action is based in whole or in part on material non-public information.
- 2.3.5 Fitch shall base its rating analyses and rating decisions, which are Fitch's opinions, upon Fitch's established criteria, methodologies and ratings definitions, applied in a consistent manner. All rating criteria and methodologies shall be available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com). Fitch's criteria, methodologies and ratings definitions shall identify the specific factors that it considers during the rating and surveillance processes.
- a. Where Fitch assigns an initial rating to a structured finance product, it shall provide investors with sufficient information about its loss and cash-flow analysis so that a financial market professional can understand the basis for Fitch's rating. To the extent practical, Fitch shall also disclose the degree to which it analyzes how sensitive a rating of a structured finance product is to changes in Fitch's underlying rating assumptions.
  - b. In its rating action commentary, Fitch shall differentiate its ratings of structured finance products from traditional corporate bond ratings through the inclusion of additional commentary or an appropriate modifier to the ratings. Fitch shall clearly define a given rating symbol and apply it in a consistent manner for all types of securities to which that symbol is assigned.
  - c. Fitch shall clearly indicate the attributes and limitations of each rating and the limits to which Fitch verifies information provided to it by the issuer or originator of a rated security (as to which latter point, see Clause 4.4 below).
- 2.3.6 When Fitch publishes a rating, or takes any other rating action with respect to a published rating, Fitch shall explain in the related commentary and reports the elements the rating committee found key to such rating or rating action, subject to any applicable laws with respect to the disclosure of confidential information and any restrictions imposed by applicable confidentiality agreements. Fitch shall always maintain complete editorial control over all rating actions, related

commentaries and all of its other published materials, including all reports, criteria, methodologies, ratings definitions and other policies and procedures. This control shall extend to when, and whether, Fitch shall take, or publish, any rating action.

- 2.3.7 To the extent reasonably feasible and appropriate, prior to issuing or revising a rating, Fitch shall provide the issuer advance notification of all rating actions and a copy of the commentary to be published with respect to such action, including the critical information and principal considerations upon which the rating decision has been based. Fitch provides such notification and related commentary solely to allow the issuer to check for factual accuracy or the presence of non-public information. Fitch shall duly evaluate any comments made by the issuer; however, the issuer may not propose any drafting or editorial changes to the commentary provided, other than to correct factual errors or remove references to non-public information. Fitch always retains the right to publish the commentary at the most appropriate time and in whatever form it deems most appropriate in its editorial judgment. In certain circumstances, Fitch in its sole discretion may decide not to provide such advance notification if timely dissemination of the rating committee decision would be compromised. In such cases, Fitch shall inform the issuer as soon as practical thereafter and, generally, shall explain the reason for not notifying the issuer. Subject to the exceptions set forth below, Fitch shall review any rating action when requested by an issuer to do so if the issuer provides to Fitch, in a timely manner, new or additional information that Fitch believes to be relevant to the rating. In certain event- or performance-driven situations, such as rating actions necessitated by an extraordinary transaction or event, or in the case of evidence of fraud, market manipulation, selective disclosure of the rating action or other inappropriate conduct, Fitch reserves the right to issue and publish a rating action without giving the issuer an opportunity to request such a review.
- 2.3.8 In order to promote transparency and to enable the market to best judge the aggregate performance of its ratings on debt instruments, Fitch, where possible, shall conduct periodic studies on the performance of Fitch-rated securities and issuers, including current and historical default rates by rating category and rating transition analyses. Fitch shall make all transition and default studies available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com). Where feasible, this information shall include verifiable, quantifiable historical information about the performance of its ratings, organized and structured, and, where possible, standardized in such a way to assist financial market professionals in drawing performance comparisons between different rating agencies.
- 2.3.9 For each rating, Fitch shall, in accordance with its *Rating Initiation and Participation Disclosure Policy*, available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), do the following: (i) disclose whether the issuer participated in the rating process; and (ii) identify as such each rating not initiated by or on behalf of the issuer.

- 2.3.10 Fitch shall review, and update to the extent it deems appropriate, its criteria and methodologies on a regular basis. Fitch shall publicly disclose any material modification to its methodologies and significant practices, procedures and processes. Where feasible and appropriate, Fitch shall undertake to disclose planned material modifications prior to the effective dates of such modifications. Fitch shall consider the various uses of ratings before modifying its methodologies, practices, procedures and processes.
- B. The Treatment of Confidential Information
- 2.3.11 Fitch is routinely in receipt of non-public information, which it uses as part of its analysis and ratings decisions and which is reflected in the relevant ratings. All employees shall maintain the confidentiality of all non-public information in accordance with the *Fitch Ratings Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy*, which is available on its free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link “Code of Conduct”.
- 2.3.12 In accordance with the aforementioned Policy, Fitch shall use confidential information only for purposes related to its rating activities or otherwise in accordance with any confidentiality agreements with the issuer.
- 2.3.13 In accordance with the aforementioned Policy, Fitch employees shall take all reasonable measures to protect all property and records belonging to or in the possession of Fitch from fraud, theft or misuse.
- 2.3.14 In accordance with the aforementioned Policy, Fitch employees shall be prohibited from engaging in transactions in securities when they possess confidential information concerning the issuer of such security.
- 2.3.15 Fitch employees shall familiarize themselves with the aforementioned Policy and periodically certify their compliance as required by such Policy.
- 2.3.16 During the regular course of business, Fitch expects that its analysts will have discussions with market participants about its ratings opinions and rating actions. These conversations, however, shall not go beyond the scope of Fitch’s published analysis, express any opinion that is not consistent with Fitch’s published view or disclose any non-public information or privileged information relating to Fitch’s internal deliberations. Analysts are prohibited from disclosing any rating or rating action or anticipated rating action to any person, other than the issuer and its agents, prior to the publication of the rating or rating action and its related commentary.
- 2.3.17 In accordance with the aforementioned Policy, Fitch employees shall not share confidential information within Fitch except on a “reason to know” basis. Fitch employees may share confidential information with employees of any of Fitch’s

affiliates if such employees are assisting Fitch with ratings related work and are bound by appropriate confidentiality restrictions.

- 2.3.18 In accordance with the aforementioned Policy, Fitch employees shall not use or share confidential information for the purpose of trading securities or for any other purpose except the conduct of Fitch's business. Except as required under any applicable law, rule or regulation, or at the proper request of any governmental agency or authority, Fitch's internal deliberations and the identities of individuals who participated in a rating committee will be kept strictly confidential and will not be disclosed to persons outside of Fitch.

## 2.4. Disclosure of this Code and Communication with Market Participants

- 2.4.1 This Code is based on the provisions of the IOSCO Principles Regarding the Activities of Credit Rating Agencies and the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies. Fitch will disclose on a timely basis any changes to this Code or to how this Code is implemented and enforced.

- 2.4.2 All market participants and the public are welcome to have a voice regarding Fitch and its policies, including raising any questions, concerns or complaints they may have. Comments should be directed to the relevant Regional Credit Officer within the global Credit Policy Group, according to the location of the respondent. The Regional Credit Officers report directly to the Chief Credit Officer and, among their other responsibilities, are responsible for tracking comments from third parties and responding to inquiries. The Regional Credit Officers will notify Fitch's senior management of substantive third-party comments, which will be considered as Fitch formulates or revises its policies and procedures, or both. Contact information for the Regional Credit Officers is available on Fitch's free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct".

- 2.4.3 Fitch shall publish in a prominent position on the homepage of its free public website, [www.fitchratings.com](http://www.fitchratings.com), links to: (1) this Code; (2) its methodologies; and (3) its transition and default studies.

## 3. What Fitch Expects of Issuers

- 3.1 Fitch expects that each issuer that has agreed to participate in the rating process, or its agents, will promptly supply to Fitch all information relevant to evaluating the ratings on such issuer or the relevant securities, including, without limitation, all material changes in any information previously provided, potential material events and the issuer's overall financial condition, which may require communication of non-public information to Fitch.

- 3.2 Fitch expects all such information to be timely, accurate and complete in all respects.
  - 3.3 Fitch expects issuers to respond to its questions as quickly as possible and to explain the reasons for any delay.
  - 3.4 During any time period in which an issuer is reviewing commentary or reports to be published by Fitch, Fitch expects such issuer will not disclose such commentary or reports in advance of Fitch's publication or take advantage of such delay in publication in any way.
  - 3.5 Should an issuer choose to stop cooperating with Fitch in the rating process at any time, Fitch also reserves the right to continue to rate the issuer or any securities issued by the issuer, based on the information previously provided to Fitch by the issuer or its agents and any other public and/or non-public information available to Fitch.
  - 3.6 Fitch expects that structured finance issuers and arrangers, and originators of structured finance products, will publicly disclose all relevant information regarding these products so that investors and other rating agencies can conduct their own analyses independently of the rating agency/agencies solicited by or on behalf of the issuers and/or originators to provide ratings.
4. Disclaimers
    - 4.1 Fitch is publishing this Code on its free public website, [www.fitchratings.com](http://www.fitchratings.com), on the homepage, under the link "Code of Conduct". However, with such publication, Fitch does not intend to assume, and is not assuming, any responsibility or liability to any party arising out of, or with respect to, this Code. This Code is not intended to, and does not, form a part of any contract with anyone, and no one shall have any right (contractual or otherwise) to enforce any of this Code's provisions, either directly or indirectly. Fitch may amend this Code at its sole discretion, in any way Fitch sees fit at any time.
    - 4.2 Ratings assigned by Fitch are opinions based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. Users of ratings should be aware that Fitch's ratings are opinions reflecting the ability of an entity or a securities issue to meet financial commitments such as interest, preferred dividends and repayment of principal, in accordance with their terms. Ratings are not themselves facts and therefore cannot be described as being "accurate" or "inaccurate". Users should refer to the definition of each individual rating for guidance on the dimensions of risk covered by such rating.

Fitch's opinions are forward looking and include analysts' views of future performance. In many cases, these views on future performance may include forecasts, which may in turn (i) be informed by non-disclosable management projections, (ii) be based on a trend

(sector or wider economic cycle) at a certain stage in the cycle or (iii) be based on historical performance. As a result, while ratings may include cyclical considerations and typically attempt to assess the likelihood of repayment at “ultimate/final maturity”, material changes in economic conditions and expectations (for a particular issuer) may result in a rating change.

- 4.3 Credit ratings do not directly address any risk other than credit risk. In particular, ratings do not deal with the risk of loss due to changes in interest rates and other market considerations. Credit ratings do not comment on the adequacy of market price or market liquidity for rated instruments, although such considerations may affect Fitch’s view on credit risk, such as access to capital or likelihood of refinancing.

Ratings are relative measures of risk; as a result, the assignment of ratings in the same category to entities and obligations may not fully reflect small differences in the degrees of risk. Credit ratings, as opinions on relative ranking of vulnerability to default, do not imply or convey a specific statistical probability of default, notwithstanding Fitch’s published default histories that may be measured against ratings at the time of default. Credit ratings are opinions on relative credit quality and not a predictive measure of specific default probability.

All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

- 4.4 In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of Fitch’s factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of Fitch’s ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its

advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed. If any such information should turn out to contain misrepresentations or to be otherwise misleading, the rating associated with that information may not be appropriate. The assignment of a rating to any issuer or any security should not be viewed as a guarantee of the accuracy, completeness or timeliness of the information relied on in connection with the rating or the results obtained from the use of such information.

- 4.5 Fitch does not have a fiduciary relationship with any issuer, subscriber or other individual. Nothing is intended to or should be construed as creating a fiduciary relationship between Fitch and any issuer or between Fitch and any user of its ratings.
- 4.6 Ratings do not constitute recommendations to buy, sell or hold any security nor do they comment on the adequacy of market price, the suitability of any security for a particular investor or the tax-exempt nature or taxability of any payments of any security.
- 4.7 Ratings may be changed, qualified, placed on Rating Watch or withdrawn as a result of changes in, additions to, accuracy of, unavailability of or inadequacy of information or for any reason Fitch deems sufficient.
- 4.8 Fitch does not provide to any party any financial advice or legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.
- 4.9 The assignment of a rating by Fitch shall not constitute consent by Fitch to use its name as an expert in connection with any registration statement, offering document or other filings under any relevant securities laws.

**Bulletin #:** 4

## **Policy on Business and Relationship Management**

**Effective Date:** 16 February 2011

**Version:** 5

**Author:** Business & Relationship Management Group

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### **1. INTRODUCTION**

#### **A. General Principles**

1. All discussions with an issuer and the originator, arranger, sponsor, servicer or any other party that interacts with Fitch on behalf of the issuer, including any person directly or indirectly linked to that issuer by control (collectively, the issuer's Agents) concerning rating fees and fee arrangements must be handled by members of the business and relationship management (BRM) team. This policy applies to all groups in the firm worldwide. Although it is generally not possible to prevent issuers and their Agents from raising issues concerning fees with analysts, in such cases analysts must refer these inquiries to a member of the relevant BRM team.
2. Access to, and dissemination of, detailed fee information (at the issuer and transaction level) is limited to appropriate members of the BRM teams, Fitch's finance and accounting staff and, if requested, members of the Legal and Compliance Groups.
3. Receipt of group-level financial information — including revenues, P&L and market share data — is limited to Group Managing Directors and regional group heads at the level of Managing Director within the analytical teams (for example, the head of US Corporates, EMEA Corporates, US Banks, APAC Structured Finance etc.), appropriate members of the BRM teams and, if requested, members of the Legal and Compliance Groups.
4. Group Managing Directors and regional group heads may be consulted by BRM staff in developing revenue budgets, as part of the regular and ongoing financial reviews, in revising relevant fee schedules, and to understand the complexity of innovative transactions for fee-setting purposes.
5. Exceptions to this policy must be approved in advance by a GMD. However, no exceptions may be granted that conflict with the provisions of Sections 1.A.1, 1.A.2 or 1.A.3 of this policy, other than those necessary to manage its smooth introduction in Fitch's international offices. Any exceptions granted for this purpose must be for a maximum of 12 months. Notifications of all exceptions granted must be sent to the Lotus Notes Exception Log mailbox.

### **2. FEE NEGOTIATION AND THE COMMENCEMENT OF THE ANALYTICAL PROCESS**

#### **A. Structured Finance**

**The following principles must be followed for all structured finance mandates:**

1. Members of either the BRM team or the relevant analytical team may receive deal information from the issuer and/or its Agents. Whichever team receives the information is responsible for entering it into the appropriate database.
2. BRM is responsible for pricing each request for rating services and for entering the fee into the appropriate Fitch system.
3. Only BRM staff may communicate with the issuer and/or its Agents regarding fees and other commercial terms relating to Fitch's rating services.
4. Once all commercial terms are agreed, BRM is responsible for notifying the analytical team that they may start the assessment or rating assignment. This notification must make clear which analytical product is to be provided.

5. All questions regarding specific fees or general pricing policy received by credit analysts must be forwarded to the appropriate contact within BRM for resolution.

## **B. Corporate and Public Finance**

### **The following principles must be followed for all corporate and public finance rating mandates:**

1. BRM is responsible for pricing each request for rating services and for entering the fee into the appropriate Fitch system.
2. Only BRM staff may communicate with the issuer and/or its Agents regarding fees and other commercial terms of Fitch's rating services.
3. Once all commercial terms are agreed, BRM is responsible for notifying the analytical team that they may start the assessment or rating assignment. This notification must make clear which analytical product is to be provided.
4. All questions regarding specific fees or general pricing policy received by credit analysts must be forwarded to the appropriate contact within BRM for resolution.

## **3. THE PREPARATION AND DISSEMINATION OF REVENUE, BUDGET AND MARKET SHARE INFORMATION**

### **A. Revenue and Budget Data**

1. Finance and accounting staff may only provide and discuss information concerning individual fees for issuers and transactions with members of BRM and, if requested, the Legal and Compliance Groups.
2. BRM is responsible for preparing projected monthly revenue estimates and for providing these estimates to Accounts.
3. BRM is responsible for preparing annual budgets and fee schedules in consultation with appropriate regional group heads and Group Managing Directors.
4. Finance and accounting staff are responsible for producing sector and group-level revenue information. This information may only be shared with applicable BRM staff, regional analytical group heads, Group Managing Directors and, if requested, members of the Legal and Compliance Groups.

### **B. Market Share Information**

1. Since considerations of market share and other business interests must not influence ratings, criteria, methodology or models, the distribution of consolidated market share information must be limited to members of the BRM team, finance and accounting staff, regional analytical group heads, Group Managing Directors and, if requested, members of the Legal and Compliance Groups.

## **4. INTERACTION WITH ISSUERS, BANKERS AND INVESTORS**

### **A. Interactions with Issuers**

1. Any meetings, discussions or other interactions organized for the sole purpose of enabling Fitch to secure new business, or future business from existing issuers, must be led by a member of the BRM team.
2. Analytical staff typically titled Director or above may attend meetings, discussions and interactions arranged solely to secure new or future business, but only for the purpose of discussing analytical views and credit considerations. Each regional group head has discretion to limit such participation to the level of Senior Director or higher.
3. No fee discussions may occur at any meetings, discussions or other interactions where analytical staff are present. Thus, as necessary, analytical staff must excuse themselves from the discussions.
4. If a meeting, discussion or other interaction is intended to cover both analytical and business topics, a BRM representative must attend. Analytical staff typically titled Director or above may attend unless the relevant regional group head has limited such participation to analytical staff titled Senior Director or higher. However, no fee discussions may occur while analytical staff are present. Thus, as necessary, analytical staff must excuse themselves from the discussions.

5. If a meeting is intended to cover only analytical topics, such as annual credit reviews, special reports or criteria or rating methodologies, BRM staff are not required to be present. However, they may attend where appropriate to address new developments at Fitch, such as an expansion of Fitch's rating coverage or Fitch's impact in the market. Where broad topics of this nature regarding Fitch itself are discussed with issuer management, they should form a discussion clearly separated from that carried out on analytical topics.
6. All inquiries regarding commercial issues received from issuers by analysts must be forwarded to, and addressed by, the appropriate person within BRM.
7. With the prior approval of their Group Managing Director, analytical staff may invite an issuer's employee(s) to be their guest at appropriate business entertainment events (e.g. a business meal). No fee discussion or solicitation of new or future business may occur during the event. Analytical staff may seek reimbursement for the event in accordance with Fitch's reimbursement policy.

## **B. Interaction with Agents**

1. Any meetings, discussions or other interactions organized for the sole purpose of enabling Fitch to secure new business or future business from Agents must be led by a member of the BRM team.
2. Analytical staff typically titled Director or above may attend meetings, discussions and interactions arranged solely to secure new or future business, but only for the purpose of discussing analytical views and credit considerations. Each regional group head has discretion to limit such participation to the level of Senior Director or higher.
3. No fee discussions may occur at any meetings, discussions or other interactions where analytical staff are present. Thus, as necessary, analytical staff must excuse themselves from the discussions.
4. If a meeting, discussion or other interaction is intended to cover both analytical and business topics, a BRM representative must attend. Analytical staff typically titled Director or above may attend unless the relevant regional group head has limited such participation to analytical staff titled Senior Director or higher. However, no fee discussions may occur while analytical staff are present. Thus, as necessary, analytical staff must excuse themselves from the discussions.
5. If a meeting is intended to cover only analytical topics, such as annual credit reviews, research for special reports or criteria or rating methodologies, BRM staff are not required to be present. However, they may attend where appropriate to address new developments at Fitch, such as an expansion of Fitch's rating coverage or Fitch's impact in the market. Where broad topics of this nature regarding Fitch itself are discussed with Agents, they should form a discussion clearly separated from that carried out on analytical topics.
6. All inquiries regarding commercial issues received from Agents by analysts must be forwarded to, and addressed by, the appropriate person within BRM.
7. With the prior approval of their Group Managing Director, analytical staff may invite an Agent's employee(s) to be their guest at appropriate business entertainment events (e.g. a business meal). No fee discussion or solicitation of new or future business may occur during the event. Analytical staff may seek reimbursement for the event in accordance with Fitch's reimbursement policy.

## **C. Interactions with Investors**

1. Analytical staff are encouraged to be responsive to investor inquiries and should proactively interact with investors on analytical topics.
2. Analysts should refer to Section XXI of the relevant Credit Bulletin 2 (Rating Process Manual) for further instruction.
3. Associate Directors and above may attend one-on-one investor meetings.
4. With the prior approval of their Group Managing Director, analytical staff may invite an investor's employee(s) to be their guest at appropriate business entertainment events (e.g. a business meal). No fee discussion or solicitation of new or future business may occur during the event. Analytical staff may seek reimbursement for the event in accordance with Fitch's reimbursement policy.
5. All interaction must be documented in the appropriate Relationship Management System.

## **D. Conferences and Business Networking Events**

1. Analytical staff titled Associate Director or above may speak at conferences, subject to the provisions of this policy, Section XXI of the relevant Credit Bulletin 2 (Rating Process Manual) and the approval of their regional group head.
2. Any analytical staff may attend conferences subject to the approval of their line manager.
3. Analytical staff titled Associate Director or above may attend receptions and social events hosted by issuers or bankers that are widely attended by a broad range of market participants subject to the approval of their line manager and subject to Fitch's Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy.

If an analyst has any question regarding this policy, the analyst shall address the question to his or her respective managing director.

Bulletin #: 10

## Firewall Policy

**Effective Date:** 16 August 2010

**Version:** 2

**Responsibility:** Legal Department

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A. Fitch Group, Inc. (“Fitch”) through its subsidiaries Fitch, Inc. (“Fitch Ratings”), Fitch Solutions, Inc., Fitch Training, Inc., and Algorithmics, Inc., is a leading provider of both credit ratings and business and consulting services to the global marketplace. The business and consulting activities of Algorithmics, Inc. and Fitch Training, Inc. complement the credit ratings and credit risk analysis of Fitch Ratings and allow both the rating agency and its non-rating affiliates and subsidiaries to provide enhanced services to the marketplace. Fitch recognizes, however, that maintaining the integrity of the rating process, by ensuring objectivity and the confidentiality and proper use of client information, is of paramount importance.

B. As a result, Fitch, together with (i) Fitch Ratings and each of Fitch Ratings’ rating affiliates and subsidiaries (collectively, “Ratings”) and (ii) each of the non-rating subsidiaries of Fitch (collectively, “Non-Ratings Affiliates” or “NRA”), including: Fitch Training, Inc. and Algorithmics, Inc., as well as any division, office or branch of Ratings that engages in an “ancillary business”, as this term is described in Fitch Ratings’ Bulletin #30 “Statement on ‘Definition of Ancillary Business’” have implemented the following policies and procedures intended to reduce the likelihood that (x) any advisory, consulting or other ancillary business will influence the rating activities of Ratings, (y) subject to paragraph D below, NRA personnel will become privy to confidential information possessed by Ratings or (z) subject to paragraph D below, confidential information regarding NRA clients will be accessed by the personnel at Ratings responsible for making rating decisions. In addition, to avoid even the appearance of a conflict of interest, for purposes of this Firewall Policy, the Fitch Solutions division of Fitch Ratings Ltd, a wholly-owned subsidiary of Fitch, Inc.(“FRL”), is treated as an NRA.

- 1) No Ratings analyst shall disclose any information regarding an individual issuer to any Non-Rating Affiliate employee, except as it relates to sharing of information for research or product development, as set forth below;
- 2) Employees of Non-Rating Affiliates shall not disclose to any analyst of Ratings any information on the nature of any NRA engagement, including the fee paid to the NRA;
- 3) NRA personnel shall not sit on any rating committee or provide any information for any Ratings report regarding the business or prospects of any

- NRA client;
- 4) No Ratings analyst shall also be an employee of any NRA;
  - 5) NRA employees shall not request any confidential information concerning a client from any analyst of Ratings;
  - 6) Ratings analysts shall not recommend the purchase of any product or service from any NRA. No employee of Fitch, whether employed by Ratings or a Non-Ratings Affiliate, shall (i) suggest or imply that the purchase of any particular product or service from any NRA will have a favorable effect on a rating or (ii) suggest or imply that the purchase of any particular product or service from any NRA, as opposed to the purchase of a competing product or service from any NRA competitor, will have a favorable effect on a rating. Ratings analysts shall refer any inquiry about the goods and services of a Non-Ratings Affiliate to an appropriate person at the Non-Ratings Affiliate;
  - 7) NRA employees shall not recommend to their respective clients the purchase of services from Ratings as part of their engagement with such clients. NRA employees shall refer any inquiry about the ratings services of Ratings to an appropriate person at Ratings; and
  - 8) Any actual or suspected leak of information must be reported to the relevant compliance officer of the respective company immediately.

C. To further mitigate the inappropriate flow of information between Non-Ratings Affiliates and Ratings, employees of the respective companies must, to the extent practical, be physically segregated. In addition, to the extent practical, the information and data of Ratings and Non-Rating Affiliates must be located on separate servers. Consistent with Fitch's general policies and procedures, employees of Ratings and Non-Rating Affiliates should remove any confidential documents in their offices from plain sight.

D. Non-Ratings Affiliates and Ratings may collaborate on research projects and/or product development provided such research (i) is not specific to a particular company and (ii) does not provide a ratings analyst with information concerning a specific NRA client. Consistent with this policy, Ratings and Non-Ratings Affiliates also may jointly sponsor events and conferences and their respective employees may appear on panels and seminars together. Ratings and any NRA are free to exchange aggregate level data and to provide products and services to each other in a manner consistent with how such products and services are provided to third-parties. In addition, administrative functions, including: legal, accounting, technology, corporate communications and human resources services, may be shared by Ratings and Non-Ratings Affiliates. Finally, the marketing departments of the respective companies may cooperate on the sale and distribution of their products.

- E. Fitch's ultimate holding company is Fimalac, S.A., a French joint stock company.
1. No member of the board, officer or employee of Fimalac, S.A. is permitted to participate in any rating matters at Ratings nor participate in any rating committee. However, if any such person is an independent director of Fitch Ratings or FRL then

- in addition to his or her general duties as a member of the board, he or she must also monitor the (i) development of rating policy and methodologies, (ii) effectiveness of the relevant company's policies and procedures to identify and eliminate or manage and disclose conflicts of interest, (iii) effectiveness of the relevant company's internal quality control system as such system applies to rating activities and (iv) compliance and governance processes of the relevant company.
2. Whenever Fimalac, S.A. has an equity interest of greater than 5% in a rated entity, or where Marc Ladreit de Lacharrière, the controlling shareholder of Fimalac, S.A. has an equity interest of greater than 5% in or serves on the board of, a rated entity, disclosure of this fact must be made in public commentary announcing the rating and any changes subsequent to, or affirmations of, the rating.
- F. The Hearst Corporation owns an equity interest in Fitch.
1. No member of the board, officer or employee of Hearst is permitted to participate in any rating matter at Ratings or participate in any rating committee.
  2. Whenever Hearst controls an entity rated by a Ratings company disclosure of this fact must be made in the public commentary announcing the ratings and any subsequent changes to or affirmations of the ratings.
- G. In some cases, third parties hold shares in a Ratings company due to restrictions on foreign ownership and historic shareholdings.
1. No shareholder other than the appropriate Ratings company shall be involved in the day-to-day rating operations of, or credit reviews undertaken by, that subsidiary or affiliate.
  2. In the few cases where a Ratings company maintains public ratings on entities in which such a third party has an interest, or on the third party itself, this fact shall be disclosed in the public commentary announcing the ratings and any subsequent changes to, or affirmations of, the ratings.

**Bulletin #:** 13

**Effective Date:** 3 January 2011

**Version:** 8

**Author:** Compliance Group

# **Worldwide Confidentiality, Conflicts of Interest and Securities Trading Policy**

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## **I. Knowledge and Compliance**

Other than its employees, Fitch Ratings' reputation is its most valuable asset. To protect Fitch's credibility and reputation, employees must diligently comply with the various securities laws and take every precaution to avoid conflicts of interest or any appearance of a conflict of interest. Consequently, every Fitch employee must fully understand and comply with this Confidentiality, Conflicts of Interest and Securities Trading Policy (the "Policy").

## **II. Definitions**

In this Policy, the following definitions are used:

- a. "Brokerage Account" means any account Owned by a Fitch employee or any member of an employee's Immediate Family, in which the employee is able to trade Securities, whether or not he or she currently does so. In other words, if an employee Owns a Brokerage Account that currently holds only diversified mutual funds, but in which he or she has the ability to trade Securities, the account is still included in the definition of Brokerage Account. A Brokerage Account also includes accounts in which the employee holds no Securities or funds, as long as he or she is able to trade in the account. A Brokerage Account does not include an account at a mutual fund family in which an employee can only hold the mutual funds of that fund family.
- b. "Chief Compliance Officer" means the person designated by the Board of Directors of Fitch, Inc. as the Chief Compliance Officer for Fitch Ratings worldwide. The Chief Compliance Officer is responsible for overseeing compliance with this Policy. "Compliance" refers to the Chief Compliance Officer, Managing Director (MD), Global Compliance, Regional Compliance Officer for Europe, Middle East, Africa, and Asia, and the staff assigned to the Compliance Group who are responsible for overseeing compliance with this Policy.
- c. "Immediate Family" means an employee's spouse, domestic partner, minor children, other dependents, and relatives sharing his or her home. Any company, trust or other entity managed by, directly or indirectly owned or controlled by, set up for the benefit of, or whose economic interests are substantially equivalent to those of an employee's Immediate Family, such as a trust created by an employee's parents for his or her minor children, is also considered a member of an employee's Immediate Family.
- d. "Inside Information" means all information that is not generally known by the public. Information is not Inside Information if it is (i) contained in public disclosure documents (prospectuses, offering circulars, annual and quarterly reports and filings with the US Securities and Exchange Commission, other government authorities or stock exchanges which have already been published by the relevant issuer), (ii) contained in a press release issued by the issuer, (iii) contained in a publication or newspaper of general circulation, or (iv) information the issuer has informed us is public.
- e. "Own," "Owns," "Owning," "Owned" and "Ownership" are broadly defined in this Policy. For purposes of this Policy, an employee Owns all Securities and any Brokerage Accounts held in his or her name or in the name of any member of his or her Immediate Family, as well as, all Securities or any Brokerage Accounts held in the name of another person if the employee enjoys the benefits of the Ownership of the Securities or the Brokerage Account (e.g., receipt of income from the Securities or the ability to purchase, sell or vote the Securities).

- f. “Rated Entity” means the issuer, guarantor or credit support provider (letter of credit banks, bond insurers, etc.) with respect to any Security. In addition, it means the sponsor, seller or seller/servicer, originator or arranger with respect to a Security in a structured finance transaction, and the financial advisor with respect to a Security in a U.S. public finance transaction, that is rated or in the process of being rated by Fitch. It also includes any companies that are affiliates of any of those parties. By way of example, Citigroup, Inc. is a Rated Entity in connection with Citibank Credit Card Master Trust I.
- g. “Rating Action” means the assignment of any new rating, or any upgrade, downgrade, confirmation, withdrawal or watch of an existing rating or a report published relating to a Rated Entity or a Security rated by Fitch. The term Rating Action also includes any committee discussions or voting involving any of those actions.
- h. “Sector Fund” means any mutual fund or other collective investment scheme that invests primarily in the Securities of one or more specific industries or industry segments. For example, Sector Funds include all funds that focus on the communications, financial services, healthcare, natural resources, precious metals, real estate, technology and utilities sectors, to name a few.
- i. “Security” means — other than the exceptions set forth in clauses (i) through (vi) below — any stock, note, bond, debenture, certificate, limited partnership share or other financial instrument commonly known as a Security and also includes any put or call option, or any other derivative instrument, relating to a Security. For the purpose of this Policy, a Security does not include:
  - i. If a Fitch employee does not regularly work on ratings of managed funds, shares of diversified mutual funds or other collective investment schemes or money market funds (including single-state tax exempt money market funds). Note that Sector Funds are considered a Security subject to the Ownership restrictions and reporting requirements set forth below.
  - ii. If an employee does not regularly work on sovereign and sub-national ratings, direct obligations of a sovereign nation (including United States Treasury securities) or any agency thereof and obligations fully guaranteed by a sovereign nation or any agency thereof (please note that obligations of government sponsored entities [GSEs] such as Freddie Mac and Sallie Mae are included in the definition of a Security).
  - iii. Investments in any retirement plan or savings and investment plan sponsored by Fitch or by any employer of any member of an employee’s Immediate Family as long as the individual cannot direct such plan’s investment in specific Securities (although, if Sector Funds are owned in such plans, Ownership of Sector Funds needs to be reported on at least an annual basis).
  - iv. Personal insurance policies, such as homeowners, life, auto, disability and individual annuity policies.
  - v. Deposits in and certificates of deposits of banks, savings and loans, and credit unions.

- vi. Ownership in a housing co-op, property owners association or similar not-for-profit association or corporation related to the Ownership or enjoyment of an employee's home or neighborhood.

### **III. Prohibition Against Use of Inside Information**

- a. **Prohibition Against Trading. ALL EMPLOYEES ARE BARRED FROM TRADING ON INSIDE INFORMATION.** Fitch employees are prohibited from using in any way (either for personal gain or the gain of others) Inside Information received through his or her work at Fitch (such as Inside Information relating to the companies an employee covers or to the financial situation of Fitch and/or its parent company, Fimalac), or through his or her personal life (from a family member, friend, or other person), other than for his or her work at Fitch. In addition, employees are also prohibited from "tipping" others (revealing Inside Information to others such as family members or friends) who could illegally trade on the Inside Information.
- b. **Consequences of Insider Trading.** Serious consequences may result from the misuse of Inside Information, such as legal action against an employee possibly leading to significant fines and/or imprisonment and termination of his or her employment by Fitch. Moreover, improper use or disclosure of Inside Information could result in significant liability or sanctions against Fitch and/or irreparably damage Fitch's reputation and business.

### **IV. Confidentiality**

- a. **Confidentiality Policy and Prohibitions Against Disclosure; Confidentiality Statement.**
  - i. **Confidentiality Policy.** Fitch may be given access from time to time to certain Inside Information regarding an issuer (the "**Third Party Inside Information**") in connection with the rating process. Fitch may use such Third Party Inside Information, or information and analyses derived there from, in (x) forming and communicating its rating and other non-rating credit opinions and in reports, statements, press releases, presentations or other informational materials issued by Fitch in the course of its business (hereinafter, collectively, "**Fitch Products**"), and in (y) written or oral communications that Fitch may have in its discretion following the issuance of a rating or other non-rating credit opinion provided, however, that Fitch shall not reveal any Third Party Inside Information to anyone, except those employees, consultants and agents of Fitch needing such Third Party Inside Information in connection with Fitch Products, without such issuer's consent for so long as such Third Party Inside Information is not otherwise known to Fitch or publicly available, except in response to that which is a valid request for information in a subpoena, court order or as otherwise required by applicable law or by any judicial, legislative or regulatory authority.
  - ii. **Confidentiality Statement.** Fitch hereby agrees to hold Third Party Inside Information confidential, in accordance with this Section IV(a). Fitch acknowledges that any issuer who discloses to Fitch such Inside Information about itself may rely upon this agreement with respect to such Inside Information in such issuer's dealings with Fitch. In addition, Fitch shall disclose planned material modifications to this Section IV(a) prior to the effective dates of such modifications.

- b. **Safeguarding of Information.** Employees must take all reasonable measures to safeguard all Inside Information obtained through his or her work at Fitch from fraud, theft or misuse. To protect Inside Information, employees should maintain the following safeguards:
- i. **Investor Calls.** Analysts may discuss the analysis supporting the rating of any Rated Entity or any Securities on investor calls. In the case of new Securities, analysts may discuss the analysis supporting the rating on investor calls only after the issuer or one of its agents have distributed preliminary disclosure documents or similar materials. However, an analyst should never discuss Inside Information on any of these calls. Analysts should discuss only the information publicly disclosed and their analysis of the rating.
  - ii. **Discussions.** Employees must not discuss Inside Information under circumstances in which others could overhear such discussions. This rule applies at all times, inside and outside the office. Employees should exercise extra caution in conducting conversations in public places, such as restaurants, subways, trains, ferries, elevators, taxis and airplanes, and in using speakerphones or cellular phones.
  - iii. **Documents.** Documents, notes, and other ratings-related work products must not be left about for strangers or other unauthorized personnel to see. In addition, issuer files may not be released to any third parties without the express written consent or direction of the issuer, except in response to any valid request for such information contained in a subpoena, court order or as otherwise required by applicable law or by any judicial, legislative or regulatory authority.
  - iv. **Precautions.** If a matter involves highly sensitive information, additional precautions may be appropriate. These could include keeping files and computer disks in locked cabinets or other secure places, arranging for special handling of files, and exercising extra caution while speaking on the telephone to avoid being overheard. If an employee's desk is situated where unauthorized persons may see such materials, sensitive papers should be kept in drawers, turned face side down, or otherwise hidden.
- c. **When Information Is No Longer Confidential.** Information is no longer Inside Information and Fitch employees may disclose the relevant information to investors after such information has been released: (i) on Fitch's web site, (ii) over any other major newswire service (PR Newswire, Bloomberg, Reuters, etc.), (iii) by the Rated Entity, the issuer of the Securities or any of their agents or (iv) by the media. This restriction allows the public sufficient time to receive the released information, which is particularly important in the case where the relevant Securities are outstanding on the open market and disparate receipt of information could unfairly benefit one investor over another.
- d. **Confidentiality Agreements.** No confidentiality agreement (except for those that conform to Fitch's standard form of confidentiality agreement applicable to the relevant asset class or sector, or have otherwise been pre-approved by the Legal Department) may be signed without first consulting with Fitch's Legal Department.

## V. Conflicts of Interest

a. **Restrictions.** To avoid the likelihood of insider trading and to prevent conflicts of interest or even the appearance of a conflict of interest or impropriety during the rating process, employees are subject to the following restrictions:

i. **Owning Securities One Covers.** Employees and members of their Immediate Family are prohibited from Owning or engaging in any transaction in any Security of any Rated Entity or any Security rated or to be rated by Fitch if such employee: (a) can reasonably expect to work on assigning and/or maintaining a credit or other specialized rating (such as a servicer rating) on such Rated Entity or any such Security, (b) can reasonably expect to be asked to participate in a Rating Action (such as a rating committee meeting) with respect to such Rated Entity or any such Security, or (c) is a member of a team (whether in a supervisory, analytical or support position) that regularly works on assigning and/or maintaining a credit or other specialized ratings on Rated Entities or any Securities in a particular industry or sector. By way of example, if an employee is a member of the team that rates credit card securitizations, that individual and his or her Immediate Family should not Own any Securities of Citigroup, Inc., American Express, JP Morgan Chase or any other credit card issuer that his or her team currently rates or might reasonably expect to rate in the future. The only exception to the above prohibitions is situations in which it is not possible for an employee or his or her Immediate Family to divest the conflicted Security or where the conflict is due to the place of employment of an Immediate Family member.

ii. **Relationship with Rated Entities, Government Agencies and Self-Regulatory Bodies.** Without prior written approval from the MD, Global Compliance, no employee may:

- (A) Serve on any board of directors or similar supervisory board of or be a controlling stakeholder in any Rated Entity.
- (B) Serve on any board of directors or similar supervisory board of or be a controlling stakeholder in any public or listed company whether or not Fitch rates such company (or any subsidiary or affiliate of any such public or listed company).
- (C) Hold any elected or appointed government office.
- (D) Serve in any capacity on any government or public agency, authority, commission or regulatory body.
- (E) Serve in any capacity on any self-regulatory body that has any function in the oversight of the capital markets, such as any stock exchange or securities dealers association.
- (F) Serve as an officer or be on the board of any trade or professional organization or association.

Employees also must promptly notify the Chief Compliance Officer in the event that any member of his or her Immediate Family serves in any of the capacities described in items (A) through (F) above.

- iii. **Competitors.** Although employees are not restricted from Owning the Security of a competitor of any Rated Entity he or she covers, such Ownership may be restricted if it is contrary to another restriction in this policy, such as the restriction against Owning a Security said employee may reasonably expect to rate in the future. Any questions concerning the prudence of purchasing such a Security should be directed to Compliance.
- iv. **Sector Funds.** An employee may not Own any Sector Fund relating to the sector that he or she covers.
- v. **Prohibition on Participating in Rating Actions.** Employees are prohibited from participating in any Rating Action involving a Rated Entity or any Security if:
- (A) Said employee or his or her Immediate Family Owns such Security or any Security of such Rated Entity.
  - (B) Said employee or his or her Immediate Family Owns any Security of any affiliate of a Rated Entity, the ownership of which may cause or may be perceived as causing a conflict of interest.
  - (C) Said employee or his or her Immediate Family Owns a Sector Fund related to the sector of the Rated Entity.
  - (D) Said employee or any member of his or her Immediate Family serves on any board of directors or similar supervisory board of or is a controlling stakeholder in any Rated Entity.
  - (E) A personal, family, or financial interest might unduly influence a Fitch employee in any way (e.g., if he or she had a recent employment or other significant business relationship with the Rated Entity or a member of his or her Immediate Family is currently employed by the Rated Entity or said Fitch employee has or had any other relationship with the Rated Entity).
- vi. **Speculative Trading.** All personal securities transactions of Fitch employees must be oriented toward a philosophy of investment, as distinguished from short-term or speculative trading. Employees are expected to devote their workday to serving the interests of the company. Excessive trading, in the form of closely bunched purchase and sale transactions or other forms of trading commonly referred to as “day trading,” is prohibited.

Employees are prohibited from engaging in short sales of individual securities unless this is done for bona fide hedging purposes against an offsetting position. Shorting the market as a whole via broadly diversified market index securities is allowed, provided an employee has a portfolio of securities that he or she is hedging. Similarly, employees may only short whole sectors via ETFs or other sector fund securities if he or she has long positions in that sector (and said employee is not restricted from investing in the sector).

In addition, employees are prohibited from investing in options that would profit from a decline in the underlying entity’s stock price unless they are hedging an existing long position. As an example, selling naked call options is not allowed.

**vii. Gifts and Business Events.** No Fitch employee, nor any member of an employee's Immediate Family, can accept or solicit, nor extend any tangible gift, money or favors of any form in connection with any ratings-related or other work performed at Fitch, except to the extent explicitly permitted herein.

No Fitch employee can accept or solicit any tangible gift, money or favors (either individually or as part of a group or team). This prohibition extends to gifts of any value, including tokens such as umbrellas, tote bags, golf balls, transaction mementos (deal toys) and holiday gifts of any type. The only exception to this prohibition is that Fitch employees may accept meeting supplies such as notepads and pencils and modest food and beverage supplied by another party during the course of a business meeting, as long as the reasonable value of such items does not exceed \$25 (or the equivalent in other currencies) per employee.

If a Fitch employee receives a tangible gift, he or she must return it to the donor immediately. If return of the item is not practical due to cost or the perishable nature of the item, then the item shall be donated to charity or destroyed. In either event, the employee receiving the gift (or the head of a group receiving the gift, if offered to a group of employees) shall send a letter to the donor explaining Fitch's prohibition against accepting gifts, describing the disposal of the gift, and requesting that no gifts be proffered in the future. A copy of that letter shall be sent to Compliance, who will follow up with the recipient of the gift as necessary. The administrative assistant in the group in which the gift was received shall also keep a copy of each such letter sent by the relevant group.

If a Fitch employee is a participant in an event at which a prize is offered to or won by the employee, then the employee shall decline the prize.

Analytical employees may accept invitations for conferences, outings, dinners or lunches sponsored by issuers, investment bankers, arrangers or other agents of the issuer after consultation with the employee's manager and in accordance with Fitch's policy regarding the separation of business and credit functions. In the event that an analytical employee accepts such an invitation, the employee shall pay for all of his or her own expenses and not accept any tangible gifts as part of the event. The employee may seek expense reimbursement for these items from Fitch if such reimbursement conforms to Fitch's expense reimbursement policy.

Non-analytical employees may accept business entertainment invitations, such as tickets to sporting events and theatre and invitations to lunches and dinners, if the business entertainment is a customary part of participating in ordinary business activities and if the employee attends the event with the representatives of the entity extending the invitation. However, if any business entertainment is extravagant, expensive or highly sought after, such as tickets to the World Cup, FA Cup, Super Bowl, World Series or similar major sporting events, or other highly sought after entertainment events, such as a unique or special concert or any other events that are unreasonably costly or for which there are few available tickets, such business entertainment shall be declined even if the employee were to attend the function with representatives of the entity extending the invitation.

In no event, shall any gift influence any decision to purchase goods or services from a supplier or to do business with any party.

Appropriate and reasonable business gifts and business entertainment invitations may be extended by employees in Fitch's Business & Relationship Management group to any person with whom Fitch conducts business. An analytical employee may attend a Fitch-sponsored function with the Business & Relationship Management employee and the third party, provided Fitch pays for all expenses and the analytical employee's attendance is in accordance with Fitch's policy regarding the separation of business and credit functions. Business & Relationship Management may extend such business entertainment invitations if the business entertainment is a customary part of participating in ordinary business development activities and if a Business & Relationship Management employee attends the events with the third party. In no event shall Fitch extend any gift or business entertainment that is: (i) prohibited by law or regulation, (ii) known to violate the third party's policies concerning gifts and/or business entertainment, or (iii) extravagant, expensive or highly sought after, such as tickets to the World Cup, FA Cup, Super Bowl, World Series or similar major sporting events, or other highly sought after entertainment events, such as a unique or special concert or any other events that are unreasonably costly or for which there are few available tickets.

- b. Divesting of Securities Holdings/Recusal from Participation.** As provided in Section V, subsection a.(v), an employee may not participate in any Rating Actions until any prohibited Securities Owned by his or her Immediate Family are sold. If an employee is prohibited from participating in any Rating Action under the terms of Section V, subsection a.(v) and is asked to participate in or discuss any such Rating Action, said employee must recuse himself or herself from that Rating Action and all discussions concerning it. In order to avoid being inadvertently asked to participate in discussions about a Rated Entity or Security for which an employee is prohibited from participating in any Rating Action under the terms of Section V, subsection a.(v), said employee must give prior notice of any such prohibition by e-mail to the lead analyst and back-up analyst for that Rated Entity or Security and copy the analysts' department head and Compliance in any case where there is a reasonable possibility that he or she might be asked to discuss that Rated Entity or Security.
- c. Disclosure of Other Potential Conflicts to Department Head and Compliance.** With respect to every Rating Action in which an employee is asked to participate, said employee must disclose to his or her department head and Compliance any other potential conflict of interest not otherwise covered in this Policy. For example, an employee must disclose to his or her department head and Compliance any interest in or personal or business relationship with the Rated Entity, its principals or its investment banker (such as any personal relationship with an employee of a Rated Entity or agent of such Rated Entity) or any other matter that could conceivably bias or interfere with an employee's objective judgment. The group head, in consultation with Compliance, will determine whether any such interest, relationship or other matter could reasonably be expected to impair said employee's ability to objectively participate in such Rating Action. **Special care must be taken by employees to avoid even the appearance of a conflict.**

- d. **Additional Remedy Upon Discovery of a Violation of Section V, Subsection a.(v).** If any employee should discover that Section V, subsection a.(v) has been violated, he or she must immediately notify Compliance. Compliance will immediately inform the head of the group primarily responsible for the relevant Rating Action. The group head will determine whether the relevant Rated Entity or Security must be re-rated. In addition, Fitch will immediately disclose where a rating has potentially been affected by such a violation. If the Rated Entity or Security is re-rated, the group head will decide whether there are grounds for withdrawing the rating.
- e. **Additional Restrictions.** It may also be necessary from time to time for Compliance to impose greater restrictions than those set forth in the above paragraphs with respect to particular Fitch offices or particular departments within Fitch. For example, if you are employed in a Fitch office staffed with only a small number of employees, you may be required to refrain from trading in Securities of all Rated Entities which your office rates, since you may have involvement in the rating assignments of all such Rated Entities. To the extent Fitch institutes any additional restrictions, you will be given notice of such additional restrictions by Compliance.

## **VI. Reporting of Securities Transactions**

- a. **Filing of an Initial Securities Holdings Form.** At the start of employment with Fitch, all employees must file a Securities holdings form with Compliance listing all Securities that an individual and his or her Immediate Family Own. Should an employee Own any Sector Funds, he or she will be required to disclose them on this initial statement, disclose the sector to which the funds relate and affirm that he or she will not be covering the relevant sector. Employees must also list the account number and name of the firm for all Brokerage Accounts they or any member of their Immediate Family Own and the names of their Immediate Family members who Own such Brokerage Accounts. Employees must disclose on the Securities holdings form any potential conflicts of interest that may exist and any conflict that may arise from family connections or employment. If an individual or his or her Immediate Family does not Own any Securities or Sector Funds or if said individual does not have any existing or potential conflict of interest, that should be stated on the Securities holdings form.
- b. **Brokerage Statements and Reporting of Securities Not Held in a Brokerage Account for All U.S. Employees.** All U.S. employees must arrange for their broker to provide Compliance with copies of brokerage statements and accompanying trade confirmations for any Brokerage Account Owned by them or any member of their Immediate Family. It is an employee's responsibility to ensure that his or her broker is actually submitting the statements for each Brokerage Account he or she and any member of his or her Immediate Family Owns. Fitch engages a service that matches its employee data against bank and brokerage account lists to ensure that all employees are in full compliance with this requirement. When possible, Fitch will arrange with brokers to receive brokerage statements and trade confirmations electronically rather than in paper format, and should there be any accompanying changes to an employee's account, Compliance will attempt to give the individual prior notice of such change. An employee must immediately notify Compliance if he or she or any member of his or her Immediate Family: (i) acquires any new Brokerage Accounts (and make immediate arrangements for the broker to provide Compliance with copies of brokerage statements and accompanying trade confirmations for such new Brokerage Accounts); (ii) closes any Brokerage Accounts, or (ii) acquires any

Securities or Sector Funds that are not reported on a brokerage statement or trade confirmation provided to Compliance.

- c. **Reporting Securities Transactions and Account Information by Employees in the U.K. and Other Offices in Europe, Middle East and Africa (EMEA).** As of January 1, 2011, all Fitch employees located in offices in the U.K. and EMEA must report their and their Immediate Family's Securities transactions to Compliance as and when they occur. Transactions are to be reported using the Securities Transaction Reporting Form, available from Compliance or on the Fitch Intranet under Worldwide Compliance/Compliance Forms. In addition, U.K. and EMEA employees must immediately notify Compliance if he or she or any member of his or her Immediate Family acquires any new Brokerage Accounts or has any changes in their existing Brokerage Accounts.
- d. **Quarterly Updates by Employees in Latin America and the Asia Pacific Region (APAC).** For all Fitch employees located in offices in Latin America and APAC, any changes in an individual's and his or her Immediate Family's Securities holdings during a calendar quarter must be provided to Compliance on the Quarterly Securities Transactions Form (available from Compliance or on the Fitch Intranet under Worldwide Compliance/Compliance Forms), detailing the changes since the last filing. These employees can simplify this reporting procedure by instructing brokers to send duplicate monthly statements and individual trade confirmations directly to Compliance, in which case it is not necessary for an individual to complete the Quarterly Securities Transactions Form. If duplicate monthly statements and trade confirmations are sent with respect to some but not all of an individual's and his or her Immediate Family's Securities trades, said employee must complete the Quarterly Securities Transactions Form for those unreported Securities. If an employee and/or his or her Immediate Family does not Own Securities or there are no changes in the individual's and/or his or her Immediate Family's Securities holdings during any calendar quarter, a quarterly update is not required to be filed with Compliance.
- e. **Annual Reporting for All Employees.** Employees must also furnish to Compliance within 45 days of the end of each calendar year a restatement of their and their Immediate Family's Securities holdings as of the end of the preceding calendar year or a certification that said employee does not Own any reportable Securities. Employees do not have to restate any Securities holdings held in a Brokerage Account for which his or her broker is providing Compliance with copies of brokerage statements and trade confirmations. Employees also will be required to restate any Sector Funds that they Own on this annual statement, disclose the sector, and affirm that they do not cover the relevant sector. Employees also must restate the list of Brokerage Accounts Owned by themselves or their Immediate Family members and affirm that they are providing all Securities transaction and account information required by the Policy.
- f. **Securities Not Required to be Reported.** It is not necessary to report Securities acquired through automatic dividend reinvestment or other similar programs. It is also not necessary to report Securities of the same type and class received through stock splits, stock dividends, reverse splits and similar recapitalizations. However, Securities of a different type of class or of another entity issued as a stock dividend or received in a recapitalization or other corporate action should be reported.

- g. **Yearly Certification of Compliance by All Employees.** Within 45 days of the end of each calendar year, regardless of office location, Fitch employees must furnish a certificate to Compliance certifying that they have read, understand and are and have been at all times throughout the prior year in compliance with Fitch's Code of Conduct and related policies, including this Policy, or otherwise reporting in detail the circumstances of any noncompliance. A form of such certificate will be made available to all employees at the beginning of each calendar year.
- h. **Confidentiality of Filings.** Compliance will keep all employees' filed reports confidential unless any report indicates Securities positions that may be in violation of this Policy, at which time Compliance will inform senior management about said employee's Securities holdings.
- i. **Reporting to Office Heads.** All office heads of Fitch offices worldwide without access to the Fitch Lotus Notes system shall arrange for the delivery to Compliance of all required Securities holdings and transaction forms, annual certifications and updates of compliance from the employees in their respective offices.

## **VII. Compliance Training**

All employees are required to complete Compliance training, in order to ensure they understand their obligations under this Policy. Employees must complete the training within 30 days of joining Fitch, and every three years thereafter. Employees who do not complete this training in the required timeframe are considered non-compliant under the Policy, and may be subject to disciplinary action.

## **VIII. Questions**

Questions as to the meaning of any part of this Policy or the applicability of this Policy to a specific situation should be directed to the employee's manager or to Compliance.

Bulletin #: 23

**Effective Date:** 16 August 2010

**Version:** 2

**Responsibility:** Compliance Group

## Policy on Gifts and Business Events

No Fitch employee, nor any member of an employee's immediate family, can accept or solicit nor extend any tangible gift, money or favors of any form in connection with any ratings-related or other work performed at Fitch, except to the extent explicitly permitted herein.

No Fitch employee can accept or solicit any tangible gift, money or favors (either individually or as part of a group or team). This prohibition extends to gifts of any value, including tokens such as umbrellas, tote bags, golf balls, transaction mementos (deal toys) and holiday gifts of any type. The only exception to this prohibition is that Fitch employees may accept meeting supplies such as notepads and pencils and modest food and beverage supplied by another party during the course of a business meeting, as long as the reasonable value of such items does not exceed \$25 (or the equivalent in other currencies) per employee.

If a Fitch employee receives a tangible gift, he or she must return it to the donor immediately. If return of the item is not practical due to cost or the perishable nature of the item, then the item shall be donated to charity or destroyed. In either event, the employee receiving the gift (or the head of a group receiving the gift, if offered to a group of employees) shall send a letter to the donor explaining Fitch's prohibition against accepting gifts, describing the disposal of the gift, and requesting that no gifts be proffered in the future. A copy of that letter shall be sent to the Chief Compliance Officer, who will follow up with the recipient of the gift as necessary. The administrative assistant in the group in which the gift was received shall also keep a copy of each such letter sent by the relevant group.

If a Fitch employee is a participant in an event at which a prize is offered to or won by the employee, then the employee shall decline the prize.

Analytical employees may accept invitations to conferences, outings, dinners or lunches sponsored by issuers, investment bankers, arrangers or other agents of the issuer after consultation with the employee's manager and in accordance with Fitch's policy regarding the separation of business and credit functions. In the event that an analytical employee accepts such an invitation, the employee shall pay for all of his or her own expenses and not accept any tangible gifts as part of the event. The employee may seek expense reimbursement for these items from Fitch if such reimbursement conforms to Fitch's expense reimbursement policy.

Non-analytical employees may accept business entertainment invitations, such as tickets to sporting events and theatre and invitations to lunches and dinners, if the business entertainment is a customary part of participating in ordinary business activities and if the employee attends the event with the representatives of the entity extending the invitation. However, if any business entertainment is extravagant, expensive or highly sought after, such as tickets to the World Cup, FA Cup, Super Bowl, World Series or similar major sporting events or other highly sought after entertainment events, such as a unique or special concert or any other events that are unreasonably costly or for which there are few available tickets, such business entertainment invitation shall be declined even if the employee were to attend the function with representatives of the entity extending the invitation. In no event shall any gift influence any decision to purchase goods or services from a supplier or to do business with any party.

Appropriate and reasonable business gifts and business entertainment invitations may be extended by employees in Fitch's Business & Relationship Management group to any person with whom Fitch conducts business. An analytical employee may attend a Fitch-sponsored function with the Business & Relationship Management employee and the third party, provided Fitch pays for all expenses and the analytical employee's attendance is in accordance with Fitch's policy regarding the separation of business and credit functions. Business & Relationship Management may extend such business entertainment invitations if the business entertainment is a customary part of participating in ordinary business development activities and if a Business & Relationship Management employee attends the events with the third party. In no event shall Fitch extend any gift or business entertainment that is: (i) prohibited by law or regulation, (ii) known to violate the third party's policies concerning gifts and/or business entertainment, or (iii) extravagant, expensive or highly sought after, such as tickets to the World Cup, FA Cup, Super Bowl, World Series or similar major sporting events or other highly sought after entertainment events, such as a unique or special concert or any other events that are unreasonably costly or for which there are few available tickets.

## **Procedure for Managing Complaints Concerning Fitch's Analytical Process**

**Effective Date:** October 29, 2010

**Version:** 3

**Author:** Credit Policy Group

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Any person who receives a Complaint from a third-party, either written or oral, about Fitch Ratings' analytical process must immediately (i) forward a written description of such Complaint to the applicable Regional Credit Officer (RCO) for review and (ii) send a copy of such complaint to the Chief Compliance Officer for his or her information. A Complaint is any allegation regarding Fitch's analytical process, including complaints regarding (i) the performance of a credit analyst, (ii) unfair or inappropriate treatment, (iii) failure to follow policies, procedures or criteria, and (iv) errors in a model, model selection or use. Matters that would ordinarily be handled as a rating appeal must be addressed using Fitch's rating appeal process.

The RCO shall determine if the information forwarded to him or her, whether directly from a third-party or indirectly from a Fitch employee, does in fact constitute a Complaint. If the RCO determines that the forwarded information constitutes a Complaint the RCO shall immediately initiate a review of the Complaint in accordance with Fitch's Code of Conduct. The RCO, in consultation with the Chief Credit Officer (CCO) and the applicable executive manager responsible for the area, will review the matter, speak to all relevant parties, and take all other actions deemed appropriate. At the conclusion of the review, the RCO will prepare a written summary of the review (the Report) detailing the relevant Complaint, how the review was conducted, and the conclusions reached. The Report will be sent to the applicable executive manager, the CCO and the Chief Compliance Officer.

If the Report concludes that the Complaint has merit and recommends remedial action, then the relevant executive manager shall determine how to respond to the Report's conclusions and shall take all appropriate corrective action.

The Report and all related documents gathered during the review (the Complaint Documents) shall be retained by the RCO in accordance with Fitch's File Maintenance and Recordkeeping Policy. The executive manager shall confirm in writing to the RCO and to the Chief Compliance Officer when the remedial actions, if any, are fully implemented, and the RCO shall add such confirmation to the Complaint Documents.