### EXECUTIVE SUMMARY

- **Objective**: To establish employee reporting, pre-clearance and other obligations designed to help identify and manage potential conflicts of interest
- **Application:** Individuals employed by Fitch Ratings, Inc. and each of its credit rating affiliates that issues ratings under the trade name "Fitch Ratings" (collectively, "Fitch Ratings") and, unless an exemption is available, their Family Members

Effective Date: 2 October 2018

- Version: Version 23
- **Replaces:** Bulletin 13: *Global Securities Trading and Conflicts of Interest Policy* (Version 22, 1 February 2018)

#### 1. OVERVIEW

This Policy, which addresses Securities trading and other potential conflicts of interest between Fitch Ratings and its employees, contains prohibitions, restrictions and disclosure requirements that help identify and manage these potential conflicts, and ultimately protect Fitch Ratings' reputation.

#### 2. DEFINITIONS

"Account" means any account that has the capability of trading and/or holding Securities where the Employee or their Family Member:

- Has a beneficial ownership interest; or
- Has discretion or control over the Account (e.g.: Account owner, power of attorney, trustee, etc.).

"Analytical Activities" means (a) performing analyses to determine a credit rating, credit opinion, rating assessment, or credit score; or (b) participating in a rating committee (even as a non-voting member), and may be carried out by an Analyst or an Employee in the Credit Policy Group.

"Analytical Employee" means any Employee that performs Analytical Activities.

"Analytical Group Employee" or "AG Employee" means any Employee, including Analytical Employees, administrators and others that work in any of the following groups:

- Corporates Group
- Covered Bonds Group
- Credit Policy Group (including Credit Market Commentary)
- Funds & Asset Managers Group ("FAM")
- Financial Institutions Group
- Global Infrastructure Group
- Insurance Group
- International Public Finance Group
- Sovereigns Group

- Structured Finance Group

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- U.S. Public Finance Group

"Blind Trust" means a trust that meets the following criteria:

- The trust executor(s) has full discretion over the assets and is independent of the Employee and their Family Members and not otherwise related to the Employee; and
- The Employee and their Family Members have no knowledge of the holdings of the trust.

"BRM" means Business & Relationship Management.

"Business Entertainment" means any activity where the primary purpose is to further business relations and includes such activities as dinners, golf outings, sporting events, and theatre and concert performances.

"Business Event" means any activity, such as an industry conference, networking event, meeting or business meal, where the primary purpose is to engage in analytical, research or information-gathering activities (for AG Employees) or to conduct commercial activities (for BRM Employees).

"**Bulletin 13 Exceptions Committee**" is comprised of the Global Analytical Head, General Counsel, Chief Technology Officer, Chief Risk Officer and Chief Compliance Officer.

"**Compliance Monitoring System**" refers to the MyComplianceOffice system used to disclose and manage certain potential conflicts of interest, which can be accessed at <u>www.mycomplianceoffice.com</u>.

"**Confidential Account**" means an Account owned by an EU-based non-Analytical Employee's Family Member, where the non-Analytical Employee has provided written certification that:

- The Employee has no knowledge of his or her respective Family Member's Account and holdings;
- The Employee understands that he or she is prohibited from sharing inside information and that the Employee takes all reasonable steps to ensure that the respective Family Member has no access to such information; and
- That the Employee will notify Compliance immediately should he or she develop knowledge of his or her Family Member's Account or holdings.

"Confidential Analytical Information" has the meaning as set forth in Bulletin 41: Global Confidentiality Policy.

"Confidential Information" has the meaning as set forth in Bulletin 41: Global Confidentiality Policy.

"Efeed Broker" means a financial institution that participates in automated electronic reporting of Securities transactions and holdings to Fitch Ratings.

"**Employee**"" means an individual employed by Fitch Ratings, or an employee of Fitch Group, Inc. who has regular access to Confidential Analytical Information.

"ETF" means exchange-traded fund.

"Family Members" means:

- An Employee's spouse or any partner of that person considered by national law as equivalent to the spouse (e.g., domestic partner in the US);
- An Employee's dependent children, regardless of residence;

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- Any relative or dependent sharing the Employee's home, to the extent allowed by local law<sup>1</sup>;
- Any legal entity (e.g.: company, partnership, trust, etc.) whose managerial responsibilities are discharged by, controlled by, or established for the benefit of an Employee or a person listed above; or
- Any person that has granted investment discretion or trading authorization to an Employee or a person listed above.

The definition does not include:

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- An Employee's spouse during divorce proceedings;
- A Blind Trust; or
- An Employee's parent residing in the Employee's home if the Employee can certify that he or she does not have any knowledge of the parent's Securities holdings.

"Gift" means a tangible item, a favor, or money received free of charge by an Employee in connection with their work at Fitch Ratings. Gifts do not include Business Events or Business Entertainment.

"GSE" means government sponsored enterprise.

"Group Investment Restriction" means a restriction applicable to an Employee and their Family Members that is described in the Bulletin 13 Annex.

"**Insider Trading**" (sometimes referred to as "Insider Dealing") means purchasing or selling a Security while aware of MNPI relating to or impacting the price of that Security.

"Key Management Position" in an entity means:

- A member of a board of directors of that entity;
- An executive officer (e.g.: President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Legal Officer, Treasurer, etc.) of that entity;
- Any role that reports directly to the Chief Financial Officer or Treasurer of that entity; or
- A role in that entity that regularly interfaces with Fitch Ratings or other credit rating agencies.

"Managed Account" means an Account where the owner does not have input into the specific investment decisions made in the Account. Rather, the Account is under the control of an independent third-party who is a licensed broker, investment advisor or equivalent.

"Material Non-Public Information" or "MNPI" has the meeting as set forth in <u>Bulletin 41: Global Confidentiality</u> <u>Policy</u>.

"**Non-Active Brokerage Account**" means any Account that an EU-based non-Analytical Group Employee certifies in writing is not used for purchasing or selling Reportable Securities. Any Reportable Securities transaction in a Non-Active Brokerage Account will result in the Account being treated as an Reportable Account for a period of one year, even if no additional Reportable Securities trades occur in the Account.

<sup>&</sup>lt;sup>1</sup> In EU countries, Employees are only obligated to disclose other relatives of the Employee who have shared the same household as the Employee for at least one year on the date of the transaction concerned.

"**Private Investment**" means Securities or other ownership interests in companies, organizations, partnerships, funds, assets or businesses, where those Securities or ownership interest are not publicly listed or traded.

"Rated Entity" means:

- The issuer, obligor, guarantor or credit support provider (letter of credit issuer, banks, etc.) with respect to any Security that is rated or in the process of being rated by Fitch;
- an entity to which Fitch Ratings has assigned an Issuer Default Rating;
- a sponsor, seller or seller/servicer, originator, underwriter or arranger with respect to a Security in a structured finance transaction that is rated by Fitch Ratings.

"Ratings Eligible Entity" means any entity with more than \$25 million in outstanding debt.

**"Regional Group Head"** means an individual who has regional management responsibility for a specific product area within an analytical group (e.g. the Regional Group Head for EMEA Corporates).

"**Reportable**" refers to a Security holding or transaction (a "Reportable Security") or Account (a "Reportable Account") that is required to be disclosed to Fitch Ratings in accordance with this Policy.

"Restricted Stock" means any Security that, by contract or law, cannot be freely sold or transferred to another person.

"Sector Fund" means a mutual fund, ETF, or unit trust that concentrates its investments in a specific industry or market sector (e.g.: technology, financial services, healthcare, precious metals, etc.).

"**Security**" means any negotiable financial instrument or investment. For all Employees and Family Members, this includes:

- Debt securities, such as bonds, notes, exchange traded notes and debentures;
- Equities, such as common stock and preferred stock;
- Financial derivative contracts, such as equity and index options (including employee stock options), rights and warrants and futures contracts;
- Municipal securities;
- Private Investments in Rated Entities or Ratings Eligible Entities;
- Structured products;
- Obligations of GSEs, such as Fannie Mae or Freddie Mac.

For <u>Analytical Group Employees and their Family Members</u>, this also includes:

- Sector Funds

For <u>Analytical Group Employees in FAM and their Family Members</u>, this also includes:

- Mutual funds, ETFs, and other collective investment schemes; and
- Money market funds.

For <u>Analytical Group Employees in the Sovereigns, International Public Finance, Financial Institutions and their</u> <u>Family Members</u>, and additionally for BRM, Publishing, Core Operations, Ratings Desk and their Family Members, this also includes:

- Direct obligations of a sovereign nation or any agency thereof; and
- Obligations fully guaranteed by a sovereign nation or any agency thereof.

**"Temporary Worker**" means any individual that is contracted for a fixed duration or an approximate end date directly by Fitch Ratings or indirectly via a third party.

"**Tipping**" means the act of providing MNPI about a publicly traded company to a person who is not authorized to have that information.

#### 3. INTRODUCTION

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Employees are expected to understand the requirements set forth in this Policy, and to take reasonable precautions to identify, manage and/or avoid conflicts of interest and the appearance of conflicts of interest.

Under no circumstance may an Employee perform Analytical Activities involving a Rated Entity or Security if he/she might be unduly influenced in any way, and under no circumstance may an Employee use Confidential Information in the context of making his or own personal investment decisions.

Employees are required to report personal investment information relating to Reportable Accounts and Reportable Securities belonging to them and their Family Members, to the extent allowed by law. This information will be used on a need to know basis for compliance monitoring purposes, and stored in secured servers and files. However, Fitch Ratings may be required to disclose this information in connection with a subpoena, court order, or as otherwise required by applicable law or by any judicial, legislative or regulatory authority.

#### 4. SECURITIES TRADING

Securities trading prohibitions, restrictions and requirements are designed to help Fitch Ratings and its Employees avoid conflicts of interest and Insider Trading violations. The type of applicable restriction(s) depends on the Employee's job function as follows:

All Employees and their Family Members are subject to:

- Insider Trading Prohibition;
- Thirty -Day Holding Period Restriction;
- Short Sale Prohibition;
- Futures and Options Prohibition;
- Pre-Clearance Requirements; and
- Securities Reporting (unless Exempt From Reporting as set forth in Section 6)

In addition to the above, all BRM, Publishing, Core Operations, Ratings Desk and Analytical Group Employees, and their Family Members, are subject to:

- Group Investment Restrictions

#### 4.1. Insider Trading Prohibition

Transacting in any security while in possession of MNPI (i.e., Insider Trading) or passing along such information to others who are not authorized to have it (i.e., Tipping) is illegal. Penalties for Insider Trading or Tipping can be severe. For example, the person who trades on MNPI, or who provides such information to others, may be subject to civil penalties, criminal fines and imprisonment. Additionally, the improper use or disclosure of MNPI could result in significant reputational damage, legal liability or regulatory liability to Fitch Ratings.

Fitch Ratings strictly prohibits Insider Trading and Tipping. An Employee's failure to adhere to this requirement could result in dismissal from employment, in addition to their facing civil and criminal penalties.

#### 4.2. Thirty Day Holding Period Restriction

Employees and their Family Members must hold Securities they purchase in any Account for at least 30 calendar days prior to selling the Security. The time frame is calculated on a last in, first out basis. After a Security has been sold, it may not be repurchased within 30 calendar days. This restriction does not apply to Securities transactions in Managed Accounts.

#### 4.3. Short Sale Prohibition

Employees and their Family Members are prohibited from engaging in short selling strategies seeking to profit from downward price movements of Securities. Similarly, Employees and their Family Members are prohibited from selling Securities they have borrowed or that they do not own outright.

This prohibition does not apply to Securities transactions in Managed Accounts.

#### 4.4. Futures and Options Prohibition

Employees and their Family Members are prohibited from engaging in futures and options trading, with the exception of buying protective puts. As protective puts are also subject to the 30-day holding period restriction described above, both the option expiration date as well as any sales to close or unwind some or all of the position, must be more than 30 calendar days after the initial purchase date of the put.

This prohibition does not apply to Securities transactions in Managed Accounts.

#### 4.5. Group Investment Restrictions

BRM, Publishing, Core Operations, Ratings Desk and AG Employees, and their Family Members, are subject to the Group Investment Restrictions applicable to the Employee's Group, which restrict Employees and their Family Members from investing in certain industries, issuers, fund types and Security types. Group Investment Restrictions apply whether or not Fitch Ratings assigns or maintains a rating in respect of a specific issuer or Security. These restrictions are published in the Annex to this Policy.

If a BRM, Publishing, Core Operations, Ratings Desk or AG Employee's Group Investment Restrictions change as a result of a transfer to a different Group, the Employee and their Family Members remain subject to the previous Group Investment Restrictions for sixty (60) calendar days following the transfer, while also being subject to the Group Investment Restrictions, if any, applicable to the new Group.

AG Employee Group Investment Restrictions apply to Securities transactions in Managed Accounts. It is each AG Employees and their Family Members' responsibility to ensure investment advisors comply with such restrictions. However, BRM, Publishing, Core Operations and Ratings Desk Group Investment Restrictions do not apply to Securities transactions in Managed Accounts.

Group Heads or their designees are responsible for establishing and maintaining their respective Group Investment Restrictions, and for promptly informing Compliance when changes are required.

#### 4.6. Pre-Clearance

All BRM and AG Employees must obtain pre-clearance in the Compliance Monitoring System prior to the execution of a Reportable Securities transaction in their Accounts or their Family Members' Accounts. Approval will be valid for seven business days following the date of approval. FAM Employees must follow the FAM Trade Pre-Approval Request Procedure.

Transactions of Reportable Securities in Managed Accounts are not subject to pre-clearance.

Fitch Ratings' President, Chief Executive Officer, Chief Risk Officer, and Global Analytical Head must seek approval from the Fitch Ratings, Inc. Board of Directors prior to executing a Reportable Securities transaction.

#### 5. DIVESTMENT AND RECUSAL REQUIREMENTS

#### 5.1. Divestment Requirement

No Employee is permitted to perform Analytical Activities involving a Rated Entity or Security if he/she holds Securities related to the Rated Entity or Security. Employees and their Family Members who hold Securities that conflict with the Group Investment Restrictions must divest such Securities as soon as possible, but by no later than the timeframes below.

Reason Employee Holds Restricted Securities	Divestment Deadline
New Employee	Prior to the Employee's start date
Employee Transfer	15 calendar days after the Employee's transfer date
Securities Acquired Through a Gift, Inheritance, or Marriage	Immediately <sup>2</sup>

#### 5.2. Recusal Requirement

It may be necessary in certain cases for an AG Employee to recuse themselves from performing Analytical Activities for a Rated Entity or Security. A recusal may be required if the AG Employee or their Family Members hold a Security not permitted by the applicable Group Investment Restrictions, until the Security can be divested. This may exist where:

- An Employee or their Family Member purchased the Security in contravention of the requirements of this Policy;
- An Employee or their Family Member holds Restricted Stock; or
- An Employee's Family Member is employed by an issuer of Securities, and has decided to invest in the Securities, or received Securities as compensation.

In addition, other potential conflicts may arise that would require recusal, such as where:

<sup>&</sup>lt;sup>2</sup> A temporary recusal must be filed if the Securities cannot be divested immediately.

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- An AG Employee has a close personal relationship with someone who holds a Key Management Position at an entity that operates in a sector prohibited under the AG Employee's Group Investment Restrictions;
- An AG Employee or their Family Member has an Outside Interest (as described in section 7.1 below) that creates a conflict of interest or the appearance of a conflict of interest with the Employee's work for or with Fitch Ratings

The recusal will be applied to the relevant Rated Entity, the Ultimate Parent and all of its subsidiaries and affiliates. Instructions on how to add/remove recusals can be found in the Compliance Department pages on Fitch Xchange.

#### 6. ACCOUNTS AND SECURITIES REPORTING

This Section sets for the requirements regarding the reporting of certain Accounts and Securities.

#### 6.1. Reporting Obligations and Exemptions

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Unless explicitly exempted in accordance with one of the three Exemptions set forth below, Employees must ensure that they and their Family Members disclose Reportable Accounts, Reportable Securities holdings and Reportable Securities transactions in the manner set forth below. Note that depending on the Employee's role, additional types of Securities transactions, Accounts or holdings may be Reportable. However, transactions and holdings in investments other than Securities, and the opening of Accounts that are prohibited by law from holding any type of Reportable Security (e.g., mutual-fund only-accounts, bank accounts that can only hold cash, etc.), are not subject to the disclosure, reporting and/or pre-clearance requirements of this Policy.

**Exemption 1:** Employees who by virtue of their role do not have routine access to electronic files and systems storing confidential ratings, or commercial or financial information are not subject to the Securities Reporting requirement. These roles include:

- Messengers, drivers, cleaning and cafeteria staff
- HR staff
- Front desk staff
- Facilities
- Temporary Workers, including interns, who do not conduct Analytical Activities, and who are working for less than six months
- Employees who work exclusively for non-ratings affiliates, but who are legally employed and paid by Fitch Ratings because the affiliate does not have a separate legal entity in the country in which the Employee works or resides

**Exemption 2:** Certain types of transactions in what would otherwise be considered Reportable Securities subject to the Reporting requirements are, depending on the nature of the transaction or the nature of the Account in which the Security is traded or held, exempt from the Securities Reporting requirement. In particular, Reporting is not required for the following types of Securities transactions:

- Changes in the number, nature or character of Securities previously Reported due to subsequent corporate actions (e.g.: stock splits, dividends, mergers and acquisitions, etc.);
- Securities transactions made in accordance with automatic investment plans, such as dividend reinvestments (provided that the initial investment in the Security and plan was Reported);

- Securities transactions in Blind Trusts; and
- Securities transactions in Managed Accounts belonging to non-AG Employees and their Family Members, provided that Compliance has reviewed the Account agreement and confirmed that the Account qualifies for treatment as a Managed Account.

**Exemption 3 (EU Employees Only):** Reporting of transactions, holdings or account statements is not required for the following otherwise Reportable Accounts, after written certification regarding Accounts status is provided to Compliance:

- Non-Active Brokerage Accounts of non-Analytical Employees and their Family Members, so long as the Account retains its Non-Active status; and
- Confidential Accounts belonging to Family Members of non-Analytical Employees, so long as the Account retains its Confidential Account status.

#### 6.2. Reporting of Accounts

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All Accounts belonging to Employees and their Family Members not otherwise exempt from the Reporting requirements must be reported by the Employee via the Compliance Monitoring System within 10 calendar days of establishing the Account. This requirement also applies to Managed Accounts, Blind Trust accounts, and Accounts those non-Analytical Employees in the EU designate as Confidential Accounts or Non-Active Brokerage Accounts.

#### 6.3. Reporting of Securities Transactions and Accounts

#### 6.3.1 Manual Reporting Requirements

Unless an exemption is available or the Account is held at an Efeed Broker, Employees must manually report all Reportable Securities transactions and other Securities holdings, and manually submit all Reportable Account statements, as set forth below. Employees who fail to submit required information or documents within the relevant timeframes will be subject to the disciplinary measures set forth below, which may include but is not limited to being required to move their Account(s) to an Efeed Broker if one is available.

- Reportable Securities Transactions. Securities transactions in Accounts belonging to Employees and their Family Members must be reported by the Employee manually uploading relevant documents to the Compliance Monitoring System within 10 calendar days of the trade date. This transaction reporting requirement does not apply to Reportable Securities transactions executed in Managed Accounts held by non-Analytical Employees or Confidential Accounts for non-Analytical Employees in the EU.
- Reportable Account Statements. Employees and their Family Members must submit to Compliance statements they receive during the quarter in respect of Reportable Accounts within 15 business days following the end of the calendar quarter. Statements may be submitted by email to <u>compliance@fitchratings.com</u> or uploaded to the Compliance Monitoring System.
- Other Reportable Securities Holdings. The acquisition of Securities by Employees or their Family Members through other means such as by gift, inheritance, marriage, compensation payment (e.g., stock options or Restricted Stock), etc., must be reported by the Employee manually via the Compliance Monitoring System within 10 calendar days of learning of the holding.

#### 6.3.2 Electronic Reporting Requirements

Fitch Ratings has arranged to receive automated electronic reporting of Securities holdings and transactions from a number of Efeed Brokers as discussed below. If Reportable Securities transactions are electronically reported to Fitch Ratings through an Efeed Account, the Employee is not required to manually report them via the Compliance Monitoring System. A list of Efeed Brokers and instructions on how to link Accounts to electronic feeds is available from Compliance.

#### 6.4. Efeed Broker Requirement (US)

Fitch Ratings Employees and their Family Members, regardless of location, with Accounts in the United States are required to maintain their Accounts at an Efeed Broker, unless the Account has been grandfathered<sup>3</sup> in or one of the below exceptions applies. New Fitch Ratings Employees subject to this provision must transfer all non-Efeed account holdings to an approved Efeed Broker within 60 days of notification.

Employees are exempt from the Efeed Broker requirement in the following cases:

- Where an Employee's Family Member works at a brokerage firm that does not provide Fitch Ratings with an electronic feed, but requires its employees to maintain their Accounts at that firm;
- Where an Employee or their Family Member holds a Security that cannot be legally sold or transferred to an Efeed Broker; and
- Accounts owned by an Employee or their Family Member set up for employee stock option plans that are limited to transactions in the sponsoring company's stock.

#### 7. OUTSIDE INTERESTS AND EXTERNAL RELATIONSHIPS

Employees are prohibited from holding any position as a partner, officer, director, trustee, board member, or controlling stakeholder of any Rated Entity or Ratings Eligible Entity that operates in a sector that is covered by the Employee's group, or that otherwise presents a conflict of interest in respect of their position of employment at Fitch Ratings.

#### 7.1. Employee Outside Interests

Employees are required to obtain approval from their Global Group Head (or, for non-AG Employees, other global management) and notify Compliance prior to engaging in any type of "Outside Interest" as described below:

- A position as a partner, officer, director, trustee, board member, or controlling stakeholder of any Rated Entity or Ratings Eligible Entity that the Employee is not outright prohibited from serving;
- A position as an officer or board member of a trade or professional organization or association;
- A position as an officer, board member or trustee of an educational institution;
- An elected or appointed government office; or

<sup>3</sup> Accounts that are maintained in the United States and belong to Employees and their Family Members are not subject to the Efeed requirement if, prior to February 7, 2011 the Account was opened and the employee worked at Fitch Ratings. However, the employee will be required to close or transfer the Account if reporting requirements are not fulfilled or the employee violates Fitch Policy.

- Any position serving a government, public agency, authority, commission, regulatory body, or self-regulatory organization.

These requirements apply to both for-profit and non-profit organizations. Employees seeking approval to engage in an Outside Interest must submit their request for approval via the Compliance Monitoring System, prior to their beginning to engage in the Outside Interest.

#### 7.2. External Relationships

An Analytical Employee must immediately notify his/her Managing Director and Compliance if he/she has a close personal relationship with someone who holds a Key Management Position at a Rated Entity or Ratings Eligible Entity that operates in any sector that is covered by the Analytical Employee's group. Similarly, an Analytical Employee in the International Public Finance, US Public Finance, or Sovereigns Groups must notify his/her Managing Director and Compliance if he/she has a close personal relationship with someone who holds an elected or appointed government office.

If the Analytical Employee has a close personal relationship with someone who holds a Key Management Position at Rated Entity or Ratings Eligible Entity that operates in any sector covered by the Analytical Employee's group, the Analytical Employee will be required to file a recusal.

#### 7.3. Outside Employment and Consulting Policy

In addition to the Outside Interest requirements set forth in this policy, Employees are directed to Fitch Ratings' separate Human Resources' Outside Employment and Consulting Policy. That Policy contains additional prohibitions and requirements relating to outside activities.

#### 8. GIFTS POLICY

All Employees, regardless of job function, are prohibited from soliciting or accepting Gifts in connection with work performed at Fitch Ratings, other than as set forth in the below chart.

While Analytical Group Employees are also prohibited from extending gifts in connection with their work at Fitch Ratings, BRM and non-Analytical Group Employees may extend Gifts that are appropriate and reasonable given the circumstances.

Action	Analytical Employees	BRM and Non-Analytical Employees
Solicit or accept a Gift	Not Permitted	Not Permitted
Extend a Gift	Not Permitted	Permitted
Accept nominal items during a business meeting not exceeding \$25 (pens, notebooks, branded "trinkets")	Permitted	Permitted

Any exception to this requirement must be granted in advance by Compliance.

#### 8.1. Protocol to be followed when a Gift is received

When a Gift is received:

- The Gift must be returned, donated or destroyed;

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- The Employee must send a letter to the donor that explains Fitch Ratings' restriction against accepting Gifts and requests no Gifts be proffered in the future; and;
- The Employee must disclose the Gift and upload a copy of the letter to the Compliance Monitoring System.

#### 9. BUSINESS EVENTS AND BUSINESS ENTERTAINMENT POLICY

#### 9.1. Business Events

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When participating in Business Events, Employees are required to maintain a clear separation of analytical and commercial activity, and adhere to the requirements set forth in *Bulletin 4: Segregation of Commercial & Analytical Activities.* Additional considerations and restrictions applicable to AG Employees are set forth below.

- **9.1.1** AG Employees may attend or present at Business Events, provided they remain aware of, and appropriately manage, perception issues that may arise from attendance at these events.
- **9.1.2** Furthermore, Business Event expenses incurred by AG Employees must be paid for by Fitch Ratings and must conform to Fitch Ratings' expense reimbursement policy. However:
  - An entity may only pay for an AG Employee's travel or lodging expense when attending a Business Event if it is related to an activity necessary to conduct Fitch Ratings' business, and if payment of that expense has been incorporated into the commercial agreement between the entity and Fitch Ratings;
  - A conference sponsor may pay for an AG Employee's attendance fee only if he or she is a speaker or panellist; and
  - AG Employees are permitted to accept supplies, food, and beverage during a Business Event only if the value of such items does not exceed \$25, or the equivalent in other currencies.
- **9.1.3** With the prior approval of their Regional Group Head, AG Employees may invite employee(s) of a Rated Entity, its affiliates, or investors to be their guest at appropriate Business Events.
- **9.1.4** An AG Employee may attend a reception at a Business Event, if the reception is open to all conference attendees without charge.

#### 9.2. Business Entertainment

Business Entertainment must:

- 9.2.1 Be reasonable, customary and not overly frequent;
- **9.2.2** Include both Fitch Ratings Employees and those of the entity extending or sponsoring the Entertainment (otherwise it is deemed a Gift); and
- **9.2.3** Not lead to an influence in ratings or any decision to purchase goods or services from a supplier, or create the perception that such influence may exist.

Business Entertainment that is extravagant, prohibited by law or known to violate an external party's policy is prohibited under this Policy. Details as to the restrictions on Business Entertainment are set forth on the below chart:

Action	Analytical Employees	BRM and Non-Analytical Employees	
Attend a Business Event paid by Fitch Ratings	Permitted	Permitted	
Attend a Business Event paid by a third party	Not Permitted	Permitted	
Extend Business Event	Permitted	Permitted	*AG Employees must excuse themselves from any fee- related or commercial discussion
Attend Business Entertainment	Fitch Sponsored Only*	Permitted	
Extend Business Entertainment	Not Permitted**	Permitted	
Accept supplies and food/beverage during a business meeting (not exceeding \$25)	Permitted	Permitted	

while BRM employees must exclude themselves from any analytical discussion.

\*\* Analytical Group Employees who are members of the Fitch Ratings Executive Committee are permitted to extend Business Entertainment.

#### 10. EXCEPTIONS TO POLICY REQUIREMENTS

Under limited circumstances, exceptions to specific requirements of this Policy may be granted. The Bulletin 13 Exceptions Committee will approve any exception not expressly contemplated in this Policy. To request an exception, the Employee and his/her Managing Director must submit a request on the Compliance Monitoring System.

#### 11. NON-COMPLIANCE

Failure to comply with this Policy may lead to disciplinary action, up to and including dismissal from employment. In addition, with respect to certain Policy requirements (e.g., the prohibitions on Insider Trading), the Employee may be subject to personal civil and criminal liability.

In the event of a conflict of interest that arises through a violation of this Policy, the Global or Regional Group Head, in consultation with Compliance, must determine whether there is a possibility that the objectivity of a rating was impacted and whether there are grounds for withdrawing the rating. In cases where it is possible that the objectivity of a rating must be reviewed by a rating committee.

As may be required by law, Fitch Ratings will as soon as practicable disclose any case where a rating was potentially impacted by a conflict of interest, and indicate whether there was an actual impact to the rating.

If a violation involves a Security purchased by an Employee while in possession of Material Non-Public Information, the Employee in violation must not sell the Security until he/she is no longer in possession of Material Non-Public Information, typically after the rating action or other relevant event occurs and is published.

#### 12. QUESTIONS

If you have any questions about this Policy, please contact Compliance by email at <u>compliance@fitchratings.com</u> or by telephone on the Compliance Hotlines 1.212.908.0873 (US and LatAm) or 44.203.590.1917 (EMEA and APAC).

# Bulletin 13: Global Securities Trading and Conflicts of Interest Policy

Owner:

Jeff Horvath, Compliance

Summary of Changes:

Appendix A**Supplements:** 

Fitch Ratings Bulletin 13 - Annexes

### Bulletin 13: Global Securities Trading and Conflicts of Interest Policy

#### Appendix A

#### Summary of Changes

#### 2 October 2018

Added Publishing, Core Operations, Ratings Desk to Group Investment Restrictions (Section 4.5). This change necessitated adjusting the definition of "Security."