

EXECUTIVE SUMMARY

- Objective:** To establish a protocol for handling and resolving Tips received by Fitch Ratings employees
- Application:** All Fitch Ratings Employees

1. OVERVIEW

This Bulletin outlines the protocol for handling and resolving Tips received by Fitch Ratings (“Fitch”) employees.

2. DEFINITIONS

- 2.1. “Tips”** From time to time, Fitch is contacted on a confidential and non-confidential basis with various information (or ‘tips’ to use the colloquial term) related to a Fitch rated entity. Generally, the contact relates to some non-public, negative piece of information regarding that entity’s conduct or business practices. Fitch, for example, may receive certain information about a company that would appear to have negative repercussions for its reputation and/or financial condition, if made public and/or proven true. As a result, this allegation could very well have adverse credit implications. As a practical matter, the contact with Fitch may be via written correspondence, through a phone call or during a conversation at a meeting or a conference, and may or may not be communicated anonymously.
- 2.2. “Market Rumors”** Tips, as used in the context of this Bulletin, are distinct from market rumors. Tips are considered explicit and overt contact initiated by a third party, whereas a market rumor is generally well circulated, including through social media. Analysts are reminded that while Fitch does not expressly comment on market rumors, Fitch must respond to them in an appropriate manner (i.e. confirmation with the issuer or with one or more independent third parties). Market rumors could ultimately have ratings implications should they cause a liquidity issue, which is certainly a risk for confidence sensitive issuers such as banks, broker dealers, or industrials that are heavily reliant on the commercial paper markets.

3. REQUIREMENTS

3.1. Responsibility Upon Receiving a Tip

While it is not Fitch’s responsibility, nor does Fitch have the authority or the capacity, to formally investigate such allegations to the extent of a law enforcement agency, as part of Fitch’s ongoing surveillance of an issuer, Fitch must consider the veracity of the allegations and their potential credit impact. Fitch must not ignore such allegations or tips, and they must always be treated seriously and addressed immediately in accordance with this protocol. At the same time, Fitch must not assess the credit impact of such allegations until it has completed the various inquiries outlined below, understanding that Fitch does not have the authority or capacity formally to investigate the truthfulness of the response to the tip presented to us about the rated entity. Due to the sensitivity of most allegations, the allegations must (other than as described in the next paragraph), be treated as highly confidential while they are being reviewed.

3.2. Protocol for Handling Tips

- 3.2.1** Fitch reserves its right to protect the name/identity of any source (whether or not the source has come to Fitch on a confidential basis). Any Tip, however, that alleges that an issuer that Fitch rated has committed a violation of law that has not been adjudicated by a Federal or State court will be forwarded (including the identity of the tipster) to the appropriate law enforcement agency, governmental entity or other regulatory body having jurisdiction over the rated entity. The Legal Department will be responsible for transmitting any such Tip to the appropriate authority.
- 3.2.2** If an analyst is contacted with an allegation, he or she must document all pertinent information by creating a written record, in English (the “Tip Memo”, an outline of which is attached as Appendix 1) of the nature of the claim (for example, by taking detailed notes of any conversations with a caller), the caller’s name and number (unless anonymous), the date received and anything else of relevance (e.g. any documents provided by the source must be retained).
- In the event allegations of this type are left on Fitch voice mail, these messages must not be deleted. Instead, the analyst must forward the voice mail to the analyst’s Regional Group Head as identified in Bulletin 22 (“Regional Group Head”)¹ and to the attorney in the Legal Department that supports the analyst’s group (the “Designated Attorney”)² if technologically possible.
 - In addition, the analyst must (i) make as close to a verbatim written record of the content of the voice mail as possible and (ii) make this record part of the Tip Memo so that the content of the voice mail is preserved in writing.
- 3.2.3** Upon receiving a tip, the analyst must immediately contact the Designated Attorney to discuss whether the allegation contained in the Tip Memo constitutes a Tip. If the Designated Attorney concludes that the allegation is a Tip, then the Analyst must forward all information related to the Tip including the Tip Memo to his or her Regional Group Head and provide a copy to the Designated Attorney and the Group Credit Officer. If the Designated Attorney concludes, however, that the allegation does not constitute a Tip, then the Designated Attorney shall send an email to the analyst indicating that conclusion (the “Conclusion Email”). The analyst shall then file (i) the Tip Memo, (ii) the Conclusion Email and (iii) a copy of any other document, email, etc. received or produced by the analyst related to the allegation (“Related Materials”) with the credit file of the issuer.
- 3.2.4** If any analyst, or any other employee, receives any information or allegation that could constitute a tip that does not relate to a credit that the analyst or employee covers, that analyst or employee must immediately contact the Regional Group Head who will then contact either the lead analyst responsible for the subject of the tip or the Designated Attorney that supports that analyst or employee’s group. In the event that the tip is forwarded to the Designated Attorney, the Designated Attorney will be responsible for involving the appropriate lead analyst or Regional Group Head, which analyst or Regional Group Head will then be responsible for the tip as if it had been communicated directly to him or her.
- 3.2.5** Analysts are to work with the Designated Attorney and the Group Credit Officer to organize a plan to address the allegations including conducting necessary factual inquiries and reviews and, if appropriate, formulating questions for the rated entity designed to address both the specific and general concerns that the Tip raises. After any appropriate initial inquiries are completed, the analysts (with or without the Designated Attorney, as they both shall determine appropriate) must then follow such plan, including, as appropriate, follow-up on the allegations or claims by contacting the rated entity to inquire as to its knowledge of the

¹ Bulletin 22 can be located at the following link: <https://fitchratings.policytech.com/dotNet/documents/?docid=1829>

² Attorney assignments are available at the following link: <https://fx.fitchgroup.co/display/LEG/Department+Assignments+by+Attorney>

allegations, without divulging the source of the Tip. The rated entity's response, whether oral or written must be maintained as part of the rating file for the entity.

3.2.6 It is the responsibility of the Designated Attorney to:

- Determine whether it is necessary to contact a governmental or regulatory authority to report the Tip and the appropriate governmental or regulatory body to inform, and
- To record the allegation in the tip log maintained by the Legal Department (the "Tip Log") and to file (i) the Tip Memo, (ii) either the Conclusion Memo, as defined below, or the Conclusion Email and (iii) the Related Materials in the files maintained by the Legal Department for such purpose.

3.2.7 The Designated Attorney must also:

- Prepare and transmit any letter(s) to the appropriate authorities,
- File all such letter(s) in the files maintained by the Legal Department for such purpose, and
- Indicate on the Tip Log, the date of the transmission of such correspondence and any response from the authorities.

3.2.8 It is the responsibility of the Regional Group Head to review the Tip, the results of all inquiries made with respect to the Tip and any response provided by the rated entity and to then convene a credit committee if, in his or her judgement, the Tip could have credit implications, whether or not such allegation is made public.

4. DOCUMENTATION

4.1. Upon the conclusion of the analysis of the Tip, the analyst must complete a memo, in English, an outline of which is attached hereto as Appendix 2, summarizing the incident and its resolution (the "Conclusion Memo").

4.1.1 In accordance with Bulletin 11 (File Maintenance and Recordkeeping Policy for Analytical Groups, Credit Policy, Global Content Operations and Global Operations Management), the analyst must file (i) the Tip Memo, (ii) either the Conclusion Memo or the Conclusion Email, and (iii) the Related Materials with the credit file to which the allegation relates with copies provided to the Designated Attorney and the Credit Policy Group.

4.1.2 The Designated Attorney must note on the Tip Log the date on which the Designated Attorney receives the Conclusion Memo and retain such memo in the files maintained by the Legal Department for such purpose. It is the responsibility of the Designated Attorney to ensure that the analyst produces a Conclusion Memo for each Tip.

4.2. The analyst may record both the Tip Memo and the Conclusion Memo in the form of an email so long as all of the information required in Appendices 1 and 2, respectively, are included in such email and the email is retained in accordance with Bulletin.

5. Questions

For questions or issues concerning this Policy, please contact Viola Fong, Deputy General Counsel, at viola.fong@fitchratings.com.

Owner: General Counsel

Summary of Changes: Appendix III

APPENDIX I

FORM OF TIP MEMO

[To be filed by analyst with related Issuer credit file]

To: Regional Group Head, Designated Attorney and Credit Policy Group Contact

From: [Name of Fitch Analyst]

Date: [Date of Tip Memo]

Re: [Receipt of Tip concerning [Name of Subject Credit]]

- Date and time tip received
- Fitch employee informed
- Informant (if identity known) including, if available: phone number, address, connection to Subject Credit
- Name of Subject Credit
- Responsible rating group
- Person in such group to whom the tip was referred (if other than drafter of Tip Memo)
- Name of rating Regional Group Head
- Complete summary of tip (please attach any document(s) provided by Informant)
- Date tip referred to Regional Group Head
- Name of Designated Attorney

APPENDIX II

FORM OF TIP CONCLUSION MEMO

[To be filed by analyst with related Issuer credit file]

To: Group Head, Designated Attorney and Credit Policy Group Contact
From: [Name of Fitch Analyst]
Date: [Date of Conclusion Memo]
Re: [Receipt of Tip concerning [Name of Subject Credit]]

Summary of Tip:

- Date of Tip
- Nature of Tip
- Summary of the Tip

Credit Section:

- Does Fitch rate the Subject Credit?
- Would the tip, if true, have a credit impact?
- Describe actions taken to follow-up on tip including: (i) describing the plan created in concert with the Designated Attorney and Credit Policy Group to address the allegations, (ii) attaching copies of documents reviewed and (iii) summarizing discussions with the Subject Credit, if any
- After the initial investigation, did the group head determine that the allegations have merit and a credit committee was needed? If so, what were the results of the committee?
- Was a RAC issued?

APPENDIX III

Summary of Changes

November 1, 2018

No material changes were made.

March 27, 2023

Updated sections 3.2.3. and 4.1.1.

December 22, 2023

Clarified language relating to Market Rumors and updated contact attorney for questions or issues concerning this Policy.