

EXECUTIVE SUMMARY

Objective: To set forth the disclosure requirements regarding solicitation status, and Rated Entity participation in the rating process.

Application: All Fitch Ratings employees globally.

Effective Date: 30 March 2020

Version: 5.2

Replaces: Bulletin 14: *Rating Solicitation and Participation Disclosure Policy* (Version 5.1, dated 29 May 2019)

1. OVERVIEW

Fitch Ratings believes that investors benefit from increased rating coverage by Fitch Ratings, whether or not such Ratings are requested by, or on behalf of, Rated Entities; requested by, or on behalf of, Rated Entities but subsequently maintained by Fitch Ratings at its initiative; requested by investors; or initiated and freely provided by Fitch Ratings. Fitch Ratings uses the same criteria and rating committee procedures for Solicited Ratings as for Unsolicited Ratings. In some cases, the Rated Entity (and its agents) may choose not to participate in the rating process. For any Rating that Fitch Ratings assigns or maintains, irrespective of the participation status, Fitch Ratings believes that it has sufficient information to rate the Rated Entity and/or securities.

This Policy sets forth Fitch Ratings' disclosure requirements with respect to:

- the solicitation status of all Ratings; and
- situations without Issuer Participation in the rating process.

2. DEFINITIONS¹

“EU Fitch CRA” means each of Fitch Ratings Ltd and its credit rating subsidiaries located and registered in the EU (including any branches of these companies, wherever located).

“Fitch Ratings” means Fitch Ratings, Inc. and each of its credit rating affiliates that issues ratings under the trade name “Fitch Ratings”.

“Issuer Participation” means:

- with respect to structured finance Ratings, that the originator(s), issuer(s), placement agent(s) or other parties to the structured finance debt issuance have engaged in discussions with Fitch Ratings regarding the underlying collateral or the origination processes used to originate or monitor that collateral; and
- with respect to all other Ratings, that either of the following have occurred in the current analytical cycle and, in any case, within the 12 months preceding the date of the most recent rating action or research update:

¹ Note that these definitions do not change the requirement imposed by US securities law for Fitch Ratings to specify, in each Rating Information Disclosure Form, whether the relevant credit rating was: (i) paid for by the obligor being rated or the issuer underwriter, depositor, or sponsor of the security or money market instrument being rated; (ii) paid for by a person other than the obligor being rated or the issuer, underwriter, depositor, or sponsor of the security or money market instrument being rated; or (iii) uncompensated.

- the Rated Entity's management engaged in substantive discussion of the primary topics driving the relevant Ratings, or
- the Rated Entity provided internal forecasts, risk management data or other non-public disclosure considered as part of the rating process.

“**RAC**” means a rating action commentary.

“**Rated Entity**” means (i) the issuer or obligor with respect to any security that has received or is expected to receive, as the case may be, a Rating from Fitch Ratings or (ii) an entity to which Fitch Ratings has assigned or is expected to assign, as the case may be, a Rating.

“**Rating**” means a published “Rating”, as defined in *Bulletin 7: Credit Products – Defined; Ratings, Assessments, Opinions and Scores*, that assesses the creditworthiness of an issuer or an issuance.

“**Related Third Party**” means (i) with respect to an entity, any other entity who holds, directly or indirectly, a 20% or more equity interest in the first entity or who is otherwise, directly or indirectly linked to it by control and (ii) with respect to any security that is part of a structured finance transaction, a sponsor, seller or seller/servicer, originator, underwriter or arranger with respect to that security.

“**Solicited Rating**” means a Rating that is assigned or maintained at the request of the Rated Entity or a Related Third Party.

“**With Access to Internal Documents**” means access to internal forecasts, risk management data or other non-public disclosure considered as part of the rating process.

“**With Access to Management**” means:

- with respect to structured finance Ratings, substantive discussions with the originator(s), issuer(s), placement agent(s) or other parties with responsibility for the issuance or administration of the structured finance debt issuance; and
- with respect to all other Ratings, substantive discussions of the primary topics driving the relevant Ratings with the Rated Entity's staff with managerial responsibilities for issuance or administration of the debt issuance.

“**With Rated Entity or Related Third Party Participation**” means, the same as Issuer Participation.

“**Unsolicited Ratings**” means a Rating that (i) is assigned or maintained at the request of a person other than the Rated Entity or a Related Third Party, (ii) is assigned or maintained by Fitch Ratings at its own initiative and without compensation or (iii) was initially or at one time a Solicited Rating, but which is subsequently maintained by Fitch Ratings at its initiative and without compensation.

3. DISCLOSURES

3.1. Disclosure of Solicitation Status of Ratings

Fitch Ratings will disclose whether a Rating is a Solicited Rating or an Unsolicited Rating (i) via a link in every RAC related to the assignment of a Rating, or the taking of any rating action with respect to a specific Rated Entity, (ii) in all Rated Entity-specific research and (iii) on the Rated Entity/issuance summary page of the Fitch Ratings website.

3.2. Disclosure when no Issuer Participation

Fitch Ratings will disclose all cases where there has been no Issuer Participation in the rating process (i) in every RAC in which it assigns a Rating, or takes any rating action with respect to a specific rated Entity and (ii) in all Rated Entity-specific research.

3.3. Additional Disclosure of Issuer Participation Status for Unsolicited Ratings

For each Unsolicited Rating, Fitch will include the following participation status disclosures in every RAC in which it assigns a Rating, or takes and rating action with respect to a specific rated Entity:

ADDITIONAL DISCLOSURES FOR UNSOLICITED CREDIT RATINGS

With Rated Entity or Related Third Party Participation	Yes / No
With Access to Internal Documents	Yes / No
With Access to Management	Yes / No

Taking into account the definitions of With Rated Entity or Related Third Party Participation, With Access to Internal Documents and With Access to Management, the following correspondences are expected:

- with respect to structured finance Ratings, a With Rated Entity or Related Third Party Participation response of “yes” should correspond to a With Access to Management response of “yes”; and
- with respect to all other Ratings, a With Rated Entity or Related Third Party Participation response of “yes” should correspond to an With Access to Internal Documents response of “yes” and/or a With Access to Management response of “yes”;

3.4. Additional Disclosures Relating to EU Ratings

For Ratings for which the primary analyst is based in an EU Fitch CRA, Fitch Ratings will additionally (i) include within every RAC in which it assigns a Rating, or takes a rating action with respect to a specific Rated Entity, a color-coded indication that identifies Unsolicited Ratings with respect to which there was no Issuer Participation, and (ii) apply a similar color-coding to these current Unsolicited Ratings provided in the Rated Entity/issuance summary page of the Fitch Ratings website

3.5. Additional Disclosures

Fitch Ratings will make any additional disclosures as required by applicable law or regulations, or by any relevant regulatory body.

3.6. Prohibitions on Unsolicited Ratings

Fitch Mexico S.A. de C.V. is prohibited from assigning unsolicited Mexican national scale ratings. There may be prohibitions with respect to national scale ratings under applicable local law in various countries. Any questions as to whether such prohibitions exist and, if so, how they apply, should be directed to Compliance.

4. QUESTIONS

For questions or issues concerning this Policy, please contact Regulatory Affairs, Policies and Procedures at RAPP@fitchratings.com.

Owner:	Susan Launi, Regulatory Affairs, Policies and Procedures
Summary of Changes:	Appendix A
Supplements:	None

Appendix A

Summary of Changes

Date: 30 March 2020

Insertion of Section 3.3, Additional Disclosure of Issuer Participation Status for Unsolicited Ratings, to accommodate ESMA Guidelines on Disclosure Requirements Applicable to Credit Ratings, dated 18 July 2019 and applicable from 30 March 2020.

New definitions of “With Access to Internal Documents”, “With Access to Management” and “With Rated Entity or Related Third Party Participation” have been added in order to facilitate the application of the disclosure rules added in Section 3.3.