FitchRatings

Transparency Report

United Kingdom

March 2024

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This Transparency Report is published in accordance with The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (the "UK CRA Regulation").

All information included herein pertains to the ratings operations of Fitch Ratings Ltd registered with the Financial Conduct Authority ("FCA") for the financial year ending 31 December 2023.

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Definitions

Analysts: Individuals who perform Credit Rating Activities.

Analytical Group: See Global Analytical Group.

Boards: The boards of directors of FRI (the "FRI Board"), FRIL (the "FRIL Board") and FRL (the "FRL Board") collectively.

Business and Relationship Management group (or "BRM"): The group that carries out ratings-related commercial and marketing activities independently of the Global Analytical Group.

Chief Compliance Officer (or "CCO"): The individual who leads the Global Compliance Group and reports jointly into the CRO of Fitch Group, and the Independent Directors of the Boards. The CCO is responsible for the goals, strategy and status of the Global Compliance Group, the compliance program, and certain other compliance processes and controls including those undertaken by the department's core teams.

Chief Credit Officer: The individual who reports to the CRO and leads the Credit Policy Group.

Chief Criteria Officer: The individual who reports to the CRO and leads the Criteria Review and Approval Group.

Chief Information Security Officer (or "CISO"): The individual who reports to the CRO and leads the Technology Risk group.

Chief Risk Officer (or "CRO"): The individual responsible for the Group Risk function.

Compliance: The Global Compliance Group, a department of Fitch Ratings led by the CCO which is responsible for advising on, supporting and overseeing compliance with CRA Regulation globally.

Conduct Policies: The Fitch Ratings' Code of Conduct & Ethics and related policies regarding complaints, conflicts of interest and confidentiality.

CRA: Credit Rating Agency.

CRA Regulation: The various laws, rules and regulations governing the issuance of Credit Ratings globally.

Credit Policy Group (or "CPG"): The group that is independent of the Global Analytical Group and operates in an oversight capacity with respect to Fitch Ratings' analytical work. CPG also ensures new or developing credit issues are shared and addressed across Analytical Groups.

Credit Rating: A rating that assesses the creditworthiness of an issuer or an issuance.

Credit Rating Activities: The activities which include data and information analysis and the evaluation, approval, issuance and review of credit ratings, including acting as the chairperson or voting member of a credit rating committee. Credit rating activities do not include general analytical management activities and oversight (including discussing issues with Analysts under direct supervision), attendance at management meetings or participating as an observer (i.e., non-voting member) in a credit rating committee.

Criteria Review and Approval Group (or "CRAG"): The group that is independent of the Global Analytical Group and reviews new methodologies or models, and amendments to existing methodologies or models that would have a material impact on a given set of ratings as required under Fitch Ratings' policy.

Endorsed Credit Ratings: international scale public Credit Ratings issued by a third country Fitch Ratings' CRA established in a non-EU country where the requirements for endorsement are met and which are endorsed by FRIL, as further described in section 2 of this report.

ESMA: The European Securities and Markets Authority.

EU CRA Regulation (or "EU CRAR"): Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011, as amended by Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011, as amended by Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 21 May 2013, as amended by Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014, as amended by Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017, as amended by Regulation (EU)

2022/2554 of the European Parliament and of the Council of 14 December 2022 and as amended by Regulation (EU) 2023/2869 of the European Parliament and of the Council of 13 December 2023.

Fitch Ratings: Fitch Ratings, Inc. and each of its credit rating affiliates that issues Credit Ratings under the trade name "Fitch Ratings".

Fitch Ratings' Code of Conduct & Ethics: The document based upon the global best practices outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies, and, with respect to any given jurisdiction in which Fitch Ratings conducts Credit Rating Activities, is consistent with all laws, rules and regulations applicable to Fitch Ratings in such jurisdiction. All Fitch Ratings policies and procedures reflect Fitch Ratings' Code of Conduct & Ethics.

FRI: Fitch Ratings, Inc.

FRI Board: The Board of Directors of Fitch Ratings, Inc.

FRIL: Fitch Ratings Ireland Limited

FRIL Board: The Board of Fitch Ratings Ireland Limited.

FRL: Fitch Ratings Ltd

FRL Board: The Board of Directors of Fitch Ratings Ltd.

Global Analytical Head: The individual who reports to the President of Fitch Ratings and is responsible for all Analytical Groups.

Global Group Head: One of the individuals who may also be a Senior Global Group Head, and has global management responsibility for a specific product area (i.e. Sovereigns, Insurance, Covered Bonds, International Public Finance, U.S. Public Finance, Global Infrastructure, FAM, Corporates, Banks and Structured Finance).

Global Analytical Group: Any employee, including analytical employees, administrators and others that work in any of the following groups:

- Corporates & Leveraged Finance
- Structured Finance and Covered Bonds
- Financial Institutions Group including:
  - Banks
  - Non-Banks
  - Insurance
  - Fund and Asset Manager
- Public Finance including:
  - International Public Finance
  - U.S. Public Finance
  - Global Infrastructure Group
- Sovereigns

Group Risk: The group that develops, coordinates and reports on the risk management activities of Fitch Group.

Hearst Ratings II, Inc.: The special purpose subsidiary through which the Hearst Corporation retains its ownership interest in Fitch Group, Inc.

INED: Independent Non-Executive Director and refers to an outside member of the Boards.

IOSCO: The International Organization of Securities Commissions.

Ratings Operations: The group of employees that report directly, or indirectly, to the Chief Operating Officer of Fitch Ratings.

Ratings Process Manual (or "RPM"): The document that specifies minimum policy and procedural requirements to be applied by Analysts globally and the procedures applicable to all ratings, rating outlooks, rating assessments, credit opinions and scores.

Senior Global Group Head: means one of five individuals with overall global management responsibility for Corporates, Financial Institutions, Structured Finance, Public Finance & Global Infrastructure Group, or Sovereigns (all of whom report to the Global Analytical Head).

Technology Risk: The group led by the CISO which provides oversight and governance over the Technology Risk program at Fitch Group and oversees information security for all of Fitch Group's business units.

UK CRA Regulation (or "UK CRAR") means The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019.

1. Legal Structure and Ownership

Legal Structure

Fitch Ratings Ltd is established in England and Wales and is incorporated in accordance with applicable national law and registered with the FCA under the UK CRA Regulation.

Fitch Ratings Ltd operates largely in the United Kingdom and it has a branch in Dubai which is registered with the United Arab Emirates' Securities and Commodities Authority.

Ownership

Fitch Ratings Ltd ("FRL") is 100% owned by Fitch Ratings, Inc. ("FRI").

FRI is 100% owned by Fitch Group, Inc., a holding company, which in turn is 100% owned indirectly by the Hearst Corporation.

The Hearst Corporation is a privately held diversified media and information company with headquarters in the United States. Its major interests (in addition to owning 100% of Fitch Group, Inc.) include ownership of magazines, newspapers, cable networks, television broadcasting, internet and marketing services businesses, TV production, newspaper features distribution, and real estate. It also maintains significant holdings in automotive and medical/pharmaceutical business information companies. It retains its ownership interest in Fitch Group, Inc. through Hearst Ratings II, Inc.

2. Endorsed Credit Ratings

Per paragraph 26(g) of ESMA's Guidelines on the application of the endorsement regime under Article 4(3) of the Credit Rating Agencies Regulation ("The Guidelines") published 20 May 2019 (report reference ESMA33-9-282), an endorsing CRA demonstrates that the conduct of Credit Rating activities by the third-country CRA resulting in the issuing of an endorsed Credit Rating fulfils requirements which are at least as stringent as those set out in Article 12 and Part III of Section E of Annex I of EU CRAR[1], where the endorsing CRA includes information about the endorsed Credit Ratings in its own transparency report, ensuring that the:

a. Description of the internal control mechanisms ensuring quality of a CRA's Credit Rating activities includes control mechanisms applicable to endorsed Credit Ratings;
b. Outcome of the annual internal review of a CRA's independent compliance function takes into account the role of the endorsing CRA's compliance function with respect to endorsed ratings;
c. Description of the policy for record-keeping and analyst rotation indicates whether such policies are global or only applied to UK ratings; and
d. Financial information on the revenue of the endorsing CRA, including total turnover and the geographical allocation of that turnover to revenues generated in the UK and revenues worldwide clearly states whether revenues from endorsed ratings are taken into account.

From the perspective of its core business of determining international scale Credit Ratings, Fitch Ratings operates as a single global business with a centralised cross-jurisdictional management structure and a global operating model irrespective of the location of staff and employing Fitch Ratings entity. As such the core body of policies and the associated controls that are applicable to the process of preparing and issuing an international scale Credit Rating are largely global in nature. There is limited jurisdictional variation to these policies and controls – such that they apply both to FRL and third country CRAs that issue Credit Ratings that are endorsed by FRL. As a result, the policies and controls applied by these third country CRAs are as stringent as those applied by FRL.

[1] FRL considers that ESMA's Guidelines on the application of the endorsement regime under Article 4(3) of the Credit Rating Agencies Regulation dated 20 May 2019 are applicable, mutatis mutandis, to the application of the UK CRAR given the FCA's statement Brexit: our approach to EU non-legislative materials.

3. Internal Control Structure Governing the Determination of Credit Ratings

3.1 Introduction

This section describes Fitch Ratings' internal controls related to the issuance of Credit Ratings. The definition of Credit Ratings, along with both other capitalized terms that may be used in this document and other material information pertaining to Credit Ratings, are set forth on Fitch Ratings' publicly available website at https://www.fitchratings.com/site/definitions.

3.2 Board Oversight

The Boards govern the most senior CRAs within Fitch Group, Inc. ("Fitch Group"), and operate under structured procedures. Each of the Boards performs its oversight activities on behalf of Fitch Ratings globally. In addition, where necessary pursuant to applicable local law, the local boards of directors of other Fitch Ratings' subsidiaries may perform additional oversight activities.

Among other matters, the Boards are responsible for the oversight and management of FRI, FRIL and FRL in accordance with their fiduciary responsibilities and standards established by the laws of the jurisdictions in which FRI, FRIL and FRL are organized, including approval of all components of the internal control framework, as well as overseeing that its components are subject to monitoring and regular update by management.

The Boards have delegated responsibility for the day-to-day running of FRI, FRIL and FRL to a senior management team with sufficient skill and experience to ensure the sound and prudent management of FRI, FRIL and FRL. The senior management team is responsible for the development and performance of controls and for assessing the adequacy and effectiveness of the control environment, establishing, implementing and updating the internal policies and procedures[2] supporting the internal control framework. In establishing these policies and procedures, the senior management team has a documented decision-making process and defined roles and responsibilities.

The Boards oversee, among other matters:

a. The process and maintenance of internal controls for the determination and issuance of Credit Ratings;

b. The publishing of new and materially amended criteria and methodologies pertaining to determining Credit Ratings;

c. The approval of new and materially amended policies pertaining to determining Credit Ratings;

d. The program designed to manage conflicts of interest;

e. The compensation and promotion processes; and,

f. The compliance and governance processes, including the effectiveness of CRAG.

3.3 Policy Framework

All Fitch Ratings policies and procedures reflect Fitch Ratings' Code of Conduct & Ethics, which is based upon the global best practices outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies, and, with respect to any given jurisdiction in which Fitch Ratings conducts Credit Rating activities, are consistent with all laws, rules and regulations applicable to Fitch Ratings in such jurisdiction.

During the policy development or amendment stage, input is gathered from relevant constituents within Fitch Ratings including, where appropriate, the senior management of the Global Analytical Group, CPG, the Legal Group, Ratings Operations (including Regulatory Affairs, Policies and Procedures), BRM, Compliance, and any others as may be appropriate. Once a new or amended policy is finalized, it is subject to review and approval in accordance with Fitch Ratings' internal protocols. Certain of Fitch Ratings' policies are also subject to review by the Boards.

[2] The term "policies and procedures" refer to internal documents that govern or direct how Fitch Ratings or its staff should perform activities that are subject to the requirements of the UK CRA Regulation

3.4 Three Lines of Defense

Fitch Ratings' internal control structure is designed to ensure that Fitch Ratings employees comply with Fitch Ratings' policies and procedures relating to or associated with the issuance of Credit Ratings. This control structure follows the model of the three lines of defense (Control Functions), and is ultimately overseen by the Boards:

a. First Line of Defense: The Global Analytical Group, BRM and Ratings Operations (see below in 5);

b. Second Line of Defense: CPG, CRAG, Compliance, the Technology Risk function, and the Operational Risk team(see below in 6); and

c. Third Line of Defense: Internal Audit (see below in 7) and external or outsourced third-party audits, as needed.

Each of the three lines of defense is further supported by the Information Technology group ("IT") and the Information Security group ("IS") (see below in 8).

3.5 First Line of Defense

The overall responsibility to ensure that Fitch Ratings' policies and procedures relating to or associated with the issuance of Credit Ratings are followed rests with the senior managers and all members of the first line of defense.

3.5.1 Global Analytical Group

The senior managers of the Global Analytical Group are: (i) the five Senior Global Group Heads; (ii) the Global Group Heads, each covering the analytical groups; and (iii) the Regional Group Heads covering certain geographical areas.

3.5.2 Business Relationship Management

BRM is a separate function which carries out ratings-related commercial and marketing activities independently of the Global Analytical Group. This structure helps ensure that analytical staff are not influenced by business considerations. All discussions with an issuer, originator, arranger, sponsor, servicer or any other party that interacts with Fitch Ratings on behalf of the issuer concerning rating fees, fee arrangements or billings are handled either by BRM, finance and accounting staff, members of the Legal Department, or others who are employed by Fitch Ratings to handle billing or fee collection matters, outside the Global Analytical Group. BRM staff also follow policies and procedures designed to ensure compliance with anti-money laundering laws, international sanctions, and anti-bribery and corruption laws, as well as other aspects of CRA regulation.

3.5.3 Ratings Operations

Ratings Operations is responsible for developing, implementing and monitoring procedures and controls with respect to the Credit Rating process in response to regulation, Fitch Ratings policy, and senior management guidance. Ratings Operations works with members of the Global Analytical Group, BRM, Compliance, CPG, Human Resources, Legal and IT to identify risks and implement procedural, training and/or technical solutions in support of the internal control framework and analysts' compliance with Fitch Ratings' policies and procedures. Ratings Operations also produces management reports and analysis to support the Global Analytical Group's compliance with the various procedures outlined in the Ratings Process Manual.

3.6 Second Line of Defense

Fitch Ratings' core control functions of CPG, CRAG, Compliance the Technology Risk function, and the Operational Risk team comprise the Second Line of Defense. These functions operate at a global, rather than local level, with staff based in certain Fitch Ratings' offices around the world providing support and oversight to all Fitch Ratings' offices globally.

3.6.1 The Credit Policy Group

CPG is independent of the Global Analytical Group and includes the Chief Credit Officer, Group Credit Officers, Evaluating Committee Robustness and Fitch Wire. The Chief Credit Officer reports to the CRO. The Chief Credit Officer and Group Credit Officers leverage participation in various committees and discussions to ensure new or developing issues are shared and addressed across Global Analytical Group. CPG therefore serves as an oversight function with respect to Fitch Ratings' analytical work. In fulfilling these responsibilities, CPG conducts the following activities, among others:

- Aggregates risks across ratings by focusing on risk identification and promoting coordination across sectors and regions; and may challenge credit thinking with alternative viewpoints;
- Conducts reviews for assessing ratings performance and ratings comparability; and in conjunction with the Chief Criteria Officer report on the effectiveness of Ratings to the Boards;
- Links rating trends with current fundamentals, macro-economic developments and analytically defined expectations by industry or sector;
- Monitors Analytical Groups to ensure consideration of new developments with an appropriate sense of urgency and rigor and reports on and makes recommendations in certain cases;
- Oversees the execution of reviewing unique or complex ratings proposals by Analytical Groups;
- Develops and publishes areas of topical research that address current credit market issues, and/or can be used to frame priorities or identify the next potential credit market development;
- Reviews analytical exceptions, incidents and complaints; and
- Carries out reviews of Committee Papers against Criteria as part of the Evaluating Committee Robustness program.

3.6.2 Criteria Review and Approval Group

CRAG is independent of the Global Analytical Group and includes the Chief Criteria Officer, Head of Model Validation, Manager of Ratings Performance Analytics and Criteria Officers. The Chief Criteria Officer reports to the CRO of Fitch Group. CRAG serves as an oversight function with respect to Fitch Ratings' Credit Ratings criteria and related models.

In fulfilling these responsibilities, CRAG undertakes the following activities, among others:

- Oversees the rating criteria (and related models and key assumptions) review and approval process recommending approval to the Boards, including ensuring inclusion of appropriate qualitative and quantitative assumptions, sensitivities and key ratings drivers. Analytical Groups are responsible for proposing suitable criteria and changes to existing criteria to CRAG for review and for the justification of the change proposals;
- Conducts regular transition and default studies and develops other quantitative ratings performance indicators to monitor the performance of Fitch Ratings' Credit Ratings over time and across analytical sectors and geographical regions to review the consistency of application of criteria;
- Manages a database of criteria and models to measure compliance with the requirements to review such criteria and models and to ensure only validated models are controlled;
- Reviews criteria change proposals and their justification and conducts model validation; and
- Oversees the identification, review, resolution, and reporting of errors related to models and criteria.

In addition to their oversight activities, both CPG and CRAG contribute to the development of a training program, the Fitch Credit Academy, to provide a formal structure to develop and assess the knowledge and skills analysts need to be effective in evaluating credit. Analysts are trained on fundamental credit concepts, and in some cases specialized curricula designed to provide relevant knowledge and skills appropriate for each Analytical Group, sector and region, as applicable.

3.6.3 Global Compliance Group

The Global Compliance Group is responsible for advising on, supporting and overseeing compliance with the CRA Regulations applicable in each jurisdiction in which Fitch Ratings operates, along with those requirements set forth in Fitch Ratings' Conduct Policies. Compliance supports, monitors and reports on Fitch Ratings' compliance with CRA Regulations and the Conduct Policies on an ongoing basis through the core functions described below. It also manages the Fitch Ratings' Ethics Hotline and internal incident reporting systems and follows up on incidents where this is required.

Compliance is led by the CCO, who reports jointly into the CRO, and the INEDs. Compliance is represented in multiple geographical locations by local Compliance officers as may be required by local regulations. The CCO periodically informs the INEDs and the CRO on the goals, strategy and status of the Global Compliance Group, the Compliance program, and certain other Compliance processes and controls including those undertaken by Compliance's core functions. The core functions are as follows:

- *Regulatory Compliance:* Compliance is responsible for maintaining (either directly or in conjunction with local country management) Fitch Ratings' license or registration in all jurisdictions where Fitch Ratings is licensed or registered as a CRA. This includes submitting periodic (e.g. monthly, annual, etc.) and ad hoc reporting and filings, along with making any necessary disclosures of issues or events to regulators, and/or the public via Fitch Ratings' public website (www.fitchratings.com). In addition, this team manages all regulatory exams and other regulatory requests for documents and information. Further, the team helps coordinate Fitch Ratings' responses to all exam findings and recommendations, and tracks and monitors Fitch Ratings' completion of agreed management actions. The team regularly liaises with regulators on a global basis. Regulatory Compliance is also responsible for oversight of the processes regarding the handling and resolution of conduct complaints, as defined in Fitch Ratings' Complaints Handling policy. Finally, Regulatory Compliance conducts outreach to Fitch Ratings' offices in Asia, Europe, Latin America, and the Middle East on an in-person or virtual basis. Regulatory Compliance is overseen in each region by a regional head who is responsible for, amongst other things, organizing adherence to new disclosure or reporting requirements by Fitch Ratings in response to regulatory change, and for communicating information regarding these changes to both their team members, and Regulatory Compliance officers in other regions.
- *Personal Conflicts Monitoring* ("PCM"): responsible for administering Fitch Ratings' Global Securities Trading and Conflicts of Interest Policy, which establishes policies designed to minimize actual and apparent conflicts that may arise from employees' personal investment activity, outside interests and external relationships, and gifts, business events and entertainment. PCM utilizes a third-party trade surveillance platform to monitor Fitch Ratings employees' trading activity. PCM also administers the initial securities holdings certification and compliance questionnaire for new hires, as well as an annual compliance recertification of securities holdings and compliance questions for existing staff. PCM also administers a certification sent to the INEDs on an annual basis. Further, PCM is responsible for administering the exceptions and recusals that may be required as a result of a potential conflict.
- *Compliance Testing & Monitoring ("CTM"):* responsible for assessing adherence to policies, procedures and applicable regulations; evaluates the effectiveness of corresponding controls; reports identified exceptions to senior management; and, ensures corrective action plans are developed and validated on closure. An Annual Compliance Testing Plan is created using a risk-based approach and focuses on the results from the annual Compliance Risk Assessment. Other factors considered include prior compliance testing, regulatory findings, identified issues and trends. CTM also performs communication surveillance on analytical and commercial staff, as well as certain other areas such as Core Operations and Middle Office. Communication surveillance covers Fitch Ratings e-mail, Microsoft Teams and Bloomberg Email and messaging. Communications sent and received on these channels by employees are flagged by dedicated software when the content indicates a potential violation of policies and procedures. CTM reviews all flagged communications to determine whether a violation occurred and, where appropriate, refers items for investigation under the Employee Accountability Procedure.
- *Compliance Data, Systems and Metrics:* responsible for assisting the CCO in various centralized Compliance tasks and activities. These include completion of Compliance risk assessments, reporting on monitoring the effectiveness of compliance controls, project management of workplan items, management of both the Ethics Hotline and internal complaint log system, as well as exception and incident management through the Exception Management System ("EMS"); and, management of the internal governance, risk, and compliance system.

3.6.4 The Technology Risk Function

For further information on the Technology Risk function, see Section 3.8 (Global IT and Global Information Security Structures and Systems).

3.6.5 The Operational Risk Team

The Operational Risk manager reports to the CRO and oversees the policies, procedures and controls designed to manage all aspects of operational risk, including, but not limited to: fraud, regulatory risks, legal risks, physical risks, people risks, information technology risks and third party risk.

In fulfilling these responsibilities, the Operational Risk team:

- Develops, implements and manages Fitch's risk framework;
- Facilitates Risk and Control Self Assessment activity;
- Works with first line stakeholders to identify new and emerging risks; and
- Coordinates risk management and internal control activities.

3.7 Third Line of Defence

Internal Audit

Internal Audit ("IA") is the third line of defense and provides independent and objective assurance as to whether the design and effectiveness of Fitch Ratings' risk framework, controls and governance processes are adequate.

The Head of IA reports to the INEDs and the CRO. At least annually, the Head of IA submits to the INEDs and the CRO an internal audit plan for review and approval. The internal audit plan consists of a work schedule for the following calendar year. It is developed based on a prioritization of the audit universe using a risk-based methodology, including input from the INEDs, the CRO and other-members of Fitch Ratings' senior management. The Head of IA reviews and adjusts the plan, as necessary, in response to changes in Fitch Ratings' business, risks, operations, programs, systems and controls. Any significant deviation from the approved internal audit plan is communicated to the INEDs and the CRO through periodic reporting or direct communication, as applicable.

After the conclusion of an internal audit engagement, IA issues and distributes a written audit report. The audit report includes management's responses and corrective actions with regard to any specific audit findings and recommendations. Management's responses include a timetable for anticipated completion of corrective actions. IA is also responsible for appropriate follow-up, and all audit findings remain in an "open issues file" until cleared. In addition, the Head of IA periodically reports to the INEDs and the CRO on the purpose, authority and responsibility of IA as well as progress and performance relative to the audit plan.

IA also conducts independent testing of key controls supporting the rating process. This testing is undertaken globally to support the assessment of the effectiveness of internal controls under the US SEC Dodd-Frank Control Act and ESMA's Guidelines on Internal Control for CRAs.

3.8 Global IT and Global Information Security Structures and Systems

The Technology Risk ("Tech Risk") and IT functions are responsible for managing the technology infrastructure and enabling Fitch Ratings to deliver against its strategic goals by reducing the risk of significant security incidents and data breaches.

Group IT

Fitch Group's IT function manages the technology infrastructure for Fitch Ratings globally. IT is led by Fitch Group's Chief Information Officer ("CIO"), and has both Fitch Group's Chief Technology Officer ("CTO") and the Chief Software Officer ("CSO") reporting in to them. In addition to typical IT tasks and responsibilities, the CTO also:

- Maintains and monitors infrastructure including desktops, networks and data applications and process for ongoing operations;
- Plays a material role in supporting business continuity plans, including those related to the issuance and publication of credit ratings;
- Manages and tests disaster recovery plans.

Together with Ratings Operations, the CSO develops custom applications required to support core ratings activities such as workflow systems, analysis and surveillance systems, and publishing and document management systems, and maintains those applications and systems.

Tech Risk
The Tech Risk team is focused on understanding the risk environment so that measures can be taken to eliminate the risk or to reduce the likelihood and potential impact when an incident arises from a risk. Led by the Chief Information Security Officer ("CISO"), Tech Risk works with the Fitch IT team to drive increased security and resilience across the Fitch Group environment. Tech Risk also:

- Creates, manages, and leads the implementation of the information security program;
- Identifies and addresses the risks associated with the technology processes used in the issuance of credit ratings, along with IT and senior members of the business, legal and Compliance teams;
- Provides advice on developing operational resilience plans, including those related to the issuance and publication of credit ratings;
- Implements and manages foundational security controls designed to prevent and detect information security threats, and designs and tracks objective metrics tied to those controls;
- Manages access control for all systems, ratings data and applications in compliance with confidentiality and conflict of interest policies; and
- Manages annual training and awareness activities for cybersecurity, including required annual training, regular phishing exercises, frequent messaging and awareness raising via the Fitch Group intranet channel, a monthly cybersecurity newsletter, a personal cybersecurity guide, and annual cybersecurity awareness month activities in October.

4. Information on Allocation of Staff

The tables below detail the total number of employees for FRL as at the end of the financial year ending December 31, 2023, identifying:

- The number of analytical staff employed within the ratings groups who work on new Credit Ratings and Credit Rating reviews (including supervisors);
- The total number of staff employed within CRAG including those responsible for methodology or model appraisal;
- The total number of analytical supervisors (defined below);
- The total number of Senior Global Group Heads (the senior-most managers of each analytical group, including the Global Analytical Head that these individuals report into); and
- The total number of support staff.

Fitch Ratings Ltd

Staff employed within CRAG		**0**
Analytical staff employed within rating groups:		
Of which Corporates	82	
Of which Financial Institutions	67	
Of which Structured Finance	61	
Of which Sovereign and International Public Finance	25	
Of which Insurance	9	
Total Analytical Staff		244
Total Support Staff		477
Total Staff		**721**

Further information on senior management can be found in section 7 of this report under the title “Management”.

Notes:

a. Analytical supervisors are defined as those analytical employees holding a title of Senior Director or above. Quorum requirements for ratings committees require at least one analyst with a title of Senior Director or above to be present.

b. Fitch Ratings does not maintain separate surveillance teams in the UK. Thus, analytical staff work on both assigning new ratings and monitoring existing ones.

c. New methodologies or models, and amendments to existing methodologies or models that would have a material impact on a given set of ratings are required under Fitch Ratings’ policy to be reviewed by a Criteria Review Committee. While senior analysts from across the analytical groups participate in this process, only staff drawn from the CRAG are permitted to vote on the final outcome.

d. Fitch Ratings has five Global Group Heads leading its analytical teams that report to the Global Analytical Head.

e. Of FRL’s Total Analytical Staff, 62 are analytical supervisors (i.e. Senior Director or above). Five are Global Group Heads.

5. Record Keeping Policy

Fitch Ratings has global file maintenance and record-keeping policies and practices that are designed, collectively, to ensure that it maintains adequate records in accordance with all applicable laws and regulations including, but not limited to, the UK CRA Regulation. There are two main record-keeping policies that apply: the File Maintenance and Recordkeeping Policy for Analysts, and the File Maintenance and Recordkeeping Policy for BRM.

Additional details regarding the exact content of the information that must be included in certain documents referenced in the File Maintenance and Recordkeeping Policy for Analysts (such as rating committee minutes) are contained in internal manuals that provide detailed procedural guidance on the rating process.

Other non-analytical groups, such as the Accounts Group, maintain separate internal recordkeeping policies.

Collectively, these policies and procedures require that, among other things, Fitch Ratings maintains records for a period of at least five years that cover:

a. Documents including internal records and working papers used or created in support of determining and assigning any Credit Rating;

b. Electronic or written communications received or sent by Fitch Ratings and its employees concerning fee negotiations;

c. The solicitation status of each Credit Rating;

d. The established procedures and methodologies used by Fitch Ratings to determine Credit Ratings;

e. The procedures and measures implemented by Fitch Ratings to comply with any applicable regulation; and

f. External and internal communications, including emails received and sent by Fitch Ratings and its employees that relates to initiating determining, maintaining, monitoring, changing or withdrawing a Credit Rating.

6. Outcome of the Annual Internal Review of the Compliance Function

Internal Audit conducted its annual audit of the Global Compliance Group through a review of the Conduct Complaints process. The audit identified minor issues that have subsequently been remediated in line with management commitments detailed in the audit report.

7. Management and Rating Analyst Rotation Policy

Management

Fitch Ratings complies with all local corporate law requirements as well as applicable corporate governance requirements. As such, FRL is set up in a manner consistent with applicable UK corporate law. The individual board members of FRL are identified in Section 9 of this report.

The organisation of Fitch Ratings' analytical management is not structured around our corporate organisation. Each of the analytical staff employed within FRL report to a regional group head, in some cases through a series of line managers. The regional rating group heads report ultimately to a Global Group Head.

Currently one of Fitch Ratings' five Senior Global Group Heads is based in the UK, one is based in Hong Kong and three are based in the United States. All five Senior Global Group Heads report to the Global Analytical Head who is based in New York. This individual reports to the President of Fitch Ratings, who is based in the UK .

Analyst Rotation

Fitch Ratings' analyst Rotation Policy applies to its UK operations, as well as those of Fitch Ratings' third country CRAs that issue Credit Ratings which FRL endorses for use in the UK. It was developed to be consistent with UK CRA Regulation and ESMA's Guidance on the application of the endorsement regime for CRAs. It establishes, with respect to any UK or third country CRA that issues endorsed ratings, the maximum permissible time periods for covering a rated entity.

The current version of Fitch Ratings' analyst Rotation Policy that is applicable to Fitch Ratings' UK operations and to Endorsed ratings at 31 December 2023 is reproduced in full in Appendix 1.

8. Information on Revenue

Description of Rating Activities

Fitch Ratings' UK business activities are based on the provision of independent analysis and rating opinions regarding a variety of risks in the financial markets. Such rating activities include the development and provision of analytical opinions using a number of rating scales, ratings-related data and peer analysis tools, rating models, surveillance products, research products and other analytical services. These scales, products and services all reflect Fitch Ratings' independent risk analysis.

Fitch Ratings' rating opinions do not comment on the suitability of any particular type of investment or the appropriate level of risk for any user of these rating opinions. In preparing its rating opinions, Fitch Ratings is indifferent to the rating or assessment levels achieved and neither suggests nor cautions against individual 'target' levels of rating or assessment. Consequently, Fitch Ratings does not provide advisory or consulting services to any entity.

Fitch Ratings revenue is allocated depending on the jurisdiction to which it is invoiced. 'Revenue derived in the UK' references revenue from issuers located in the UK after transfer pricing adjustments, as reasonably estimated. Fitch Ratings does not make any charges (internal or external) or revenue adjustments under its transfer pricing methodology in relation to the endorsement of third country ratings for use in the UK.

Revenue

The tables below provide the revenue derived from both rating activities and ancillary services during the 12 month financial period ending 31 December 2023 for each of Fitch's UK registered companies.

Total Revenue	Total	Corporate Finance[3]	Sovereign/IPF	Structured Finance
Fitch Ratings Ltd (incl. branches) (GBP, 000)	146,966	93,486	21,983	31,497

Revenue Per Statutory Accounts	Revenue derived in the UK	Total Revenue
Fitch Ratings Ltd (GBP, 000)	44,284	146,966

[3] FRL provided ancillary services as defined by the UK CRA Regulations for a short period during 2022. Income was generated by a business within FRL known as Sustainable Fitch which provided ESG Ratings. Sustainable Fitch was incorporated as a separate legal entity on 1 July 2022 , and became a subsidiary of Fitch Solutions, Inc. and such ancillary services provided by FRL ceased thereafter. Revenue figures for "Corporate Finance" for 2023 includes GBP 37,842 invoiced during 2022 in respect of Sustainable Fitch ancillary services provided by FRL prior to 1 July 2022 that were recognised in FRL's 2023 financial statements.

9. Governance Statement

Corporate Governance Code

FRL is set up in a manner consistent with applicable UK corporate law. FRL operates in accordance with its by-laws and all applicable laws and regulations, including UK CRA Regulation.

The individual board members of FRL comprise the following:

- **Charles Prescott,** INED
- **Lisa W. Haag,** INED
- **Ian Linnell,** President
- **Karen Skinner,** Chief Operating Officer

The INEDs on the FRL Board undertake their oversight responsibilities with respect to Fitch Ratings' UK operations. To ensure that any entity-specific issues are adequately considered, joint board discussions in which the board members of FRL participate, are held ahead of each FRL board meeting. These discussions cover the topics scheduled for discussion within the board procedures.

The oversight responsibilities of the Boards are as documented and reviewed in the Board Procedures. A summary of the board oversight responsibilities is detailed below.

The Boards operate under defined oversight procedures. Each of the Boards performs its oversight activities on behalf of Fitch Ratings globally.

Among other matters, the Boards are responsible for the oversight and management of FRI, FRL or FRIL, as the case may be, in accordance with their fiduciary responsibilities and standards established by the laws of the jurisdictions in which FRI, FRL and FRIL are organized. The Boards have delegated responsibility for the day-to-day running of FRI, FRL and FRIL to a senior management team with sufficient skill and experience to ensure the sound and prudent management of FRI, FRL and FRIL.

The Boards oversee, among other matters:

a. The process for the issuance of Credit Ratings;
b. The publishing of new and materially amended criteria and methodologies pertaining to determining Credit Ratings;
c. The implementation of new and materially amended policies pertaining to determining Credit Ratings;
d. The program designed to manage conflicts of interest;
e. The maintenance of internal controls related to determining Credit Ratings;
f. The compensation and promotion processes; and
g. The compliance and governance processes, including the effectiveness of the CRAG.

Internal Controls and Risk Management Pertaining to Financial Reporting

The Finance Group, headed by the International Controller reporting to the Global Controller (who reports to the Chief Financial Officer of the Fitch Group),, is responsible on a day-to-day basis for ensuring that the production of all relevant financial reports and accounts of FRL are in accordance with all statutory requirements and that controls are in place to ensure operational risks (such as error and fraud) are addressed appropriately.

The adequacy and operation of controls over financial reporting are reviewed on an on-going basis by the senior Finance staff. These controls are further considered by Fitch Ratings' external auditors during the annual external audit process and formally considered by the Directors as part of their approval of the audited financial statements. In addition, the adequacy and operation of controls is reviewed by way of audit activity, undertaken by the parent entity Internal Audit function and an external global audit firm.

Information Pertaining to Voting Rights, Shareholders Meetings, Powers and Rights and the Composition on the administrative, Management and Supervisory Bodies

Please refer to Appendix 2 for this information.

Appendix 1: Rotation Policy

EXECUTIVE SUMMARY

Objective: To communicate Fitch Ratings' policy governing Analyst rotation

Application: Fitch Ratings Analysts participating in the assignment of Credit (and in some cases, Non-Credit) Ratings by Fitch Ratings' subsidiaries operating in the UK, Russia, the EU, Japan, Mexico, Costa Rica, Honduras, Panama and El Salvador, as well as Analysts located in certain other jurisdictions, as set forth below

Effective Date: 21 June 2023

Version: 18.7, replacing Bulletin 34: Rotation Policy, Policy Version 18.6.

1. OVERVIEW

Fitch Ratings has established this Policy, which governs Analyst rotation, pursuant to certain jurisdictional regulatory requirements.

This policy only applies to Analysts performing Credit Rating Activities, except in respect of the Costa Rican, Salvadoran, Dominican Republic and Mexican National Scale Rating of those jurisdictions rotation requirements, where it also applies to Analysts performing Non-Credit Rating Activities.

The type and nature of the rotation requirements differ depending on the Rating group to which the Analyst belongs, the role of the Analyst (i.e., primary, secondary, rating committee chair or voting member), or the relevant jurisdiction, as is set forth in further detail in the country-specific sections below and in Appendix B. Note that, for purposes of this Policy, covered bond ratings are not considered to be structured finance ratings.

NB: Extraterritorial Reach. With respect to the following countries, rotation requirements apply not just to the Analysts located in the relevant country, but also to Analysts located outside of the country where the Analyst is rating a Rated Entity located within the relevant country, as described below. Analysts are encouraged to review the following table when conducting ratings issued by Fitch Ratings affiliates located outside of their own jurisdiction.

Country with Extraterritorial Requirements	Extraterritorial Requirements
Costa Rica	Rotation requirements apply to Costa Rican National Scale Public Ratings (both Credit Ratings and Non-Credit Ratings) with respect to any Rated Entity (and/or its securities) requested in a fee agreement entered into by Fitch Costa Rica Calificadora de Riesgo, S.A, regardless of where the Analyst is located.
El Salvador	Rotation requirements apply to Salvadoran National Scale Public Ratings and Private Ratings (both Credit Ratings and Non-Credit Ratings) with respect to any Rated Entity (and/or its securities) requested in a fee agreement entered into by Fitch Centroamérica, S.A., regardless of where the Analyst is located.
Honduras	Rotation requirements apply to Honduran National Scale Public Credit Ratings with respect to any Rated Entity (and/or its securities) requested in a fee agreement entered into by Fitch Centroamérica, S.A., regardless of where the Analyst is located.
Japan	Rotation requirements apply to international scale Public Credit Ratings endorsed by FRJ[2], regardless of the where the Analyst is located.
Mexico	Rotation requirements apply to Mexican National Scale Public Ratings (both Credit Ratings and Non-Credit Ratings) with respect to any Rated

[2] A Credit Rating is deemed "endorsed" by FRJ if it has formally progressed through the internal FRJ endorsement process and actually been endorsed.

	Entity (and/or its securities) , requested in a fee agreement entered into by Fitch Mexico, regardless of where the Analyst is located.
Panama	Rotation requirements apply to Panamanian National Scale Public Credit Ratings and Private Credit Ratings with respect to any banking institution (and/or its securities), requested in a fee agreement entered into by Fitch Centroamérica S.A. or Fitch Costa Rica Calificadora de Riesgo S.A regardless of where the Analyst is located.
Dominican Republic	Rotation requirements apply to Dominican Republic National Scale Public Ratings and Private Ratings (both Credit Ratings and Non-Credit Ratings) with respect to any Rated Entity (and/or its securities) requested in a fee agreement entered into by Fitch Republica Dominicana S.R.L., Sociedad Calificadora de Riesgos, regardless of where the Analyst is located.

2. DEFINITIONS

Analysts means those individuals who perform Credit Rating Activities; however, individuals who perform Non-Credit Rating Activities are also included within the definition of "Analysts" under the Mexican rotation requirements. Analysts can include primary Analysts, secondary Analysts, rating committee chairs and persons who vote in committees, based on which roles are subject to local law rotation requirements, as set forth in further detail in the jurisdiction-specific sections below and in **Appendix B**.

Consecutively Participating Analyst is a term used exclusively for purposes of the Japan rotation requirements. It pertains to international scale Public Credit Ratings of insurance companies and non-financial corporates (and their securities) assigned or endorsed by FRJ. A Consecutively Participating Analyst is a voting committee member who voted in all rating committees held during the prior FRJ fiscal year (which is currently the calendar year) with respect to such an entity (and, if applicable, its securities), where the rating committee assigned new international scale Public Credit Ratings, or affirmed, reviewed (i.e., reviewed – no action, downgraded, upgraded) or withdrew existing international scale Public Credit Ratings.[3] An Analyst who did not vote in all committees held with respect to the relevant Rated Entity (and, if applicable, its securities) during the prior financial year of FRJ is not considered a Consecutively Participating Analyst.

Cooling Off Period means the time period during which the relevant Analyst is prohibited from engaging in specified Credit Rating Activities (or Non-Credit Rating Activities, in the case of Mexico), as set forth in **Appendix B**.

Credit Rating means a Rating that assesses the creditworthiness of an issuer or an issuance.

Credit Rating Activities include data and information analysis and the evaluation, approval, issuance and review of Credit Ratings, including acting as the chairperson or voting member of a Credit Rating committee. Credit Rating Activities do not include general analytical management activities and oversight (including discussing issues with Analysts under direct supervision), attendance at management meetings or participating as an observer (i.e., non-voting member) in a credit rating committee.

Endorsed CRA means any of Fitch Ratings, Inc., Fitch Australia Pty Ltd., Fitch Ratings Brasil Ltda., Fitch (Hong Kong) Ltd., Fitch Mexico S.A. de C.V. or Fitch Singapore Pte. Ltd. (or any branch of one of these entities, wherever located).[4][5]

Endorsed Rating means an international scale Public Credit Rating where the relevant primary Analyst is an Endorsed Rating Analyst.

[3] For purposes of determining a Consecutively Participating Analyst, rating committees where a Rated Entity was placed on Rating Watch with no other rating action taken are not included.
[4] Although international scale Public Credit Ratings where the relevant primary Analyst is employed by Fitch Ratings Japan Ltd. are also endorsed, they are not included in this definition given that there are separate Japanese rotation requirements.
[5] Subsequent to 31 December 2020, international public Credit Ratings where the relevant primary Analyst is employed by an EU CRA or a UK CRA will also be endorsed for the purposes of the UK CRA Regulation and EU CRA Regulation respectively. However, such ratings are not defined as Endorsed Ratings for the purpose of this Bulletin because the EU rotation requirements will be replicated in the UK CRA Regulation.

Endorsed Rating Analyst means an Analyst employed by an Endorsed CRA.

EU Analyst means an Analyst employed by an EU CRA.

EU CRA means means Fitch Ratings Ireland Limited (including any of its branches (wherever located)).

EU CRA Regulation means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended from time to time).

European CRA means an EU CRA or a UK CRA.

European CRA Analyst means an Analyst based in a European CRA.

Fitch Central America means Fitch Centroamerica S.A.

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

FRJ means Fitch Ratings Japan Limited.

Fitch Mexico means Fitch Mexico S.A. de C.V.

IPF means International Public Finance.

National Scale means, when used to describe a Rating, that that Rating is assigned or maintained using a national rating scale, as set forth in Fitch Ratings' Ratings Definitions on its public website, www.fitchratings.com.

Non-Credit Rating means a Rating which assesses attributes other than or in addition to the creditworthiness of an entity (e.g., Investment Management Quality Ratings, Servicer Ratings, etc.).

Non-Credit Rating Activities include data and information analysis and the evaluation, approval, issuance and review of Non-Credit Ratings, including acting as the chairperson of a committee. Non-Credit Rating Activities do not include general analytical management activities and oversight (including discussing issues with Analysts under direct supervision), attendance at management meetings or participating as an observer (i.e., non-voting member) in a committee.

Private Credit Ratings are Credit Ratings that have not been published by Fitch Ratings on its public website, www.fitchratings.com.

Private Ratings are Ratings that have not been published by Fitch Ratings on its public website, www.fitchratings.com.

Public Credit Ratings are Credit Ratings that have been published by Fitch Ratings on its public website, www.fitchratings.com.

Public Ratings are Ratings that have been published by Fitch Ratings on its public website www.fitchratings.com.

Rated Entity means (i) the issuer or obligor with respect to any Security that has received a Credit Rating (or as applicable, a Non-Credit Rating) from Fitch Ratings or (ii) an entity to which Fitch Ratings has assigned a Credit Rating (or as applicable, a Non-Credit Rating).

Rating shall have the meaning set forth in *Bulletin 7: Credit Products – Defined; Ratings, Assessment, Opinions and Scores.*

Rotation Clock Start Date, with respect to an Analyst, is the date on which the Rotation Period for that Analyst is deemed to start, based on the jurisdictional requirements and the Rating group to which the Analyst belongs, as set forth in **Appendix B**.

Rotation Party is the entity or entities around which Analysts must rotate, as set forth in **Appendix B**.

Rotation Period is the period of time that an Analyst is permitted to be involved in Credit Rating Activities (or, as applicable, Non-Credit Rating Activities) with respect to the relevant Rotation Party before rotation is required.

Security means any security, programme or other financial instrument.

SF Rotation Party means the following (which includes related third parties[6]):

[6] The definition of a "related third party" is "the originator, arranger, sponsor, servicer or any other party that interacts with a credit rating agency on behalf of a rated entity, including any person directly or indirectly linked to that rated entity by control".

(i) For sole originator[7] structured finance transactions, the originator of the transaction; or

(ii) For multi-originator structured finance transactions, the arranger/sponsor[8] of the transaction;

provided, that, if the same originator and arranger participate together on three different sole-originator transactions with respect to new Public Credit Ratings in a twelve-month period for which the same EU Analyst has been assigned as either primary Analyst or secondary Analyst, that Analyst must be rotated away from such originator (unless the originator and the arranger are the same entity), regardless of whether the Rotation Period has expired. In such cases, this EU Analyst is not permitted to participate in Credit Rating Activities with respect to transactions involving the originator for a minimum of two consecutive years.

UK Analyst means an Analyst employed by a UK CRA.

UK CRA means each of Fitch Ratings Ltd. and Fitch Ratings CIS Ltd. (including any of their branches (wherever located)). **UK CRA Regulation** means Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (as amended from time to time).

3. EU AND UK ROTATION REQUIREMENTS

3.1. The EU and UK rotation requirements, as set forth in detail in Appendix B and detailed in the EU CRA Regulation and the UK CRA Regulation, apply only to European CRA Analysts performing Credit Rating Activities in respect of international scale Public Credit Ratings.

For the avoidance of doubt:

- or Analysts formerly employed by Fitch Deutschland GmbH, Fitch France S.A.S., Fitch Italia S.p.A., Fitch Ratings España, S.A.U (including its branch in Stockholm) and Fitch Polska S.A. to whom the EU rotation requirements applied immediately prior to their transfer to Fitch Ratings Ireland Limited, rotation clocks applicable to primary Analysts, secondary Analysts or Rating committee chairs (as the case may be) with respect to the same Rotation Party will continue.
- for Analysts who continue to be employed by a UK CRA after 31 December 2020 to whom the EU rotation requirements applied immediately prior to this date, rotation clocks applicable to primary Analysts, secondary Analysts or Rating committee chairs (as the case may be) with respect to the same Rotation Party will continue. Similarly, for UK Analysts who transfer to an EU CRA and EU Analysts who transfer to a UK CRA, rotation clocks applicable to primary Analysts, secondary Analysts or Rating committee chairs (as the case may be) with respect to the same Rotation Party will continue.

3.2. Additionally, the following principles apply in respect of the EU and UK, and override the rules set forth in **Appendix B.** European CRA Analysts should therefore consult **Appendix B** first, and then determine whether any of the following principles apply.

– **Multiple Roles.** If a European CRA Analyst serves as more than one of the primary Analyst, secondary Analyst and Rating committee chair for the same Rotation Party, without taking a consecutive two-year break between each of these roles, the Rotation Period shall be counted from the first role held by that European CRA Analyst, and shall be for the shortest period applicable (of four or five years) of the roles undertaken, aggregating all time spent in each of the roles. For example, if a European CRA Analyst served as a secondary Analyst for two years, and then became the primary Analyst for the same Rotation Party, he/she may only serve for an additional two years as the primary Analyst. Likewise, if an EU Analyst served for three years as a Rating committee chair for a Rotation Party and then became the primary Analyst, he/she would be able to serve as primary Analyst for only one year.

[7] For any structured credit transaction that does not have an originator – for example, managed CLOs and CDOs – the originator for purposes of this definition is the asset manager.
[8] For sake of clarity, the terms "arranger" and "sponsor" used in this definition each refer to the lead structurer of the relevant transaction. If there is more than one structurer of a transaction, the structurer that has the most interaction with Fitch Ratings will be deemed the lead structurer for purposes of this definition.

– **Rating Switches Between Public and Private**. Where a European CRA Analyst is subject to EU or UK rotation requirements with respect to an international scale Public Credit Rating which is then converted into a Private Credit Rating (**1st Conversion**), time spent by that European CRA Analyst on Credit Rating Activities on that Private Credit Rating after the date of the 1st Conversion will not count towards the Rotation Periods in Appendix B, but will count towards the Cooling Off Periods in Appendix B. If that Private Credit Rating is later converted back into an international scale Public Credit Rating (**2nd Conversion**) before the relevant Cooling Off Period has expired, then all the time spent by that European CRA Analyst on Credit Rating Activities after the 2nd Conversion must be added to the time spent on Credit Rating Activities on that Public Credit Rating prior to the 1st Conversion when calculating that European CRA Analyst's Rotation Period. If a Credit Rating that has always been a Private Credit Rating is converted into an international scale Public Credit Rating that is subject to EU or UK rotation requirements, the Rotation Clock Start Date will be the date this Public Credit Rating is published.

– **European CRA Analyst Moves Between European CRA and Endorsed CRA**. When a European CRA Analyst transfers between a European CRA and an Endorsed CRA, she or he carries her/his rotation clock to the new location, subject to the following principles:

(i) Where a European CRA Analyst is employed by a European CRA subject to the EU or UK rotation requirements and is transferred, prior to 1 January 2019, to become an employee of an Endorsed CRA (**Transfer 1A**), any time spent on an international scale Public Credit Rating after Transfer 1A but prior to 1 January 2019 does not count towards:

- the Rotation Period with respect to the relevant Rotation Party;
- the Cooling Off Period, unless and until the Analyst ceases Credit Rating Activities with respect to that Rotation Party for the time period specified under the rules applicable in that Endorsed CRA; and
- unless this Analyst has successfully completed such a Cooling Off Period prior to 1 January 2019, that Analyst's rotation clock restarts on 1 January 2019 with respect to that Public Credit Rating (with time on the rotation clock equal to the time at Transfer 1A), and the rotation rules of that Endorsed CRA apply.

(ii) Where a European CRA Analyst is employed by a European CRA subject to the EU or UK rotation requirements and is transferred, on or after 1 January 2019, to become an employee of an Endorsed CRA (**Transfer 1B**), and continues Credit Rating Activities on an international scale Public Credit Rating she/he was working on prior to Transfer 1B, her/his clock continues but is now subject to the rotation rules applicable to the Endorsed CRA.

If the Analyst subsequently transfers to become an employee of a European CRA subject to EU or UK rotation requirements (**Transfer 2**), the EU or UK rotation rules again apply with respect to that Public Credit Rating. The Analyst carries her/his rotation clock to the European CRA, unless the Analyst ceased Credit Rating activities with respect to the relevant Rotation Party for two continuous years – which would reset the rotation clock to zero. If that is not the case, the Analyst may be subject to immediate rotation at the time of Transfer 2.

– **Early Start to Cooling Off Period**. If, at any time prior to the start of the applicable Cooling Off Period, a European CRA Analyst ceases Credit Rating Activities with respect to a Rotation Party, for a consecutive period of two or more years, his or her rotation clock with respect to that Rotation Party will be reset to zero. For example, because serving as a chair of a Rating committee, or voting in a Rating committee, is a point-in-time event, if on the day following such service, and for two years thereafter, the European CRA Analyst undertakes no other Credit Rating Activity with respect to that Rotation Party, his/her rotation clock for that Rotation Party is reset to zero. Conversely, if the European CRA Analyst does engage in any Credit Rating Activity with respect to that Rotation Party at any time after such service but before the two years have elapsed, he/she loses any accrued "cooling off" time, and his/her rotation clock continues uninterrupted.

– **Long-Term Leave**. In the event a European CRA Analyst takes long-term leave – e.g., maternity leave or sick leave – his/her rotation clock(s) will continue. Should such a European CRA Analyst return to work at Fitch Ratings two or more years after starting long-term leave, his/her rotation clock(s) will be reset to zero.

– **Employee Leaves and then is Re-hired by Fitch Ratings**[9]. Where a European CRA Analyst leaves the employment of a European CRA (**prior employment**) and then, after a period of time, returns to the employment of a European CRA and is asked to perform Credit Rating Activities with respect to an entity which was a Rotation Party for that European CRA Analyst in his/her prior employment (and subject also to the principle above with respect to moving between offices, if applicable):

(i) if during their absence that European CRA Analyst has refrained from any Credit Rating Activities with respect to that Rotation Party for a period exceeding two years, their Rotation Period is reset with respect to that Rotation Party and will commence running again if and when they commence Credit Rating Activities with respect to that Rotation Party;

(ii) if during their absence that European CRA Analyst has refrained from any Credit Rating Activities with respect to that Rotation Party for a period of less than two years, their Rotation Period is paused with respect to that Rotation Party and will continue to run if and when they commence Credit Rating Activities with respect to that Rotation Party; and

(iii) if that European CRA Analyst specifies that during their absence they conducted Credit Rating Activities with respect to that Rotation Party (albeit at another credit rating agency), the time spent on such Credit Rating Activities (as indicated by that European CRA Analyst) during their absence will be counted in assessing how much of their Rotation Period remains under section 3 of this Policy.

– **Sale or Merger Involving Rated Entity**[10]

(i) **In the context of a share acquisition**: if the shares of a Rated Entity are transferred to a new parent company, the Rated Entity remains the same and therefore the Rotation Period(s) continue to run and will not restart for that Rated Entity.

(ii) **In the context of a business/asset transfer**:

- if all or part of the business of a Rated Entity is transferred to a different entity (the **Purchasing Entity**), the Purchasing Entity is not the same legal person as the Rated Entity and therefore there is no continuity or connection between the Rotation Period(s) which apply to the Rated Entity and any Rotation Period(s) which apply to the Rating of the Purchasing Entity. The rotation periods for the Rated Entity and the Purchasing Entity remain separate.

- notwithstanding the sub-paragraph immediately above, if all, or substantially all of the business of a Rated Entity is transferred to a different entity (the **Purchasing Entity**) and the business or assets transferred become all or substantially all of the Purchasing Entity's business (i.e. the Purchasing Entity was a shell or had nominal assets and liabilities prior to the transfer), for the purposes of this Policy, the Purchasing Entity will be considered the same as the Rated Entity and the Rotation Period(s) which applied to the Rated Entity should continue with respect to the Purchasing Entity.

(iii) **In the context of a merger:** Where a Rated Entity merges with another entity (the **Merger Partner**), the Rotation Period(s) which apply to the resultant entity of the merger (the **Merger Entity**) are separate from any Rotation Periods which applied to either the Rated Entity or the Merger Partner, unless the business of the Rated Entity which has transferred to the Merger Entity now forms all or substantially all

[9] In each such case, Human Resources shall promptly contact Core Operations, who will in turn contact the relevant employee to obtain the information necessary to implement this principle. Core Operations will then provide the relevant information to IT for incorporation into the applicable systems.
[10] If, as a result of a sale or merger involving a Rated Entity, there is a change in the Rotation Party or any other aspect of the rotation-related information stored in Fitch's systems, the relevant European CRA Analyst must email Core Operations with any such changes. Any European CRA Analyst who needs guidance with respect to the application of this section should contact the Legal Department.

of the business of the Merger Entity (i.e. the Merger Partner was a shell or had nominal assets and liabilities prior to the merger), in which case the Rotation Period(s) applicable to the Rated Entity continue to apply with respect to the Merger Entity.

– **Switching Solicitation Status**. If a Rotation Party switches between solicited and unsolicited status, the relevant rules applicable to the new status, as set forth in **Appendix B**, shall apply.

– **Analyst Changes Rating Groups**. In the event a European CRA Analyst changes rating groups, and continues to perform Credit Rating Activities with respect to any Rotation Party from the prior rating group, he/she carries his/her rotation clock to the new rating group.

– **Withdrawn Rating Re-Assigned**. If an international scale Public Credit Rating that is subject to European CRA rotation requirements is withdrawn, the Rotation Period(s) related to that Public Credit Rating will pause for so long as that Public Credit Rating is withdrawn. If an international scale Public Credit Rating is assigned again to the relevant Rated Entity or securities, as the case may be, within two years of the withdrawal, these Rotation Period(s) will continue to run. If an international scale Public Credit Rating is assigned again to that Rated Entity or securities, as the case may be, after two years or more since the withdrawal, then these Rotation Period(s) reset and start again.

4. ROTATION REQUIREMENTS FOR ENDORSED RATINGS

4.1. Primary Analysts, secondary Analysts and Rating committee chairs with respect to Endorsed Ratings are subject to the rotation requirements set out in **Appendix B**.

4.2. Additionally, the following principles apply in respect of Endorsed Ratings, and override the rules set forth in **Appendix B**. Endorsed Rating Analysts should therefore consult **Appendix B** first, and then determine whether any of the following principles apply.

– **Multiple Roles**. If an Endorsed Rating Analyst serves as more than one of the primary Analyst, secondary Analyst and Rating committee chair for the same Rotation Party in the course of 2019, the Rotation Period shall be counted from the first role held by that Endorsed Rating Analyst, and shall be for the period applicable to that first role (of seven, eight or nine years).

– **Rating Switches Between Public and Private**. Where an Endorsed Rating Analyst is subject to rotation requirements with respect to an Endorsed Rating which is then converted into a Private Credit Rating (**1st Conversion**), time spent by that Endorsed Rating Analyst on Credit Rating Activities on that Private Credit Rating after the date of the 1st Conversion will not count towards the Rotation Periods in Appendix B, but will count towards the Cooling Off Periods in Appendix B. If that Private Credit Rating is later converted back into an Endorsed Rating (**2nd Conversion**) before the relevant Cooling Off Period has expired, then all the time spent by that Endorsed Rating Analyst on Credit Rating Activities after the 2nd Conversion must be added to the time spent on Credit Rating Activities on that Endorsed Rating prior to the 1st Conversion when calculating that Endorsed Analyst's Rotation Period. If a Credit Rating that has always been a Private Credit Rating is converted into an Endorsed Rating, the Rotation Clock Start Date will be the date this Endorsed Rating is published.

– **Endorsed Rating Analyst Moves Between Offices Applying Rotation with respect to Endorsed Ratings**. When an Endorsed Rating Analyst transfers between Endorsed CRAs, he or she carries his/her rotation clock to the new location.

– **Endorsed Rating Analyst Moves Between Endorsed CRA and European CRA**. When an Endorsed Rating Analyst transfers, on or after 1 January 2019, between an Endorsed CRA and a European CRA, she or he carries her/his rotation clock to the new location and will be subject to the rules applicable to that European CRA, subject to the following principles:

(i) If that European CRA is exempt from rotation (**Transfer 1A**), any time spent on an international scale Public Credit Rating after Transfer does not count towards:

- the Rotation Period with respect to the relevant Rotation Party; and
- the Cooling Off Period, unless and until the Analyst ceases Credit Rating Activities with respect to that Rotation Party for the time period specified under the rules applicable in that Endorsed CRA, however
- note that all European CRAs are subject to rotation requirements with respect to Rating committee chairs, therefore Rating committee chair rotation clocks with respect to the same Rotation Party would continue in the event of any transfer to a European CRA.

(i) If the European CRA is subject to rotation (**Transfer 1B**), and the Analyst continues Credit Rating Activities on an international scale Public Credit Rating she/he was working on prior to Transfer 1B, her/his clock continues but is now subject to the rotation rules applicable to the European CRA. Note that, given the shorter Rotation Periods applicable in the EU and the UK, the Analyst may be subject to immediate rotation at the time of Transfer 1B.

If the Analyst subsequently transfers to become an employee of an Endorsed CRA (**Transfer 2**), the rotation rules applicable to that Endorsed CRA again apply with respect to that Public Credit Rating. The Analyst carries her/his rotation clock to the Endorsed CRA, unless the Analyst ceased Credit Rating activities with respect to the relevant Rotation Party for 12 continuous months – which would reset the rotation clock to zero.

– **Early Start to Cooling Off Period**. If, at any time prior to the start of the applicable Cooling Off Period, an Endorsed Rating Analyst ceases Credit Rating Activities with respect to a Rotation Party, for a consecutive period of 12 months or more, his or her rotation clock with respect to that Rotation Party will be reset to zero. For example, because serving as a chair of a Rating committee, or voting in a Rating committee, is a point-in-time event, if on the day following such service, and for 12 months thereafter, the Endorsed Rating Analyst undertakes no other Credit Rating Activity with respect to that Rotation Party, his/her rotation clock for that Rotation Party is reset to zero. Conversely, if the Endorsed Rating Analyst does engage in any Credit Rating Activity with respect to that Rotation Party at any time after such service but before the 12 months have elapsed, he/she loses any accrued "cooling off" time, and his/her rotation clock continues uninterrupted.

– **Long-Term Leave**. In the event an Endorsed Rating Analyst takes long-term leave – e.g., maternity leave or sick leave – his/her rotation clock(s) will continue. Should such an Endorsed Rating Analyst return to work at Fitch Ratings 12 or more months after starting long-term leave, his/her rotation clock(s) will be reset to zero.

– **Employee Leaves and then is Re-hired by Fitch Ratings**[11]. Where an Endorsed Rating Analyst subject to rotation leaves the employment of an Endorsed CRA (**prior employment**) and then, after a period of time, returns to the employment of an Endorsed CRA and is asked to perform Credit Rating Activities with respect to an entity which was a Rotation Party for that Endorsed Rating Analyst in his/her prior employment (and subject also to the principle above with respect to moving between offices, if applicable):

(i) if during their absence that Endorsed Rating Analyst has refrained from any Credit Rating Activities with respect to that Rotation Party for a period exceeding 12 months, their Rotation Period is reset with respect to that Rotation Party and will commence running again if and when they commence Credit Rating Activities with respect to that Rotation Party;

(ii) if during their absence that Endorsed Rating Analyst has refrained from any Credit Rating Activities with respect to that Rotation Party for a period of less than 12 months, their Rotation Period is paused with

[11] In each such case, Human Resources shall promptly contact Core Operations, who will in turn contact the relevant employee to obtain the information necessary to implement this principle. Core Operations will then provide the relevant information to IT for incorporation into the applicable systems.

respect to that Rotation Party and will continue to run if and when they commence Credit Rating Activities with respect to that Rotation Party; and

(iii) if that Endorsed Rating Analyst specifies that during their absence they conducted Credit Rating Activities with respect to that Rotation Party (albeit at another credit rating agency), the time spent on such Credit Rating Activities (as indicated by that Endorsed Rating Analyst) during their absence will be counted in assessing how much of their Rotation Period remains under section 4 of this Policy.

– **Sale or Merger Involving Rated Entity**[12].

(i) **In the context of a share acquisition**: if the shares of a Rated Entity are transferred to a new parent company, the Rated Entity remains the same and therefore the Rotation Period(s) continue to run and will not restart for that Rated Entity.

(ii) **In the context of a business/asset transfer**:

- if all or part of the business of a Rated Entity is transferred to a different entity (the **Purchasing Entity**), the Purchasing Entity is not the same legal person as the Rated Entity and therefore there is no continuity or connection between the Rotation Period(s) which apply to the Rated Entity and any Rotation Period(s) which apply to the Rating of the Purchasing Entity. The rotation periods for the Rated Entity and the Purchasing Entity remain separate.

- notwithstanding the sub-paragraph immediately above, if all, or substantially all of the business of a Rated Entity is transferred to a different entity (the **Purchasing Entity**) and the business or assets transferred become all or substantially all of the Purchasing Entity's business (i.e. the Purchasing Entity was a shell or had nominal assets and liabilities prior to the transfer), for the purposes of this Policy, the Purchasing Entity will be considered the same as the Rated Entity and the Rotation Period(s) which applied to the Rated Entity should continue with respect to the Purchasing Entity.

(iii) **In the context of a merger:** Where a Rated Entity merges with another entity (the **Merger Partner**), the Rotation Period(s) which apply to the resultant entity of the merger (the **Merger Entity**) are separate from any Rotation Periods which applied to either the Rated Entity or the Merger Partner, unless the business of the Rated Entity which has transferred to the Merger Entity now forms all or substantially all of the business of the Merger Entity (i.e. the Merger Partner was a shell or had nominal assets and liabilities prior to the merger), in which case the Rotation Period(s) applicable to the Rated Entity continue to apply with respect to the Merger Entity.

– **Switching Solicitation Status**. This has no impact on the Rotation Periods set forth in **Appendix B**.

– **Analyst Changes Rating Groups**. In the event an Endorsed Rating Analyst changes rating groups, and continues to perform Credit Rating Activities with respect to any Rotation Party from the prior rating group, he/she carries his/her rotation clock to the new rating group.

– **Withdrawn Rating Re-Assigned**. If an Endorsed Rating is withdrawn, the Rotation Period(s) related to that Endorsed Rating will pause for so long as that Endorsed Rating is withdrawn. If an international scale Public Credit Rating is assigned again by an Endorsed CRA to the relevant Rated Entity or securities, as the case may be, within 12 months of the withdrawal, these Rotation Period(s) will continue to run. If an international scale Public Credit Rating is assigned again by an Endorsed CRA to that Rated Entity or securities, as the case may be, after 12 months or more since the withdrawal, then these Rotation Period(s) reset and start again.

[12] If, as a result of a sale or merger involving a Rated Entity, there is a change in the Rotation Party or any other aspect of the rotation-related information stored in Fitch's systems, the relevant Endorsed Rating Analyst must email Core Operations with any such changes. Any Endorsed Rating Analyst who needs guidance with respect to the application of this section should contact the Legal Department.

5. JAPANESE ROTATION REQUIREMENTS

The Japanese rotation requirements apply to international scale Public Credit Ratings assigned or endorsed by FRJ,[13] which means that these requirements apply not only to Analysts employed by FRJ, but also to Analysts located outside Japan if they work on Ratings endorsed by FRJ[14]. These rotation requirements also differ between international scale Public Credit Ratings of insurance companies, non-financial corporates (and their securities) and structured finance transactions, and all other international scale Public Credit Ratings. See Appendix B for the details.

6. QUESTIONS

For questions concerning this policy, please contact Regulatory Affairs, Policies and Procedures or Core Operations.

Owner:	Susan Launi, Regulatory Affairs, Policies and Procedures
Appendices:	Appendix A – Summary of Changes
	Appendix B – Table of Rotation Requirements
Supplements:	Bulletin 2: The Rating Process Manual

[13] A Credit Rating is deemed "assigned" by FRJ when the primary Analyst is an employee of FRJ. A Credit Rating is deemed "endorsed" by FRJ if it has formally progressed through the internal FRJ endorsement process and actually been endorsed.
[14] Currently, FRJ endorses only certain Japanese insurance companies and non-financial corporates. If FRJ actually endorses any issuer (and/or their securities) other than insurance companies or non-financial corporates (and/or their securities), local Compliance will contact the relevant lead Analyst and discuss the related rotation requirements.

Appendix 2: Tables to Governance Statement – Fitch Ratings Ltd (the "Company")

Note: References in the fourth column of this table to:

(i) **"Article"** is to an Article of the articles of association of the Company as adopted by a Special Resolution dated 2 March 2012;
(ii) "**Regulation**" is to a Regulation that is binding upon the Company and is contained within the Companies (Tables A to F) Regulations 1985 as amended by SI 2007/2541 and SI 2007/2826;
(iii) the "**Act**" is to the Companies Act 1985 or the Companies Act 2006 (in both cases as amended) as applicable in the context at the relevant time; and
(iv) the "**1985 Act**" is to the Companies Act 1985, as amended.

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
		The following information shall be included in the Transparency Report:	
1.	Fourth Council Directive 78/660/EEC of 25 July 1978 ("**78/660/EEC**"), Article 46(a)(1)(d)	The information required by Article 10(1), points (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids ("**2004/25/EC**"), where the company is subject to that Directive.	See sections 2 to 6 below.
2.	2004/25/EC, Article 10(1)(c)	Significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC ("**2001/34/EC**").	Not applicable. The Company does not fall within the scope of Article 85 of Directive 2001/34/EC as it does not have shares which are officially listed on a stock exchange or exchanges situated or operating within one or more Member States.
3.	2004/25/EC, Article 10(1)(d)	The holders of any securities with special control rights and a description of those rights.	**Majority Shareholder's Rights** *Article 14.1* Any person or persons for the time being holding a majority of the issued shares may from time to time by notice to the Company remove from office any or all of the directors and may in like manner appoint any person or persons as a director or directors of the Company. Any such notice shall be in writing and signed by or on behalf of the holder or holders of such majority and shall take effect on and from the time at which it is received at the office or handed to the chairman of any meeting of the directors.

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			Article 14.2 The directors have no power to refuse to register any transfer of a fully paid share where such transfer has been approved by notice in writing to the Company signed by or on behalf of any person or persons for the time being holding a majority of the issued shares and the directors shall be bound to, and shall, register such a transfer without delay.
4.	2004/25/EC, Article 10(1)(f)	Any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities.	**Restriction on voting rights** *Regulation 57* No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
5.	2004/25/EC, Article 10(1)(h)	The rules governing the appointment and replacement of board members and the amendment of the articles of association.	**Appointment and Removal of Directors** *Article 9.1* The Company may by ordinary resolution, and the directors may, appoint a person who is willing to act to be a director, in any case either to fill a vacancy or as an additional director. *Article 9.2* The office of a director shall be vacated if: (a) he resigns by notice delivered to the secretary at the office or tendered at a board meeting; (b) he ceases to be a director by virtue of any provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a director; (c) he becomes bankrupt or makes any arrangement or compounds with his creditors generally;

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			(d) he becomes, in the opinion of all his co-directors, incapable by reason of illness (including, without limitation, mental illness or disorder) or injury of managing or administering any property or affairs of his own or of the Company and the directors resolve that his office be vacated; (e) he is removed from office in accordance with Article 14[1]; and/or (f) he is an executive director and his appointment to the relevant office or employment is terminated or expires and the directors resolve that his office be vacated. *Article 9.3* A resolution of the directors declaring a director to have vacated office under the terms of this Article 9 is conclusive as to the fact and grounds of vacation stated in the resolution. **Amendment of the Articles of Association** **Section 21(1) of the Companies Act 2006** The Company may amend its Articles by special resolution[2].
6.	2004/25/EC, Article 10(1)(i)	The powers of board members, and in particular the power to issue or buy back shares.	**Powers of Directors** *Article 11.1* The directors may exercise all the powers of the Company to borrow or raise money without limit and to mortgage or charge its undertaking, property and uncalled capital and, subject to section 80 of the 1985 Act (or its equivalent under the 2006 Act, if any), to issue debentures, loan stock and other securities for any debt, liability or obligation of the Company or of any third party.

[1] Please see section 3 above for the text of Article 14.1.

[2] A special resolution is a resolution which requires a majority agreement of not less than 75% of the shareholders of a company.

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			Article 11.2 Subject to the Act, the directors may at any time, without any sanction or approval given by the members of the Company in general meeting, declare and pay dividends, including interim and final dividends, in accordance with the respective rights of the members. Regulation 103[3] is modified accordingly. *Regulation 70* Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors. *Regulation 71* The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers. **Issuance of Shares** *Article 3.2* All unissued shares comprised in the authorised share capital of the Company at the date and time of the adoption of the Articles are at the disposal of the directors, who are generally and unconditionally authorised, including for the purpose of section 80 of the Companies Act 1985 while that section remains in force, to exercise all powers of the Company to allot relevant securities of the Company to such persons, at such times and generally on such terms and conditions as they think fit except that this general authority:

[3] See the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force .

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			(a) does not permit the directors to allot relevant securities in an amount which is in excess of the unissued share capital of the Company at the date of adoption of the Articles; and (b) unless previously renewed, varied or revoked by the Company in general meeting, will expire on the date which is one year from the date of adoption of the Articles, save that the directors may, after this authority expires, allot relevant securities pursuant to an offer or agreement made by the Company before such authority expired. Except as provided in this Article 3.2 or by the Company in general meeting, the directors shall not otherwise be authorised to allot relevant securities of the Company. *Article 3.3* The pre emption provisions of section 89(1) and sections 90(1) to 90(6) of the Companies Act 1985 (or the equivalent provisions of the Companies Act 2006, if any) shall not apply to any allotment of the Company's equity securities made under Article 3.2. *Article 3.4* The lien conferred by Regulation 8[3] shall also attach to fully paid shares and to all shares registered in the name of any person indebted or under any liability to the Company, whether he is the sole holder of such shares or one of several joint holders, and shall extend to all moneys presently payable by him or his estate to the Company. **Purchase of own Shares** *Regulation 35*

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.
7.	78/660/EEC, Article 46(a)(1)(e)	Unless the information is already fully provided for in national laws or regulations, the operation of the shareholder meeting and its key powers, and a description of shareholders' rights and how they can be exercised.	In addition to Regulations: *Article 6.2* If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine. If at any adjourned meeting a quorum is not present within half an hour from the time appointed for that meeting, the meeting shall be dissolved. *Article 6.3* A member present at a meeting by proxy has the right to speak at any general meeting of the Company and shall be entitled to one vote on a show of hands. In any case where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy. A member present at a meeting by proxy also has the right to demand or join in demanding a poll. Regulation 54[3] is modified accordingly. *Article 6.4* A written instrument of a proxy (together with any relevant authority or copy authority as referred to in Regulation 62[3]) may be deposited at any place specified in such Regulation not less than 24 hours before the time of the relevant meeting or may be delivered at the meeting to the secretary or the chairman or to any other director. An appointment of a proxy contained in an electronic communication may be received at any address referred to in such Regulation not less than 24 hours before the time of the relevant meeting. Regulation 62 is amended accordingly.

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			Article 6.5 Any member or proxy for a member, or duly authorised representative of a corporate member, may participate in a general meeting or a meeting of a class of members by means of conference telephone or similar communications equipment which enables all persons participating in the meeting to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting, may be counted in the quorum and is entitled to vote. Subject to the Act, all business transacted in this way by the members or class of members is for the purposes of these Articles deemed to be validly and effectively transacted at a general meeting or a meeting of a class of members (as the case may be). The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. **Majority Shareholders' Rights** *Articles 14.1 to 14.2* See section 3 above.
8.	78/660/EEC, Article 46(a)(1)(f)	The composition and operation of the administrative, management and supervisory bodies and their committees.	The directors of the Company were Karen Skinner, Ian Linnell, Charles Prescott (INED) and Lisa Haag (INED).[7] The Company will comply with its obligations under all applicable law including, without limitation, Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. See sections 5 and 6 above for additional information regarding the composition and operation of the board of directors. The Company has set up a management committee[8] to direct the day-to-day activities of the Company. The members of the management committee were Karen Skinner and Ian Linnell.

[7] Article 8 provides as follows: "There is no maximum number of directors and the minimum number of directors is one. A sole director has authority to exercise all the powers and discretions vested in the directors generally under these Articles, Table A or otherwise."

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			Proceedings of Directors *Article 13.1* Subject to these Articles, the directors may regulate their proceedings as they think fit. A director at any time may, and the secretary (if any) at the request of a director shall, call a meeting of the directors. A director absent or intending to be absent from the UK may request the directors during his absence to send notices of meetings of the directors to him at an address within the UK given by him to the Company for such purposes but, in the absence of such a request, it shall not be necessary to give notice of a meeting to a director who is absent from the UK. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. *Article 13.2* Notice of a meeting of the directors, or of any committee of the directors, shall be deemed to be to duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him at his last known address or any other address given by him to the Company for this purpose or by giving it using electronic communications to an address for the time being notified to the Company by the director. *Article 13.3* Whilst there is only one director of the Company, he shall constitute a quorum for all meetings of the directors. In any other case the quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number is two. A meeting of the directors at which a quorum is present is competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Board. A person who holds office only as an alternate

[8] Article 12 provides as follows: "The directors may delegate any of their powers, authorities and discretions (with power to sub delegate) to committees consisting of such persons (whether directors or not) as they think fit. References in these Articles to any committee of the directors shall include a committee of such persons and references to a director as a member of such a committee shall include such a person. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee. Regulation 72 is modified accordingly." (See Annex for full text of Regulation 72).

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			director shall, if his appointor is not present, be counted in the quorum. *Article 13.4* Questions arising at any meeting of the directors shall be decided by a majority of votes. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. *Article 13.5* Any director may participate in a meeting of directors or a committee of directors by means of conference telephone or similar communications equipment which enables all persons participating in the meeting to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting, may be counted in the quorum and is entitled to vote. Subject to the 1985 Act, all business transacted in this way by the directors or a committee of directors is for the purposes of these Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of directors, even though fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. *Article 13.6* Without prejudice to the obligation of a director to disclose his interest in accordance with sections 177 and/or 182 of the 2006 Act, a director may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. Such a director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted. Such a director may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him in connection with any such matter.

NO.	DIRECTIVE & ARTICLE NO.	ARTICLE WORDING	PROVISION FROM CONSTITUTIONAL DOCUMENTS AND/OR RESOLUTIONS (IF APPROPRIATE)
			Article 13.7 Any written resolution as referred to in Regulation 93 [3] may consist of several documents in like form, each signed or approved by letter, facsimile or email transmission or transmission by any other form of electronic communication agreed by the board, by one or more directors entitled at the relevant time to receive notice of the relevant meeting.

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