

EXECUTIVE SUMMARY

Objective:	To establish requirements for handling and resolving Complaints that are received by Fitch Ratings in accordance with applicable laws, rules and regulations
Application:	All Fitch Ratings Employees
Date:	7 August 2019
Version:	Version 11.1
Replaces:	Bulletin 25: <i>Complaint Handling</i> , Version 11.0

1. OVERVIEW

Certain laws, rules and regulations outline the manner in which Fitch Ratings must handle and resolve Complaints it receives from Rated Entities, market participants or members of the public.

This Policy outlines the requirements for Fitch Ratings employees involved in handling, resolving and documenting the resolution of Complaints.

2. DEFINITIONS

“**BRM**” means Fitch Ratings’ Business & Relationship Management group.

“**BRM Matter**” means either (i) a good faith commercial dispute, including a dispute over fees that does not involve an Analytical Matter or a Conduct Matter or (ii) an action or omission by a BRM employee that is not a Conduct Matter.

“**Complaint**” means an expression of dissatisfaction communicated to Fitch Ratings or any of its employees either verbally or in writing by a Rated Entity, market participant or a member of the public regarding either of the following:¹

- An “**Analytical Matter**”, which is a matter relating primarily to a perceived failure by Fitch Ratings in the course of its initiating, determining, assigning, maintaining, monitoring, changing, publishing or withdrawing a Credit Product, criteria or other analytical publication; or
- A “**Conduct Matter**”, which is a matter relating primarily to a perceived breach of applicable laws, rules or regulations, or to the Fitch Ratings’ Code of Conduct & Ethics, or other internal policies or procedures, but which does not specifically relate to an Analytical Matter.

The following are not considered Complaints and fall outside the scope of this Policy:

- Internal Incidents;
- Matters that are neither Analytical Matters nor Conduct Matters, or which do not allege a specific failure or breach by Fitch Ratings;

¹ A public criticism of Fitch Ratings or its Credit Products that is not specifically directed at or communicated to Fitch Ratings or its employees is not a Complaint. However, a critical communication directed at or delivered to Fitch Ratings and/or its employees may be a Complaint even if it is also directed at or delivered to other unaffiliated recipients, depending on the type or nature of the communication.

- Matters that are being addressed as part of the external appeal process described in Section 3.3 below;
- BRM Matters, and
- Depending on the facts and circumstances, the identification of typos or similar types of minor errors in a rating action commentary or other publication.

“Complaint Log” means the database used by Fitch Ratings to record Complaints. The Complaint Log includes the following:

- Analytical Matters, which will be investigated by CPG;
- Conduct Matters, which will be investigated by Compliance; and
- The “Confidential Log”, which is used by Compliance to maintain Complaints involving sensitive or confidential matters.

“Complainant” means the Rated Entity, market participant or member of the public who makes a Complaint.

“Complaint Manager” means any SD or MD to whom any employee (including, without limitation, in BRM) reports a communication from an external party that may constitute a Complaint. In groups or departments where the titles “Managing Director” or “Senior Director” are not used, the Complaint Manager is the senior most staff member of that group or department.

“CPG” means the Credit Policy Group.

“Credit Product” means a Credit Rating or other opinion with respect to creditworthiness as described in the Rating Definitions and to which the RPM applies, in current effect at any given time.

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

“Internal Incidents” means potential violations of laws, rules, regulations, policies, procedures or other standards of conduct that have been identified or raised by an employee of Fitch Ratings, as opposed to being identified by an external party. Internal Incidents are not “Complaints” subject to this Policy, and are to be separately addressed by the relevant line of business in conjunction with the relevant support or control function (e.g., Compliance, Legal, Human Resources, etc.), in accordance with those functions’ standard operating practices.²

“Investigator” means the member of CPG or Compliance who ultimately investigates the Complaint.

“MD” means a Fitch Ratings Managing Director.

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

² Fitch Ratings strongly encourages employees to report matters that involve a potential breach of the Fitch Ratings Code of Conduct & Ethics or applicable laws, rules, regulations or policies, directly to the Chief Compliance Officer or his or her designee. Employees may also report matters anonymously through a third party-managed hotline (the “Ethics Hotline”). Employees also have the right to report suspected violations of federal law or regulation directly to any governmental agency or entity. Employees are reminded that they do not need the prior authorization of Fitch Ratings and are not required to notify Fitch Ratings that they have made any report or disclosure to a governmental agency or entity. Further guidance as to reporting and handling Internal Incidents, including information on the Ethics Hotline, is available on FX under the “Hotline & Reportable Events” tab on the FX homepage.

“**Responsible Manager**” means the manager who is ultimately responsible for supporting CPG or Compliance in investigating and resolving the Complaint. Investigators maintain discretion as to who is named as Responsible Manager.

“**RPM**” means Bulletin 2: *The Ratings Process Manual*.

“**SD**” means a Fitch Ratings Senior Director.

3. COMPLAINT HANDLING

The following requirements apply to Complaint handling:

3.1. Reporting and Investigating Complaints

- Any Fitch Ratings employee who receives a communication from an external party that may constitute a Complaint shall promptly refer it to a Complaint Manager.
- The Complaint Manager will review the communication and make an initial assessment as to whether the communication meets the definition of a Complaint. If the Complaint Manager believes it meets the definition of a Complaint, the Complaint Manager shall determine whether the Complaint is an Analytical Matter or a Conduct Matter and record it as such in the Complaint Log.
- Depending on the initial classification, the Complaint Log routes the possible Complaint to the Chief Credit Officer (for Analytical Matters) or Chief Compliance Officer (for Conduct Matters), or their respective designee, who then reviews it and appoints an Investigator.
- The Investigator first determines whether the logged communication meets the definition of a “Complaint”. If it does not, the Investigator will categorize the communication as “dismissed” in the Complaint Log and the matter is closed. If the logged communication is a Complaint, the Investigator will assess whether the Complaint has been correctly categorized as an Analytical Matter or a Conduct Matter. If applicable, the Investigator will amend the categorization in the Complaint Log, causing the Complaint Log to re-route the Complaint to the Chief Credit Officer or the Chief Compliance Officer, as appropriate.³
- Once logged as a Complaint, the Investigator will notify the relevant Global Group Head (with respect to analysts) or Global Product Head (with respect to BRM employees), and the member of Fitch Ratings’ Executive Committee responsible for the area being investigated, of the investigation (including a summary of the Complaint and employees involved).
- The Investigator shall appoint a Responsible Manager.
- The Investigator shall consider whether it would be appropriate to notify the relevant BRM MD covering a Rated Entity associated with the subject of the Complaint, and shall notify that individual, if appropriate.
- For a Complaint that is an Analytical Matter relating to a national scale rating, the Complaint Manager must also notify the Office Head or Country Head in the relevant country, if any.

³ If a Complaint includes both categories, Compliance and CPG will consult regarding how to classify the Complaint.

- The Investigator can further delegate a Complaint to another Investigator. The Investigator shall investigate the Complaint.
- Once an investigation is complete, the Investigator shall complete mandatory Complaint Log elements, including findings and disposition and attaching any relevant documents, and then close the Complaint.
- The Investigator should send a copy of the final report (and any findings and/or recommendations) to the relevant Global Group Head (with respect to analysts) or Global Product Head (with respect to BRM employees), and the member of Fitch Ratings' Executive Committee responsible for the area investigated.

3.2. Verbal Complaints

Any employee who receives a verbal Complaint should ask the Complainant to provide a written description of the Complaint so that the details of the Complaint are clear and complete. The Complaint handling process must proceed even if the Complainant declines to provide a written summary.

3.3. External Appeals by Rated Entities

Fitch expects that issues or concerns raised by a Rated Entity during the rating process with respect to Analytical Matters (but which do not involve Conduct Matters), will initially be addressed through the external appeal process described in the RPM.

If subsequent to the completion of the external appeal process, or after the completion of the rating process, the Rated Entity continues to assert that Fitch Ratings committed a failure or breach in respect of the relevant Credit Product, the relevant rating committee chair or Regional Group Head must discuss with CPG whether to treat the matter as a Complaint subject to this Policy. If they determine the matter is a Complaint, the rating committee chair or Regional Group Head will log the Complaint and categorize it as an Analytical Matter or a Conduct Matter.

3.4. Confidentiality of Complainants

Fitch Ratings will strive to meet, to the extent permitted by applicable law or regulations, any request for confidentiality by the Complainant. Nevertheless, Fitch Ratings cannot guarantee confidentiality to any Complainant and shall not promise to do so. Should the Complainant request confidentiality, the Complaint Manager shall record that request, and the details of the Complaint, in the Confidential Log.

3.5. Confidential Log

Any Complaint may be moved to the Confidential Log. The Confidential Log contains Complaints (i) with respect to which the Complainant has requested confidentiality and (ii) that the Chief Credit Officer, Chief Compliance Officer or Legal Counsel otherwise designates as deserving confidential internal treatment. Information regarding Complaints contained in the Confidential Log will be available only to those individuals who need access to the information for the purpose of investigating and/or resolving the Complaint. Fitch Ratings shall not and cannot make any guarantee of confidentiality to a Complainant or any other party, and the presence of a Complaint on the Confidential Log does not imply such a guarantee.

3.6. Responses to Complainants

Fitch Ratings will seek to provide the Complainant notice, within 30 days of receiving the Complaint that the Complaint is under review. In addition, Fitch Ratings will strive to resolve the Complaint and provide a written response to the Complainant within 60 days of initial receipt of the Complaint. However, resolution

of any given Complaint may extend beyond these time periods due to the complexity of the investigation or for other reasons, and Fitch Ratings may provide a written response to the Complainant outside of this time period or not at all.

4. RESPONSIBILITY FOR COMPLAINT RESOLUTION

Employees and their managers must not individually or unilaterally investigate or resolve Complaints. Rather, they must promptly engage with the relevant support or control function (e.g., CPG, Compliance, Human Resources or Legal) as set forth below.

In addition, other than standard form letters or notices that a Complaint has been received and is being reviewed and/or has been resolved, Legal must review all written responses to the Complainant prior to Fitch Ratings sending the response.

4.1. Coverage of Analytical Matters

CPG is responsible for managing the resolution of Complaints primarily involving Analytical Matters. CPG will consult with Compliance should the Complaint involve both Analytical Matters and Conduct Matters.

4.2. Coverage of Conduct Matters

Compliance is responsible for managing the resolution of Complaints primarily involving Conduct Matters. Compliance will consult with CPG should the Complaint involve both Analytical Matters and Conduct Matters.

4.3. Legal

CPG and Compliance will promptly consult Legal if a Complaint involves an alleged violation of a law, rule or regulation, and/or if the Complainant is threatening any kind of legal action, and will agree which function should be primarily responsible for handling the Complaint.

4.4. Human Resources

CPG, Compliance and Legal will promptly consult with Human Resources if a Complaint also involves employment-related or personnel matters, and will agree which function should be primarily responsible for handling the Complaint.

5. DOCUMENTATION REQUIREMENTS

5.1. Complaint Logging

Subject to Section 3.5, any SD or MD may log a possible Complaint in the Complaint Log. The Complaint Manager must promptly review the possible Complaint and ensure all required fields and information are provided when logging the possible Complaint in the Complaint Log. The Complaint Manager must also upload all written communications from the Complainant and any other documents received by this Complaint Manager related to the possible Complaint.

For verbal Complaints, the Complaint Manager is also required to enter a comprehensive summary of the details of the Complaint into the appropriate field in the Complaints Log.

5.2. Completeness of Complaint Log

The Investigator shall ensure that all material information and documentation relating to the handling and resolution of the Complaint, such as any final review or investigation reports or memos, documentation

received from the Complainant, correspondence to and from the Complainant, and a description as to the final resolution of the Complaint, is saved in the Complaint Log.

6. QUESTIONS

Questions regarding this Policy, including whether a particular communication constitutes a Complaint, should be directed to Compliance at reporting@fitchratings.com.

Owner: Chief Compliance Officer

Appendix A: Summary of Changes

Supplements: Bulletin 1: *Code of Conduct & Ethics*

Bulletin 7: *Analytical Products – Defined: Ratings, Assessments, Opinions and Scores*

Appendix A

Summary of Changes

July 2019

Below is a summary of the most significant changes made to Bulletin 25.

1. Complaints may now be logged into the Complaint Log by Senior Directors (“SD”) (in addition to Managing Directors (“MD”), as has previously been the case).
2. Business and Relationship Management (“BRM”) matters have now been removed from the Complaint Handling Policy (“Policy”).
3. Commercial disputes are now excluded from the Policy.
4. The BRM Log is now excluded from the Policy. The Complaint Log now comprises Analytical Matters, Conduct Matters and the Confidential Log only.
5. Two new roles were established. These are:
 - a. **“Complaint Manager”** means any SD or MD to whom any employee (including, without limitation, in BRM) reports a communication from an external party that may constitute a Complaint. In groups or departments where the titles “Managing Director” or “Senior Director” are not used, the Complaint Manager is the senior most staff member of that group or department.
 - b. **“Investigator”** means the member of the Credit Policy Group or Compliance who ultimately investigates the Complaint.
6. The Complaint Log workflow was modified and clarified. (see Section 3)
7. Clarifies that employees who receive verbal complaints must affirmatively request a written description of the Complaint.
8. Clarifies the difference between Confidential Complaints due to the confidentiality of the complainant and confidential complaints designated as such by the Chief Credit Officer, the Chief Compliance Officer or Legal Counsel.

August 6, 2019

Non-material section and version numbering corrections.