

## EXECUTIVE SUMMARY

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**Objective:** To establish employee reporting and other obligations designed to help identify and manage potential conflicts of interest.

**Application:** Individuals employed by Fitch Ratings and their Family Members.

### 1. OVERVIEW

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

### 2. DEFINITIONS

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**“Account”** means any brokerage account out of which an Employee or their Family Member has the legal capability or potential to trade and/or hold Securities, unless the Account is maintained as a Blind Trust. For the avoidance of doubt, an “Account” includes brokerage accounts in which the Employee or his or her Family Member has a beneficial ownership interest or over which the Employee or his or her Family Member has discretion or control (e.g. as account owner, power of attorney, trustee, etc.).<sup>1</sup>

**“Analytical Activities”** means data and information analysis and the evaluation, approval, issuing and review of (i) credit ratings, (ii) other opinions as to creditworthiness and (iii) non-credit ratings.

**“Analytical Employee”** means any Employee that performs Analytical Activities.

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

- Corporates & Leveraged Finance
- Structured Finance and Covered Bonds
- Credit Policy
- Criteria & Risk
- Financial Institutions Group including:
  - Banks
  - Non-Banks (“NBF”)
  - Insurance
  - Fund and Asset Manager (“FAM”)
- Global Analytical Management
- Public Finance including:
  - International Public Finance
  - U.S. Public Finance

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<sup>1</sup> In Hong Kong, “Account” also includes brokerage accounts (i) belonging to an Employee's minor children and (ii) in which an Employee's minor children hold beneficial interests.

- Global Infrastructure Group
- Model Development Team (“MDT”)
- Sovereigns

“**Blind Trust**” means a financial arrangement in which an owner of a brokerage account has granted the administration of the assets and trading activity within the account to an independent trust to prevent conflicts of interest. A brokerage account that an Employee or Family Member maintains under such an arrangement will not be an Account under this Bulletin if it meets the following criteria:

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

“**BRM**” means Business & Relationship Management.

“**Business Entertainment**” means any activity where the primary purpose is to further business relations and includes, but is not limited to such activities as dinners, golf outings, sporting events, and theatre and concert performances.

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

“**Bulletin 13 Exceptions Committee**” is comprised of the Chief Risk Officer, the Chief Compliance Officer, the General Counsel, the relevant Executive Committee member and a Managing Director in the requesting employee’s direct management hierarchy.

“**Compliance**” means Fitch Ratings’ Global Compliance Group, which is responsible for supervising compliance with this Bulletin as well as other Fitch Ratings policies and procedures designed to control, mitigate and manage conflicts of interest or the appearance of conflicts of interest.

“**Close Personal Relationship**” is a personal relationship with a level of intimacy that would create the appearance of a personal influence in the management of business and/or Analytical Activities in a reasonable observer. A Close Personal Relationship is meant to cover relationships with a closer personal connection than mere friendships or acquaintances, and is often, but not exclusively, romantic or relational.

“**Compliance Monitoring System**” refers to the software system used to disclose and manage certain potential conflicts of interest, including but not limited to Securities trading activity and Account ownership of Employees and their Family Members.

“**Confidential Account**” means an Account owned by an Employee’s Family Member, where the Employee has provided written certification that:

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

“**Confidential Information**” has the meaning as set forth in [Bulletin 41: Confidential Information Policy](#).

“**Dependent Child**” means someone who is (i) under 18, (ii) unmarried and (iii) does not have a civil partner.

“**E-feed Broker**” means a financial institution that participates in automated electronic reporting of Securities transactions and holdings to Fitch Ratings.

“**Employee**” means an individual employed by Fitch Ratings or an employee of another Fitch Group, Inc. company who has access to Confidential Information.

“**ETF**” means exchange-traded fund.

“**FAM**” means the Fund & Asset Managers Group within Fitch Ratings.

“**Family Members**” means:

- An Employee’s spouse or any partner of that person considered by national law as equivalent to the spouse;
- An Employee’s Dependent Child, regardless of residence;
- Any relative or dependent sharing the Employee’s home, to the extent allowed by local law;
- Any legal entity (e.g.: company, partnership, trust, etc.) whose managerial responsibilities are discharged by, controlled by, or established for the benefit of an Employee or a person listed above (excluding, for the avoidance of doubt, a Blind Trust);
- Any person that has granted investment discretion or trading authorization to an Employee or a person listed above; or
- In relation to employment related recusals see Exhibit A for variations to this definition applicable to the Employees specified in Exhibit A.

**The definition does not include:**

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

“**Fitch Ratings**” means Fitch Ratings, Inc. and any of its credit ratings affiliates that issue ratings under the trade name Fitch Ratings.

“**Gift**” means a tangible item, a favor, credit or points received as part of a loyalty program under which an Employee has not earned the points or credits, or money received (in all cases, free of charge) by an Employee in connection with their work at Fitch Ratings. Gifts do not include Business Events or Business Entertainment.

“**GSE**” means government sponsored enterprise.

“**Group Investment Restriction**” means a restriction applicable to an Employee and his or her Family Members that is described in the Bulletin 13 Annex.

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

“**Key Management Position**” in a Rated Entity means:

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

“**Managed Account**” means an Account where the owner does not have input into the specific investment decisions made in the Account. A Managed Account is under the control of an independent third-party who is a licensed broker, investment advisor or equivalent. Unlike a brokerage account that is maintained as a Blind Trust, an owner may have knowledge of the holdings and transactional activity in a Managed Account.

“**Material Non-Public Information**” or “MNPI” has the meaning as set forth in [Bulletin 41: Confidential Information Policy](#)

“**Non-Active Account**” means any Account that an Employee certifies in writing is not used for purchasing or selling Reportable Securities. A Non-Active Brokerage Account is not considered an Account under this Policy. If a Reportable Securities transaction occurs in a Non-Active Brokerage Account, this account will be considered under this Policy to be an Account for a period of one year after the date of the last Reportable Securities transaction.

“**Outside Interest**” is as described in Section 7.1.

“**Political Cause**” is as defined in Section 10.1.

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

“**Rated Entity**” means:

- The issuer, obligor, guarantor, or credit support provider with respect to any Security that is rated or in the process of being rated by Fitch;
- An entity to which Fitch Ratings has assigned or is in the process of assigning an Issuer Default Rating; and
- Originator, arranger, sponsor/servicer or any other party that interacts with a credit rating agency on behalf of an issuer, including any person directly or indirectly linked to that Rated Entity by control.

“**Rating**” is as defined in [Bulletin 07: Credit Products – Defined: Ratings, Assessments, Opinions and Scores](#).

“**Ratings Eligible Entity**” means any entity with more than \$25 million (or the equivalent in another currency) in outstanding debt.

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

“**Reportable Security**” refers to any Security holding that is required to be disclosed to Fitch Ratings in accordance with this Bulletin. For clarity, Securities may be Reportable Securities even though this Bulletin does not restrict an

Employee or Family Member from holding or trading in that Security. For all Employees and their Family Members, a Reportable Security includes:

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

For **Analytical Group Employees and their Family Members**, a Reportable Security also includes:

- Sector Funds

For **Analytical Group Employees in FAM and their Family Members**, a Reportable Security also includes:

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

For **Analytical Group Employees in Sovereigns, International Public Finance, Financial Institutions and their Family Members**, this also includes:

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

**“Reportable Securities Transaction”** refers to a buy or sell transaction in any Reportable Security or that occurs in any Account.

**“Reporting Groups”** is as defined in Section 10.1.

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

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

**“Security”** means any negotiable financial instrument or investment.

**“Sri Lanka National Ratings – Associated Persons”** means (1) directors, CEO and employees of Fitch Ratings Lanka and (2) members of Sri Lankan national rating committees.

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

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

### 3. INTRODUCTION

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

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

Employees are required to report personal investment information relating to Accounts and Reportable Securities belonging to them and their Family Members, to the extent allowed by law. This information will be used on a need to know basis for compliance monitoring purposes, and stored in secured servers and files. However, Fitch Ratings may be required to disclose this information in connection with a subpoena, court order, or as otherwise required by applicable law or by any judicial, legislative or regulatory authority, and may do so without prior notice to you.

### 4. SECURITIES TRANSACTIONS

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

All Employees and their Family Members are subject to the following, as detailed below:

- Insider Trading Prohibition;
- Thirty-Day Holding Period Restriction;
- Short Sale Prohibition;
- Futures and Options Prohibition;
- Pre-Clearance (FAM only – see section 4.6); and
- Securities Reporting (unless exempt from reporting as set forth in Section 6).

In addition to the above, Analytical Group Employees and certain non-Analytical Group Employees and their Family Members are subject to the following as detailed in the Bulletin 13 Annexes:

- Group Investment Restrictions
- Sri Lanka National Ratings – Associated Persons and their Family Members, are prohibited from trading in all securities rated or in the progress of being rated by Fitch Ratings Lanka which are set out in the Sri Lankan Securities Restricted List as detailed in Sri Lanka – Associated Persons' Employees Restricted Lists section on the Compliance Monitoring System for impacted employees.

#### 4.1 Insider Trading Prohibition

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

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

#### 4.2 Thirty Day Holding Period Restriction

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

#### 4.3 Short Sale Prohibition

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

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

#### 4.4 Futures and Options Prohibition

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

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

#### 4.5 Group Investment Restrictions

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

If an Employee's Group Investment Restrictions change as a result of a transfer to a different group, the Employee and his or her Family Members remain subject to the previous Group Investment Restrictions for sixty (60) calendar days following the transfer, while also being subject to the Group Investment Restrictions, if any, applicable to the new group.

Analytical Group Employee Group Investment Restrictions apply to Securities transactions in Managed Accounts. It is each Analytical Group Employee's and his or her Family Members responsibility to ensure investment advisors comply with such restrictions. However, Group Investment Restrictions do not apply to Securities transactions in Managed Accounts for non-Analytical Employees.

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

#### 4.6 Pre-Clearance

Employees may obtain pre-clearance in the Compliance Monitoring System prior to the execution of a Reportable Securities Transaction in their Accounts or their Family Members' Accounts. Approval will constitute an affirmation by Compliance that the transaction will not result in a violation of the provisions of this Bulletin if executed within seven business days following the date of approval. Employees who do not pre-clear transactions in Accounts and who transact in violation of any of the rules herein (including any applicable Group Investment Restrictions) will be subject to discipline, and the failure to pre-clear the transaction will be viewed



as an aggravating factor in the determination of the level of disciplinary penalty. FAM Employees must follow the FAM Trade Pre-Approval Request Procedure.

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

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

## 5. DIVESTMENT AND RECUSAL REQUIREMENTS

### 5.1 Divestment Requirement

No Employee is permitted to perform Analytical Activities involving a Rated Entity or Security if he/she holds that Security or Securities of that Rated Entity. Employees and their Family Members who hold Securities that conflict with the Group Investment Restrictions must divest such Securities as soon as possible, but by no later than the timeframes below. Recusals may need to be put in place when such Securities cannot be divested immediately.

Reason Employee or Family Member Holds Restricted Securities	Divestment Deadline
New Employee	Prior to the Employee's start date
Employee Transfer	As soon as practical, in communication with Compliance
Securities Acquired through a Gift or Inheritance, or which become restricted following marriage	As soon as practical, in communication with Compliance

### 5.2 Recusal Requirement

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

- An Employee or his or her Family Member purchased the Security in contravention of the requirements of this Policy;
- An Employee transfers to a Group which restricts ownership in a previously held Security;
- A Security held by an Employee or his or her Family Member becomes restricted following marriage;
- An Employee or his or her Family Member receives a restricted Security through inheritance or gift;
- An Employee or his or her Family Member holds Restricted Stock; or
- An Employee's Family Member is employed by an issuer of Securities, and holds Securities of that issuer (including Securities received as compensation).

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



- An Analytical Group Employee has a Close Personal Relationship with someone who holds a Key Management Position at an entity that operates in a sector prohibited under the Analytical Group Employee's Group Investment Restrictions;<sup>2</sup> and
- An Analytical Group Employee or his or her Family Member has an Outside Interest (as described in section 7.1 below) that creates a conflict of interest or the appearance of a conflict of interest with the Employee's work for or with Fitch Ratings.

## 6. ACCOUNTS AND SECURITIES REPORTING

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

### 6.1 Reporting Obligations and Exemptions

Unless explicitly exempted in accordance with one of the three Exemptions set forth below, Employees must ensure that they and their Family Members disclose Accounts, Reportable Securities holdings and Reportable Securities Transactions in the manner set forth below. However, transactions and holdings in investments other than Securities, and the opening of Accounts that are prohibited by law from holding any type of Reportable Security (e.g., mutual-fund only-accounts, bank accounts that can only hold cash, etc.), are not subject to the disclosure, reporting and/or pre-clearance requirements of this Policy, except with respect to FAM employees, who are subject to the disclosure, reporting and/or pre-clearance requirements with respect to mutual fund accounts and mutual fund trading activity.

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

- Messengers, drivers, cleaning and cafeteria staff;
- HR staff;
- Front desk staff;
- Facilities; and
- Employees who work exclusively for non-ratings affiliates, but who are legally employed and paid by Fitch Ratings because the affiliate does not have a separate legal entity in the country in which the Employee works or resides, provided there are proper physical segregation and access controls between the Fitch Ratings' office and the affiliate's office.

**Exemption 2:** Reporting is not required for the following types of Securities transactions:

- Changes in the number, nature or character of Securities previously reported due to subsequent corporate actions (e.g.: stock splits, dividends, mergers and acquisitions, etc.);
- Securities transactions made in accordance with automatic investment plans, such as dividend reinvestments (provided that the initial investment in the Security and plan was Reported);
- Securities transactions in Blind Trusts (Accounts maintained as Blind Trusts are not reportable); and

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<sup>2</sup> For Analytical Group Employees in Japan, Hong Kong, Singapore, Taiwan and voting members of Fitch Ratings Japan rating committees, please refer to Exhibit A for the variation in the definition of Family Members who would be deemed as having a "Close Personal Relationship" with the Employee.

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

**Exemption 3:** Reporting of transactions, holdings or account statements is not required for the following Accounts, after written certification regarding Account status is provided to Compliance:

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

## 6.2 Accounts

Employees must report all Accounts owned by themselves and their Family Members via the Compliance Monitoring System unless specifically exempt from the reporting requirements under this Bulletin. For the avoidance of doubt, this requirement applies to Managed Accounts, and Accounts designated as Confidential Accounts or Non-Active Brokerage Accounts.

## 6.3 Reporting of Securities Transactions and Accounts

### 6.3.1 Manual Reporting Requirements

Unless an exemption is available or the Account is held at an Efeed Broker, Employees must manually report all Reportable Securities Transactions and other Securities holdings, and manually submit all Account statements, as set forth below. Employees who fail to submit required information or documents will be subject to disciplinary measures which may include being required to move their Account(s) to an Efeed Broker.

- *Reportable Securities Transactions.* Securities transactions in Accounts belonging to Employees and their Family Members must be reported by the Employee manually to the Compliance Monitoring System within 10 business days<sup>3</sup> of the trade date.<sup>4</sup>
- *Account Statements.* Employees and their Family Members must upload quarterly statements for Accounts to the Compliance Monitoring System within 15 business days following the end of the calendar quarter, or as soon as practical. If there have been no transactions in an Account in any given quarter and the reporting in the Account is otherwise current, in lieu of uploading a quarterly statement an Employee may certify that there have been no transactions in the Account in a manner suitable to Compliance.
- *Other Reportable Securities Holdings.* An Employee must report the acquisition of Securities by Employees or their Family Members through other means such as by gift, inheritance, marriage, compensation payment (e.g., stock options or Restricted Stock), etc., manually via the Compliance Monitoring System. If such holdings result in a potential conflict under the Employee's Group Investment Restrictions, the Employee must discuss possible recusals and liquidations with Compliance and follow any required remediation plan set by Compliance.

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<sup>3</sup> All Analytical Group Employees who have an individual license with the Monetary Authority of Singapore (whether based in Singapore or elsewhere) must report listed Securities transactions in their accounts within 7 calendar days of the trade date.

<sup>4</sup> This transaction reporting requirement does not apply to securities transactions executed in Accounts that Compliance has certified to be 1) Managed Accounts held by non-Analytical Employees or 2) Confidential Accounts.

### 6.3.2 Electronic (“EFeed”) Reporting Requirements

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

### 6.4 Efeed Broker Requirement

Any Account held by Fitch Ratings Employees and/or their Family Members in the US must be held at an E-feed Broker, unless the Account has been grandfathered<sup>5</sup> in or one of the below exceptions applies. Employees who are not residents of the US may maintain Accounts at Brokers that do not provide an E-feed, but any such Account is subject to increased manual reporting under Section 6.3.1, and adherence to the manual reporting requirements will be strictly construed against the Employee. New Fitch Ratings Employees must transfer all non-E-feed Reportable Accounts to an approved E-feed Broker within 60 days of notification.

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

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

## 7. OUTSIDE INTERESTS AND EXTERNAL RELATIONSHIPS

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

### 7.1 Employee Outside Interests

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

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

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<sup>5</sup> Accounts that are maintained in the United States and belong to Employees and their Family Members are not subject to the Efeed requirement if, prior to February 7, 2011 the Account was opened and the employee worked at Fitch Ratings. However, the employee will be required to close or transfer the Account if reporting requirements are not fulfilled or the employee violates Fitch Policy.

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

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

### 7.2 External Relationships

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

If the Analytical Employee has a Close Personal Relationship with someone who holds a Key Management Position at a Rated Entity or Ratings Eligible Entity that operates in any sector covered by the Analytical Employee's group, the Analytical Employee must file a recusal.

For Analytical Group Employees in Japan, Hong Kong, Singapore and Taiwan, and voting members of Fitch Ratings Japan rating committees please refer to Exhibit A for the variation in definition of Family Members who would be deemed as having a Close Personal Relationship with the employee.

### 7.3 Outside Employment and Consulting

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

## 8. GIFTS

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

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

Action	Analytical Employees	BRM and Non-Analytical Employees
Solicit or accept a Gift	Not Permitted	Not Permitted
Extend a Gift	Not Permitted	Permitted

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

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

- The Gift must be returned, donated or destroyed;
- The Employee must send a letter to the donor that explains Fitch Ratings' restriction against accepting Gifts and requests no Gifts be proffered in the future; and

- The Employee must disclose the Gift and upload a copy of the letter to the Compliance Monitoring System.

## 9. BUSINESS EVENTS AND BUSINESS ENTERTAINMENT POLICY

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### 9.1 Business Events

When participating in Business Events, Employees are required to maintain a clear separation of analytical and commercial activity, and adhere to the requirements set forth in [Bulletin 04: Segregation of Commercial & Analytical Activities](#). Additional considerations and restrictions applicable to Analytical Group Employees are set forth below.

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

### 9.2 Business Entertainment

Business Entertainment must:

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

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

Action	Analytical Employees	BRM and Non-Analytical Employees
Attend a Business Event paid by Fitch Ratings	Permitted	Permitted
Attend a Business Event paid by a third party	Not Permitted	Permitted
Extend Business Event	Permitted	Permitted
Attend Business Entertainment	Fitch Sponsored Only*	Permitted
Extend Business Entertainment	Not Permitted**	Permitted
Accept supplies and food/beverage during A business meeting (not exceeding \$25 or equivalent in other currency)	Permitted	Permitted

*\*Analytical Group Employee must excuse themselves from any fee related or commercial discussion while BRM employees must exclude themselves from any analytical discussion.*

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

## 10. POLITICAL OR CHARITABLE CONTRIBUTIONS

### 10.1 Political Contributions

Under no circumstances may corporate funds, facilities, or services of any kind be paid or furnished (i) to any political candidate or prospective candidate for public office, (ii) to any political party, or (iii) to any political initiative, referendum, or other form of political campaign (each such candidate, party or campaign, individually, a “Political Cause”) by any Employee or representative on behalf of Fitch Ratings. Nothing in this Bulletin prohibits an individual Employee or Fitch Ratings’ representative from making a political contribution on his or her own behalf; however, any proposed contribution by any BRM Employee within the U.S. Public Finance group, International Public Finance group, Global Infrastructure group, or Sovereigns group (collectively referred to as the “Reporting Groups”) or Analytical Employee within a Reporting Group in excess of US\$500, or the local currency equivalent, in the same calendar year to the same Political Cause must first be reported to and approved by the Personal Conflicts Monitoring team in Compliance.

### 10.2 Charitable Contributions

A charitable contribution on behalf of Fitch Ratings, excluding any gift made pursuant to an existing matching gift program, may only be made with the prior written approval in accordance with Section 3.7 of [Fitch Group Bulletin 01: Anti-Corruption Policy](#) Nothing in this Bulletin prohibits an individual employee or representative of Fitch from making a charitable contribution on his or her own behalf.

## 11. EXCEPTIONS TO POLICY REQUIREMENTS

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

## 12. NON-COMPLIANCE

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

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

If a violation involves a Security purchased by an Employee while in possession of MNPI, the Employee in violation must not sell the Security until he/she is no longer in possession of MNPI, typically after the rating action or other relevant event occurs and is published. In this event, the Employee must be in consultation with and follow the directions of Compliance.

## 13. QUESTIONS

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For questions or issues concerning this Policy, please contact [compliance@fitchratings.com](mailto:compliance@fitchratings.com).

<b>Owner:</b>	Chief Compliance Officer
<b>Summary of Changes:</b>	Appendix A
<b>Supplements:</b>	<p>The following policies or procedures are referenced in this Bulletin and should be consulted when interpreting and revising this Bulletin:</p> <ul style="list-style-type: none"><li>• Fitch Rating Definitions</li><li>• <a href="#">Fitch Group Bulletin 01: Anti-Corruption Policy</a></li><li>• <a href="#">Bulletin 04: Segregation of Commercial &amp; Analytical Activities</a></li><li>• <a href="#">Bulletin 13: Annexes</a></li><li>• <a href="#">Bulletin 41: Confidential Information Policy</a></li></ul>



### Exhibit A

#### Family Member definition for Employment Related Recusals

“**Family Members**” may be defined with additional variations or specifications in the following jurisdictions for the purpose of recusal from participation in or otherwise influencing the determination of a rating.

An employee must be recused in the following jurisdictions if he or she:

LATAM	
<b>Colombia</b>	<p>Has a spouse or relatives up to the first degree of consanguinity, affinity or civil. Article 2.22.1.1.9, <u>Decree 2555, 2010</u>.</p> <p>In Colombia the family is established taking into the following issues among others: (i) degree of consanguinity; (ii) degree of affinity and (iii) civil. Articles 35 to 62, Civil Code:</p> <p><b>First degree of consanguinity/affinity</b></p> <ul style="list-style-type: none"> <li>• Consanguinity: Parents</li> <li>• Consanguinity: Children</li> <li>• Affinity: Spouses</li> <li>• Affinity: Parents-in-law</li> <li>• Affinity: Son-in-law / Daughter-in-law</li> </ul> <p><b>First Civil</b></p> <ul style="list-style-type: none"> <li>• Adoptive parents and adopted children</li> </ul>
<b>El Salvador</b>	<p>Has a spouse or relative within the first degree of consanguinity who are debtors of the financial system for credits that have been established sanitation reserves of 50% or more of the balance. Article 23 <u>Stock Market Regulation</u>.</p> <p>Has a spouse or relative within the fourth degree of consanguinity or second affinity of the members of the Board of Directors of the Ratings Agency or their respective spouses. <u>Annex 3- Administrators Registration Regulation in the Public Stock Registration of the Superintendencia de Valores</u>.</p> <p>Has a spouse and relatives within the first degree of consanguinity of the issuer’s employees. Article 95 (e) of <u>Stock Market Regulation</u>.</p>
<b>Honduras</b>	<p>Has a spouse or relative up to the fourth degree of consanguinity or second degree of affinity that are in any of the situations provided below:</p> <ul style="list-style-type: none"> <li>• People who have a subordination or dependency link with the issuer or companies related to it.</li> <li>• Officials who have a contract for the provision of professional services with the issuer or its related companies, with the issue being rated, or with a shareholder of more than 10% of their share capital.</li> <li>• People who provide or have provided within 12 months prior to the rating of financial advisory, consulting or auditing services for the financial statements of the issuer or its related companies.</li> <li>• The partners or administrators of the aforementioned persons as well as those who sign audit reports and opinions.</li> <li>• People who have provided directly or indirectly in the design, analysis, authorization and</li> </ul>

	<p>placement of the issue being rated.</p> <ul style="list-style-type: none"> <li>• People who have directly or indirectly held securities issued by the issuer or have received securities issued by the issuer as collateral.</li> <li>• The holders of securities issued by the issuer or have received securities issued by the issuer under guarantee.</li> <li>• People who have links with the issuer or issuance or who may be compromised by it.</li> </ul> <p>Article 25 #7 of CRAs Regulation (<a href="#">C-066/2010</a>)</p>
<b>Nicaragua</b>	<p>The members of the Rating Committee, directors and shareholders of a Rating Company, must not be involved in the impediments established in articles 29,30,31,34 and 35 of the General Law of Banks, Non-Banking Financial Institutions and Financial Groups. Article 15 of CRA Regulation- <a href="#">Resolution No CD-SIBOIF-579-2-ABR1-2009</a>.</p> <p>Has a spouse or partner permanently in de facto union or having a kinship relationship within the second degree of consanguinity or second affinity with a member of the Board of Directors of a rated bank. Article 29 #2 of CRA Regulation- <a href="#">Resolution No CD-SIBOIF-579-2-ABR1-2009</a>.</p> <p>Has a spouse or relative within the fourth degree of consanguinity or second of affinity and that the latter had a personal interest or conflict of interest with rated banks. Article 34 of CRA Regulation - <a href="#">Resolution No CD-SIBOIF-579-2-ABR1-2009</a>.</p>
<b>APAC</b>	
<b>Hong Kong</b>	Has a spouse, partner, parent, child or sibling who works for a Rated Entity, pursuant to SFC Code of Conduct for Persons Providing Credit Rating Services, Para. 42(d)
<b>Singapore</b>	Has a spouse, son, adopted son, step-son, daughter, adopted daughter, step-daughter, father, step-father, mother, step-mother, brother, step-brother, sister or step-sister, who works for a Rated Entity, pursuant to MAS Code of Conduct for Credit Rating Agencies, Para. 7.5
<b>Japan</b> (also applies to Fitch Rating Japan rating committees)	Has a spouse, or a relative by blood or a relative by affinity of the first degree of kinship who works for a Rated Entity as an officer or in a similar role, pursuant to Articles 66-35 of Financial Instrument Exchange Acts and Article 308 of Cabinet Office Ordinance 52/2007
<b>Taiwan</b>	Has a spouse or a relative within the second degree of kinship who is a responsible person or managerial officer of a Rated Entity, pursuant to FSC Regulations Governing the Administration of Credit Rating Agencies, Article 22

**Appendix A**  
**Summary of Changes**

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- An Exhibit was added to address the expanded definition of Family Members for employment related recusals for employees in the APAC region.
- Analytical Group names were updated to reflect organizational changes.
- The following provisions within Securities trading and reporting were amended:
  - removing the deadline for reporting an account;
  - reporting of transactions was reduced from 10 business days to 7 calendar days for employees licensed with the MAS authority; and
  - pre-clearance was made optional.
- Restrictions on Political Contributions were added for certain groups.
- Guidance was added for Charitable Contributions.

**1 June 2021**

Definition of Rated Entity changed to reflect relevant related third parties.

**2 July 2021**

Modified section 6.3.1 to reflect the method by which employees report manual account statements.

**6 August 2021**

Re-inserted footnote on pg. 9 that was inadvertently removed. Updated table in section 8 to remove permitted business expense already included in section 9.2.3. Fixed general formatting issues.

**17 February 2022**

This policy was modified to include the definition of Dependent Child and to add hyperlinks to the Bulletins referenced in the text.

**24 February 2022**

Typo corrected in Definition of Rated Entity.

**27 May 2022**

Updates made to Exhibit A to include LATAM countries.

**25 Nov 2022**

Definition of Sri Lanka National Ratings – Associated Persons added and additional investment restrictions for this group added under section 4.

Modified section 6.4 to clarify Efeed broker requirement for US resident employees including those living abroad but with accounts in the US.

Typos corrected in Exhibit A for Colombia and Honduras.

Removed reference to Compliance Hotlines under section 13.

**10 May 2022**

Typo corrected to remove blank footnote.