



FitchRatings

Transparency Report

United Arab Emirates

May 2025

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This Transparency Report is published in accordance with Section 3, Chapter 5, Article 17 of The Decision of the SCA's Chairman No. (13 / PM) of 2021 regarding the rulebook for financial activities and adjustment mechanisms. It provides information on the operations of Fitch Ratings in the United Arab Emirates (UAE) for the fiscal year ending December 2024.

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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 sub-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.

ESMA: The European Securities and Markets Authority.

FCA: The Financial Conduct Authority.

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 Directors of Fitch Ratings Ireland Limited.

FRL: Fitch Ratings Ltd

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

Fitch UAE: Fitch Ratings Ltd – UAE branch.

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

Global Group Head: An individual who 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). The Global Group Heads report to the Global Analytical Head. Each one has overall global management responsibility for either Corporates, Financial Institutions, Structured Finance, Public Finance & Global Infrastructure Group, or Sovereigns.

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
- Model Development Team

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.

SCA: The Securities and Commodities Authority.

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.

UAE: The United Arab Emirates.

UAE CRA Regulation (or “UAE CRAR”): The Decision of the SCA’s Chairman No. (13 / PM) of 2021 regarding the rulebook for financial activities and adjustment mechanisms.

UK CRA Regulation (or “UK CRAR”): The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019.

1. Compliance with Credit Rating Agencies Regulations and Other Relevant Laws and Regulations

Fitch Ratings has adopted a set of bulletins, policies and procedures, including the Code of Conduct & Ethics, the Rating Process Manual and the Business & Relationship Management Process Manual amongst others, collectively, the “Operational Procedures”). in order to achieve the regulatory mandate based on the principles of objectivity, integrity, transparency and independence. These Operational Procedures address, among other issues:

- The segregation of commercial and analytical activities, and the determination of Credit Ratings,
- Governance relating to criteria, methodologies, and models, and
- File maintenance and recordkeeping associated with the above-mentioned activities.

Fitch Ratings also has Operational Procedures which are designed to ensure that Fitch Ratings complies with the various rules and regulations to which it is subject, including, but not limited to, the regulations in the UAE. For further information please see Section 1.2 (3. Policy Framework).

To support and supplement the Operational Procedures, Fitch Ratings adopted a second set of functions, policies and procedures (the “Internal Quality Control System”). The Internal Quality Control System covers all aspects of Fitch Ratings’ operations pertaining to the determination of Credit Ratings. The components of the Internal Control Structure Governing the Determination of Credit Ratings are presented in point 1.2 of this section.

1.1. Legal Structure and Ownership

Legal Structure

Fitch Ratings operates in the UAE through a branch of FRL established in the UAE. FRL 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.

Ownership

Fitch Ratings Ltd (“FRL”) ¹ 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.

1.2. Internal Control Structure Governing the Determination of Credit Ratings

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 website².

¹ FRL 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.

² <http://www.fitchratings.com/site/definitions>

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 procedures³ 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 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 efficiency and effectiveness of the CRAG.

3. Policy Framework

All Fitch Ratings policies and procedures reflect Fitch Ratings' Code of Conduct & Ethics and related policies⁴, which is based on global best practices outlined in the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies⁵, 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 department, 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 Fitch Ratings policies are also subject to review and approval by the Boards.

4. Three Lines of Defence

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 defence, and is ultimately overseen by the Boards:

³ 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 UAE CRA Regulation.

⁴ The Code and the Related Policies are available to the public on the Fitch Ratings' public website www.fitchratings.com/ethics#code-of-conduct

⁵ The IOSCO Code is available at <http://www.iosco.org/library/pubdocs/pdf/ioscopd437.pdf>

- a. *First Line of Defence*: The Global Analytical Group, BRM, Ratings Operations and the Technology group (see below in 3.5);
- b. *Second Line of Defence*: CPG, CRAG, Compliance, the Technology Risk function (“Tech Risk”)⁶, and the Operational Risk team (see below in 3.6); and
- c. *Third Line of Defence*: Internal Audit (see below in 3.7) and external or outsourced third-party audits, as needed.

5. First Line of Defence

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 defence.

5.1. Global Analytical Group

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

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.

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 Groups’ compliance with the various procedures outlined in the Ratings Process Manual.

5.4. Technology group

Fitch Group’s Technology function manages the technology infrastructure for Fitch Ratings globally. The Technology group 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 into them. In addition to typical IT tasks and responsibilities, the CTO also:

- Maintains and monitors infrastructure including desktops, networks and data applications and processes 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.

⁶ “Technology Risk” was renamed “Information Security” in March 2025.

6. Second Line of Defence

Fitch Ratings' core control functions of CPG, CRAG, Compliance, the Technology Risk function and the Operational Risk team comprise the Second Line of Defence. 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.

6.1. The Credit Policy Group

CPG serves as an oversight function with respect to Fitch Ratings' analytical work. It includes the Chief Credit Officer⁷, Group Credit Officers and Regional Credit Officers, as well as the Evaluating Committee Robustness ("ECR")⁸ and Fitch Wire⁹ functions. In fulfilling these responsibilities, CPG conducts the following activities, among others:

- Reviews current and future risks within and across rating groups to promote analytical coordination across sectors and regions and to challenge credit thinking with alternative viewpoints;
- Conducts reviews to assess credit rating performance and comparability, and in conjunction with the Chief Criteria Officer ("CCrO"), reports on the effectiveness of ratings to the Boards;
- Links rating trends with current fundamentals, macro-economic developments and analytical forecasts and scenarios by industry or sector;
- Monitors analytical groups to ensure consideration of new developments with an appropriate sense of urgency and rigour, and reports on and makes recommendations in certain cases;
- Oversees the review of unique or complex rating proposals by global analytical groups;
- Develops and publishes areas of topical research that address credit market issues, and/or can be used to frame priorities, or help identify the next potential credit market development;
- Reviews analytical exceptions, incidents and complaints; and
- Carries out reviews of the committee process against applicable criteria, as part of the ECR programme. ECR assesses the analytical quality of rating committee packages and evaluates the consistency of criteria application as well as the clarity and adequacy of documentation of rating conclusions.

6.2. Criteria Review and Approval Group

CRAG serves as an oversight function with respect to Fitch Ratings' credit ratings criteria and related models, and includes the CCrO, Head of Model Validation, Manager of Ratings Performance Analytics, and Criteria Officers. In fulfilling these responsibilities, CRAG undertakes the following activities, among others:

- Oversees the review and approval process for rating criteria and related models. For new or materially changed criteria and models, CRAG recommends approval to the Board following its review process, which includes ensuring the inclusion of appropriate qualitative and quantitative assumptions (supported by back-testing where appropriate), sensitivities, and key rating drivers. Analytical groups are responsible for proposing suitable criteria and changes to existing criteria for review by a Criteria Review Committee, independent from the analytical groups, whose voting members are CRAG employees;

⁷ From 1 January 2025, CPG, ECR and FitchWire functions report into the new role of Chief Risk and Credit Officer ("CRCO"), a member of the Fitch Ratings Executive Committee, reporting directly to the President of Fitch Ratings, instead of to the CRO. The CCrO and the Manager of the Operational Risk team also report in to the CRCO from that date. Additionally, the Operational Risk team was renamed the "Operational Risk Review" team.

⁸ From 1 January 2025, ECR was renamed the Credit Review group.

⁹ Fitch Wire provides intra-day commentary on credit issues in the news.

- 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 utilised;
- 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 Credit Officers and CRAG contribute to the development of a training programme known as the Fitch Credit Academy, which provides a formal structure to develop and assess the knowledge and skills analysts need to be effective in evaluating credit.

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 INEDs¹⁰. Compliance has local Compliance Officers in multiple geographical locations around the world. The CCO periodically informs the INEDs and the CRO on the goals, strategy and status of the Global Compliance Group, the Compliance Programme, and certain other Compliance processes and controls including those undertaken by Compliance's core functions.

The Global Compliance Group comprises sub-teams of: (i) Regional Regulatory Compliance; (ii) Compliance Testing; (iii) E-Surveillance; (iv) Personal Conflicts Monitoring; and (v) Compliance Data, Systems and Metrics. Compliance sub-teams have a global focus with the exception of the regional Regulatory Compliance teams. Staff can be located in any geographical location where Fitch has an office, reflecting individuals' technical abilities to fulfil the relevant role. The functions of the sub-teams are as follows:

6.3.1. Regional Regulatory Compliance

The regional Regulatory Compliance teams are responsible for maintaining (either directly or in conjunction with local country management) Fitch Ratings' license or registration in all jurisdictions where it is licensed or registered as a CRA. The regional Regulatory Compliance teams manage all regulatory exams, other regulatory requests for documents and information, and are responsible for oversight of the processes relating to the investigation and resolution of conduct-related complaints and other internal investigations. Each regional Regulatory Compliance team is overseen by a regional head for the Americas, APAC and EMEA, and regular outreach is undertaken to offices within these regions. Each regional Regulatory Compliance team is responsible for regulatory compliance matters within their specific region.

6.3.2. Personal Conflicts Monitoring ("PCM")

PCM is responsible for administering Fitch Ratings' Global Securities Trading and Conflicts of Interest Policy, which establishes policies designed to minimize actual and potential conflicts of interest 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 employees. Additionally, PCM administers a certification sent to the

¹⁰ From 1 January 2025, the CCO and the Head of Internal Audit report into the General Counsel and Executive Vice President (Legal and Regulatory) of Fitch Group instead of the CRO. The CCO and the Head of Internal Audit continue to report jointly into the INEDs.

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 of interest.

6.3.3. Compliance Testing (“CT”)

CT is responsible for assessing adherence to policies and procedures; evaluating the effectiveness of corresponding internal controls; reporting identified findings to senior management; and ensuring management actions are closed in response to findings. The Compliance Testing Plan (“CTP”) is determined annually using a risk-based approach and focuses on the results from the annual Compliance Risk Assessment. Other factors considered include any prior Compliance testing, regulatory findings, and identified Compliance findings and trends.

6.3.4. E-Surveillance

The E-Surveillance team monitors electronic communications sent and received by analytical and commercial employees, as well as other areas such as Core Operations, Finance, Middle Office, CPG and CRAG. Communication surveillance covers Fitch Ratings e-mail, Microsoft Teams messages and Bloomberg Email as well as messaging. Communications on these channels are flagged by surveillance software, when the content indicates a potential violation of certain policies and procedures. The team reviews all flagged communications to determine whether a violation occurred and, where appropriate assesses items under the Employee Accountability Procedure.

6.3.5. Compliance Data, Systems and Metrics

The team provides support across the Global Compliance Group in managing Fitch Ratings’ policy, procedure and training framework globally, delivering regulatory disclosures, and creating reports and metrics for monitoring the effectiveness of compliance controls. These activities include completion of the Compliance Risk Assessment, 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; and management of the internal governance, risk, and compliance system.

Additionally, the CCO oversees Fitch Ratings’ policy, procedure and internal communications framework globally. At the direction of the CCO, Compliance Officers prepare and present training and other Compliance communications to Fitch Ratings’ employees on a virtual and in-person basis, and coordinate and manage other Compliance communications to employees using a variety of media such as email and internal intranet articles.

6.4. Technology Risk Function

The Tech Risk¹¹ function is responsible for managing the technology infrastructure globally and enabling Fitch Ratings to deliver against its strategic goals by reducing the risk of significant security incidents and data breaches.

Tech Risk 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 Technology group to drive increased security and resilience across the Fitch Group environment. Tech Risk also:

- Creates, manages, and leads the implementation of the information security programme;
- Identifies and addresses the risks associated with the technology processes used in the issuance of credit ratings, along with Technology 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;

¹¹ From 1 January 2025, the Data Privacy team (led by the Chief Privacy Officer) joined Tech Risk.

- 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.

6.5. The Operational Risk Team

The Operational Risk Manager reports to the CRO⁷. The Operational Risk team provides oversight of the policies, procedures and controls designed to manage the risk of loss arising out of Fitch Ratings' operations, including the risk of legal, reputational, strategic and commercial business. In fulfilling these responsibilities, the team conducts the following activities, among others:

- Execution of the annual analysis of Fitch Ratings' operational risks, via review and analysis of the Risk & Control Self Assessments ("RCSA") conducted by each first line risk owner, which includes the evaluation of the effectiveness of existing, new or changed operational controls;
- Coordinates quarterly Operational Risk Committee meetings with first and second line risk owners;
- Works with other business areas to support policies and procedures related to business continuity plans and disaster recovery;
- Manages the annual Dodd Frank attestation process, to include coordinating all Internal Audit control testing results, data and information with all other potential findings (Exceptions & Incidents, complaints, RCSA), and working with various stakeholders to ensure appropriate outcomes; and
- Actions monthly reporting for IT incidents, whilst owning governance for report content and distribution.

The work of the Operational Risk team informs the regular reporting of the CRO⁷ on the effectiveness of Fitch Ratings policies and procedures to the Boards.

7. Third Line of Defence

The Internal Audit ("IA") function's role as the third line of defence is independent from first line and second line activities. The IA function provides independent and objective assurance as to whether the design and effectiveness of Fitch Ratings' governance, risk management, and internal control processes are adequate. The scope of IA's mandate covers all of Fitch Ratings globally, excluding the examination of financial controls.

At least annually, the Head of IA develops a risk-based internal audit plan consisting of a schedule of audits for the next calendar year. The plan is reviewed and approved by the INEDs and CRO, and includes:

- Internal audits to evaluate the adequacy of internal controls within specific business or risk areas.
- Testing of key rating process controls to support the assessment of the internal control structure in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").
- Testing of key rating process controls pertinent to specific requirements of EU CRA Regulation.

The Head of IA reports functionally to the INEDs and administratively (for example, day-to-day operations) to the CRO¹⁰. The Head of IA meets periodically with the INEDs and the CRO and reports quarterly to the Boards regarding the status of the internal audit plan, results of audit activity, open audit findings, and management actions.

2. Information on Allocation of Staff

The table below details the total number of analytical staff employed by Fitch UAE are registered\accredited by the SCA to work as primary analysts on public Credit Ratings for rated entities based in the UAE as of 31 December 2024.

Primary Analysts	19
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The total number of analytical staff employed by Fitch Ratings globally responsible for methodology and model management appraisal, in addition to their day-to-day analytical duties, as of 31 December 2024 is detailed in the table below.

Methodology Review and Validation	11
Model Review and Validation	12
Methodology Development	151
Model Development	31

Fitch UAE had 32 full-time employees as of 31 December 2024, including:

- The Category Manager (Registered Person), Managing Director of Middle East and Sub-Saharan Africa, reporting to Managing Director BRM Corporates and Structured Credit who is based in London, UK;
- The Compliance Officer (Registered Person), Compliance Director – Middle East, reporting to the Head of Compliance – EMEA, who is based in London, UK;
- Operations, Finance and HR consisting of 4 Employees;
- BRM consisting of 4 employees;
- Analytical consisting of 19 (Registered/Accredited) and 2 other employees; and
- Global Group Credit Officer.

Further information on senior management can be found in section 6 of this report under the title “Management”.

3. 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 UAE 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 ten 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 saved emails received and sent by Fitch Ratings and its employees that relates to initiating determining, maintaining, monitoring, changing or withdrawing a Credit Rating.

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

Internal Audit conducted its annual audit of the Global Compliance Group with a review of the whistleblowing process. The audit identified two findings that are being remediated in line with management actions detailed in the audit report.

5. Information on Revenue

Description of Rating Activities

Fitch Ratings’ 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.

Revenue

The tables below provide the revenue derived from both rating activities and ancillary services during the 12-month financial period ending 31 December 2024.

Total Revenue	
Fitch UAE (AED)	103,167,000

6. 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**¹² – INED
- **Lisa W. Haag** – INED
- **Marie C. Winters**¹³ – 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, including Fitch UAE. 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 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 efficiency and effectiveness of the CRAG.

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 local corporate law. The individual board members of FRL are identified in Section "9. Governance Statement" of this report.

The organisation of Fitch Ratings' analytical management is not structured around Fitch Ratings' corporate organisation. Each analyst employed within FRL's UK branches reports 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.

¹² Mr. Prescott's term ended on 31 December 2024.

¹³ Ms. Winters' term commenced on 1 November 2024.

Currently two of Fitch Ratings' five Global Group Heads are based in the UK and three are based in the United States. All five Global Group Heads report to the Global Analytical Head who is based in the United States, and reports to the President of Fitch Ratings, based in the UK.

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 Fitch Ratings 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.

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