

**Fitch Ratings Worldwide  
Confidentiality, Conflicts of  
Interest and Securities  
Trading Policy**

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## **I. Knowledge and Compliance**

Other than you, our employees, Fitch's reputation is our most valuable asset. To protect our credibility and reputation, you must diligently comply with the various securities laws and take every precaution to avoid conflicts of interest or any appearance of a conflict of interest. Consequently, every Fitch employee must fully understand and comply with this Confidentiality, Conflicts of Interest and Securities Trading Policy (the "Policy").

## **II. Definitions**

In this Policy, the following definitions are used:

- a. "Brokerage Account" means any account Owned by you or any member of your Immediate Family, in which you are able to trade Securities, whether or not you currently do so. In other words, if you Own a Brokerage Account that currently holds only diversified mutual funds, but in which you have the ability to trade Securities, the account is still included in the definition of "Brokerage Account." A "Brokerage Account" also includes accounts in which you hold no Securities or funds, as long as you are ABLE to trade in the account. A "Brokerage Account" does not include an account at a mutual fund family in which you can only hold the mutual funds of that fund family.
- b. "Chief Compliance Officer" means the person designated by the Board of Directors of Fitch, Inc. as the Chief Compliance Officer for Fitch Ratings worldwide. The Chief Compliance Officer is responsible for overseeing compliance with this Policy. "Regional Compliance Officer" means for Fitch offices in the Americas, the Regional Compliance Officer in New York and for Fitch offices in the rest of the world, the Regional Compliance Officer in London. "Compliance" refers to the Chief Compliance Officer, Regional Compliance Officers and the staff assigned to the Compliance Group in New York and London, who are responsible for overseeing compliance with this Policy.
- c. "Immediate Family" means your spouse, domestic partner, minor children, other dependents, and relatives sharing your home. Any company, trust or other entity Owned or controlled by your Immediate Family, such as a trust created by your parents for your minor children, is also considered a member of your Immediate Family.
- d. "Inside Information" means all information that is not generally known by the public. Information is not Inside Information if it is contained in public disclosure documents (prospectuses, offering circulars, annual and quarterly reports and filings with the US Securities and Exchange Commission, other government authorities or stock exchanges which have already been published by the relevant issuer), (ii) contained in a press release issued by the issuer, (iii) contained in a publication or newspaper of general circulation, or (iv) information the issuer has informed us is public.
- e. "Own," "Owns," "Owning," "Owned" and "Ownership" are broadly defined in this Policy. For purposes of this Policy, you Own all Securities and any Brokerage Accounts held in your name or in the name of any member of your Immediate Family, as well as, all Securities or any Brokerage Accounts held in the name of another person if you enjoy the benefits of the Ownership of the Securities or the Brokerage Account (e.g., receipt of income from the Securities or the ability to purchase, sell or vote the Securities).

- f. “Rated Entity” means the issuer, guarantor or credit support provider (letter of credit banks, bond insurers, etc.) with respect to any Security. In addition, it means the sponsor, seller or seller/servicer, depositor, manager or originator in a structured finance transaction. It also includes any companies that are affiliates of any of those parties. By way of example, Citigroup, Inc. is a Rated Entity in connection with Citibank Credit Card Master Trust I.
- g. “Rating Action” means the assignment of any new rating, any upgrade, downgrade, confirmation, withdrawal, suspension or watch of an existing rating or a report published relating to a Rated Entity or a Security. The term Rating Action also includes any committee discussions or voting involving any of those actions.
- h. “Sector Fund” means any mutual fund or other collective investment scheme that invests primarily in the Securities of one or more specific industries or industry segments. For example, Sector Funds include all funds that focus on the communications, financial services, healthcare, natural resources, precious metals, real estate, technology and utilities sectors, to name a few.
- i. “Security” means (other than the exceptions set forth in clauses (i) through (vi) below) any stock, note, bond, debenture, certificate, limited partnership share or other financial instrument commonly known as a Security and also includes any put or call option, or any other derivative instrument, relating to a Security. For the purpose of this Policy, a “Security” does not include:
  - i. if you do not regularly work on ratings of managed funds, shares of diversified mutual funds or other collective investment schemes or money market funds (although a Sector Fund is considered a “Security” subject to the Ownership restrictions and reporting requirements set forth below);
  - ii. if you do not regularly work on Fitch’s “V” ratings or sovereign and sub-national ratings, direct obligations of a sovereign nation (including United States Treasury securities) or any agency thereof and obligations fully guaranteed by a sovereign nation or any agency thereof (please note, however, that obligations of government sponsored entities (GSE’s) such as Freddie Mac and Sallie Mae are included in the definition of a “Security”);
  - iii. investments in any retirement plan or savings and investment plan sponsored by Fitch or by any employer of any member of your Immediate Family as long as the individual cannot direct such plan’s investment in specific Securities (although, if Sector Funds are owned in such plans, Ownership of Sector Funds needs to be reported on at least an annual basis);
  - iv. personal insurance policies, such as homeowners, life, auto, disability and individual annuity policies; and
  - v. deposits in and certificates of deposits of banks, savings and loans, and credit unions.
  - vi. Ownership in a housing co-op, property owners association or similar not-for-profit association or corporation related to the Ownership or enjoyment of your home or neighborhood.

### III. Prohibition Against use of Inside Information

- a. **Prohibition against Trading.** ALL EMPLOYEES ARE BARRED FROM TRADING ON INSIDE INFORMATION. You are prohibited from using in any way (either for personal gain or the gain of others) Inside Information which you receive in your work at Fitch (such as Inside Information relating to the companies you cover or to the financial situation of Fitch and/or its parent company, Fimalac) or in your personal life (through a family member, friend, or other person). In addition, you are also prohibited from “tipping” others (revealing Inside Information to others such as family members or friends) who could illegally trade on the Inside Information.
- b. **Consequences of Insider Trading.** Serious consequences may result from the misuse of Inside Information, such as legal action against you possibly leading to significant fines and/or imprisonment and termination of your employment by Fitch. Moreover, improper use or disclosure of Inside Information could result in significant liability or sanctions against Fitch and/or irreparably damage Fitch’s reputation and business.

### IV. Confidentiality

- a. **Confidentiality Policy and Prohibitions against Disclosure.** Fitch will not disclose any Inside Information to anyone, except those employees, consultants and agents of Fitch involved in the rating analysis or who would otherwise have input into the analysis of the matter, for so long as such Inside Information is not otherwise known to Fitch or publicly available, and except in response to any valid request for such information contained in a subpoena, court order or as otherwise required by applicable law or by any judicial, legislative or regulatory authority. Fitch, however, reserves the right to use such Inside Information, or information and analyses derived there from, in forming and communicating its opinions and any subsequent changes thereto, about any rating or credit assessment of any Security or Rated Entity. In accordance with Fitch’s confidentiality policy, you are prohibited from revealing to anyone (including family members, friends and other Fitch employees), any Inside Information obtained in connection with a possible or actual rating or credit assessment. You, however, may discuss such confidential Inside Information with (i) other Fitch employees, consultants and agents involved in the rating analysis or who would otherwise have input into the analysis of the matter, (ii) Fitch’s Legal Department and (iii) outside counsel representing Fitch on the matter.
- b. **Safeguarding of Information.** You must make every effort to safeguard all Inside Information that comes to you through your work at Fitch. To protect Inside Information, you should maintain the following safeguards:
  - i. **Investor Calls.** Analysts may discuss the analysis supporting the rating of any Rated Entity or any Securities of any Rated Entity on investor calls. In the case of new Securities, analysts may discuss the analysis supporting the rating on investor calls only after the Rated Entity or one of its agents have distributed preliminary disclosure documents or similar materials. However, an analyst should never discuss Inside Information on any of these calls. Analysts should discuss only the information publicly disclosed and their analysis of the rating.
  - ii. **Discussions.** You must not discuss Inside Information under circumstances in which others could overhear such discussions. This rule applies at all times,

inside and outside the office. You should exercise extra caution in conducting conversations in public places such as restaurants, subways, trains, ferries, elevators, taxis and airplanes, and in using speakerphones or cellular phones.

- iii. **Documents.** Documents, notes, and other ratings-related work products must not be left about for strangers or other unauthorized personnel to see. In addition, issuer files may not be released to any third parties without the express written consent or direction of the issuer.
- iv. **Precautions.** If a matter involves highly sensitive information, additional precautions may be appropriate. These could include keeping files and computer disks in locked cabinets or other secure places, arranging for special handling of files, and exercising extra caution while speaking on the telephone to avoid being overheard. If your desk is situated where unauthorized persons may see such materials, keep sensitive papers in drawers, turn them upside down, or otherwise hide them.
- c. **When Information is no Longer Confidential.** Information is no longer Inside Information, and you may disclose the relevant information to investors, after such information has been released (i) over Fitch's web site, (ii) over any other major newswire service (PR Newswire, Bloomberg, Reuters, etc.), (iii) by the Rated Entity or (iv) by the media. This restriction allows the public sufficient time to receive the released information, which is particularly important in the case where a Rated Entity's Securities are outstanding on the open market, and disparate receipt of information could unfairly benefit one investor over another.
- d. **Confidentiality Agreements.** No confidentiality agreement (except for those which have been pre-approved by the Legal Department) may be signed without first consulting with Fitch's Legal Department. In general, use of confidentiality agreements should be discouraged since, as a matter of Fitch's confidentiality policy, Fitch maintains the confidentiality of all Inside Information consistent with that policy.

## **V. Conflicts of Interest**

- a. **Restrictions.** To avoid the likelihood of insider trading and to prevent conflicts of interest or even the appearance of a conflict of interest or impropriety during the rating process, you are subject to the following restrictions:
  - i. **Owning Securities One Covers.** You and members of your Immediate Family are prohibited from Owning any Security of any Rated Entity for which you (A) can reasonably expect to work on assigning and/or maintaining a credit or other specialized rating (such as a servicer rating) on a Rated Entity or any Security of the Rated Entity, (B) can reasonably expect to be asked to participate in a Rating Action (such as a credit committee meeting) with respect to such Rated Entity or any Security of the Rated Entity, or (C) are a member of a team (whether in a supervisory, analytical or support position) that regularly works on assigning and/or maintaining a credit or other specialized ratings on Rated Entities or any Securities of Rated Entities in a particular industry or sector. By way of example, if you are a member of the team that rates credit card securitizations, you and your Immediate Family should not Own any Securities of Citigroup, Inc., MBNA,

American Express, JP Morgan Chase or any other credit card issuer which your team currently rates or might reasonably expect to rate in the future.

- ii. **Relationship with Rated Entities, Government Agencies and Self-Regulatory Bodies.** Without prior written approval from the Chief Compliance Officer, no employee may:
- A. serve on any board of directors or similar supervisory board of, or be a controlling stakeholder in, any Rated Entity or any entity affiliated with any Rated Entity (such as a subsidiary, parent or sister company to any Rated Entity);
  - B. serve on any board of directors or similar supervisory board of, or be a controlling stakeholder in, any public or listed company whether or not Fitch rates such company (or any subsidiary or affiliate of any such public or listed company);
  - C. hold any elected or appointed government office;
  - D. serve in any capacity on any government or public agency, authority, commission or regulatory body;
  - E. serve in any capacity on any self-regulatory body that has any function in the oversight of the capital markets, such as any stock exchange or securities dealers association; and/or
  - F. serve as an officer, or be on the board, of any trade or professional organization or association.

You also must promptly notify the Chief Compliance Officer in the event that any member of your Immediate Family serves in any of the capacities described in items (A) through (F) above.

- iii. **Competitors.** Although you are not restricted from Owning the Security of a competitor of any Rated Entity you cover, such Ownership may be restricted if it is contrary to another restriction in this policy, such as the restriction against Owning a Security you may reasonably expect to rate in the future. If you have any questions about the prudence of purchasing such a Security, please ask Compliance for prior guidance.
- iv. **Sector Funds.** You may not Own any Sector Fund relating to the sector that you cover.
- v. **Prohibition on Participating in Rating Actions.** You are prohibited from participating in any Rating Action involving a Rated Entity or any Security of the Rated Entity if:
- A. you or your Immediate Family Own any Security of such Rated Entity;
  - B. you or your Immediate Family Own a Sector Fund related to the sector of the Rated Entity;
  - C. you or any member of your Immediate Family serve on any board of directors or similar supervisory board of, or is a controlling stakeholder in, any Rated

Entity or any entity affiliated with any Rated Entity (such as a subsidiary, parent or sister company to any Rated Entity); or

- D. a family, personal or financial interest (e.g. a member of your Immediate Family is an employee of the Rated Entity) might unduly influence you in any way.
- vi. **Speculative Trading.** You are prohibited from engaging in short sales (or taking short positions such as buying or selling put options) or speculative trading of Securities of any kind unless made for bona fide hedging purposes against an offsetting position. You are expected to devote your workday to serving the interests of our clients and our company. Accordingly, all of your personal transactions must be oriented toward a philosophy of investment as distinguished from short-term or speculative trading. Excessive trading in the form of closely bunched purchase and sale transactions or other forms of trading commonly referred to as “day trading” is prohibited.
- vii. **Gifts.** Neither you nor any member of your Immediate Family should accept nor extend any gifts of any form in connection with any ratings related or other work you do at Fitch, except to the extent explicitly permitted herein. You may accept (A) a customary personal business gift such as promotional clothing items, tote bags, umbrellas, flowers and fruit and food baskets worth \$50 or less from any Rated Entity, investment bank, or any other supplier of goods and services to Fitch, or any of their representatives; (B) lucite blocks, “deal toys” or other customary tokens commemorating transactions or given generally to those attending closing dinners, business conferences or charity events (e.g. charity golf outings); and (C) business entertainment, such as tickets to sporting events and theatre and invitations to lunches and dinners, if the business entertainment is a customary part of participating in a transaction or ordinary business development activities and if you attend the events with the representatives of the Rated Entity, investment bank or supplier. If any business entertainment is extravagant, expensive or highly sought after, however, such as tickets to the World Cup, FA Cup, Super Bowl, World Series or similar major sporting events or other similarly highly sought after entertainment events such as a unique or special concert or any other events which cost hundreds of dollars or the equivalent or for which there are few available tickets, such business entertainment should be declined even if you were to attend them with representatives of the Rated Entity, investment bank or supplier. All gifts and business entertainment invitations extended by Fitch or any of its employees or representatives to any person with whom we conduct business should be wholly consistent with the requirements for gifts and business entertainment that we permit a Fitch employee to accept. In no event, however, should any gift influence your rating of the transaction or decision to purchase goods or services from a supplier.
- b. **Divesting of Securities Holdings/Recusal from Participation.** As provided in Paragraph V (a) (v) above, you may not participate in any Rating Actions until any prohibited Securities Owned by you or your Immediate Family are sold. If you are prohibited from participating in any Rating Action under the terms of Paragraph V (a)(v) above and you are asked to participate in, or discuss in any way, any such Rating Action, you must recuse yourself from that Rating Action and all discussions concerning it. In order to avoid being inadvertently asked to participate in discussions about a Rated Entity for which you are prohibited from participating in any Rating

Action under the terms of Paragraph V (a)(v), you must give prior notice of any such prohibition by e-mail to the lead analyst and back up analyst for that Rated Entity, copied to the analysts' department head and your Regional Compliance Officer, in any case where there is a reasonable possibility that you might be asked to discuss that Rated Entity.

- c. **Disclosure of Other Potential Conflicts to Department Head and Compliance.** With respect to every Rating Action in which you participate, you must disclose to your department head and the Regional Compliance Officer any other potential conflict of interest not otherwise covered in this Policy. For example, you must disclose to your department head and the Regional Compliance Officer any interest in, or personal or business relationship with, the Rated Entity, its principals or its investment banker, or any other matter, which could conceivably bias or interfere with your objective judgment. The department head, in consultation with the Regional Compliance Officer, will determine whether any such interest, relationship or other matter could reasonably be expected to impair your ability to objectively participate in such Rating Action. **You must use special care to avoid even the appearance of conflict.**
- d. **Additional restrictions.** It may also be necessary from time to time for Compliance to impose greater restrictions than those set forth in the above paragraphs with respect to particular Fitch offices or particular departments within Fitch. For example, if you are employed in a Fitch office staffed with only a small number of employees, you may be required to refrain from trading in Securities of all Rated Entities which your office rates, since you may have involvement in the rating assignments of all such Rated Entities. To the extent Fitch institutes any additional restrictions, you will be given notice of such additional restrictions by Compliance.

## **VI. Reporting of Securities Transactions**

- a. **Filing of an Initial Securities Holdings Form.** At the start of employment with Fitch, you must file a Securities Holdings Form with your Regional Compliance Officer listing all Securities that you and your Immediate Family Own. Should you Own any Sector Funds, you will be required to disclose them on this initial statement, disclose the sector to which the funds relate and affirm that you will not be covering the relevant sector. U.S. Employees must list the account number and name of the brokerage firm for all Brokerage Accounts they or any member of their Immediate Family Own, and the names of their Immediate Family members who Own such Brokerage Accounts. You must disclose on the Securities Holdings Form any potential conflicts of interest that may exist and any conflict that may arise from family connections or employment. If you and your Immediate Family do not Own any Securities or Sector Funds, or if you do not have any existing or potential conflict of interest, you should state that on the Securities Holdings Form.
- b. **Brokerage Statements and Reporting of Securities Not Held in a Brokerage Account for All U.S. Employees.** All U.S. Employees must arrange for their broker to provide Compliance with copies of brokerage statements and accompanying trade confirmations for any Brokerage Account Owned by them or any member of their Immediate Family. **IT IS YOUR RESPONSIBILITY TO ENSURE THAT YOUR BROKER IS ACTUALLY SUBMITTING THE STATEMENTS** for each Brokerage Account you and any member of your Immediate Family Own. Fitch engages a service that matches our employee data against bank and brokerage account lists to

ensure that you are in full compliance with this requirement. When possible, Fitch will arrange with brokers to receive brokerage statements and trade confirmations electronically rather than in paper format, and should there be any accompanying changes to your account, Compliance will attempt to give you prior notice of such change. You must immediately notify Compliance if (i) you or any member of your Immediate Family acquires any new Brokerage Accounts and make immediate arrangements for your broker to provide Compliance with copies of brokerage statements and accompanying trade confirmations for such new Brokerage Accounts, or (ii) you or any member of your Immediate Family acquires any Securities or Sector Funds that are not reported on a brokerage statement or trade confirmation provided to Compliance.

- c. **Quarterly Updates by Non-US Employees.** Beginning with the quarter ending June 30, 2005, if you work in one of Fitch's non-US offices and have any changes in your and your Immediate Family's Securities holdings during a calendar quarter, you must furnish to your Regional Compliance Officer a quarterly update to the Securities Holdings Form, detailing the changes since the last filing with your Regional Compliance Officer. You can simplify this reporting procedure by instructing brokers to send a duplicate monthly statement and individual trade confirmations directly to the Regional Compliance Officer, in which case it is not necessary for you to complete the quarterly Securities Holdings Form. If duplicate monthly statements and trade confirmations are sent with respect to some, but not all, of your and your Immediate Family's Securities trades, you must complete the quarterly Securities Holdings Form for those unreported Securities. If you do not Own or have no changes in your and your Immediate Family's Security Holdings during any calendar quarter, you are not required to file a quarterly update with your Regional Compliance Officer.
- d. **Annual Reporting for All Employees.** You must also furnish to your Regional Compliance Officer within forty five (45) days of the end of each calendar year a restatement of all your and your Immediate Family's Securities holdings as of the end of the preceding calendar year, or a certification that you do not Own any reportable Securities. You do not have to restate any Securities holdings held in a Brokerage Account for which your broker is providing Compliance with copies of brokerage statements and trade confirmations. You also will be required to restate any Sector Funds that you Own on this annual statement, disclose the sector, and affirm that you do not cover the relevant sector. For U.S. Employees, you also must restate the list of Brokerage Accounts Owned by you or your Immediate Family members and affirm that you are providing all Brokerage Statements and trade confirmations as required by the Policy.
- e. **Securities Not Required to be Reported.** It is not necessary to report Securities acquired through automatic dividend reinvestment or other similar programs. It is also not necessary to report Securities of the same type and class received through stock splits, stock dividends, reverse splits and similar recapitalizations. However, Securities of a different type of class or of another entity issued as a stock dividend or received in a recapitalization or other corporate action should be reported.
- f. **Yearly Certification of Compliance by All Employees.** Within forty five (45) days of the end of each calendar year, regardless of which Fitch office you work in, you must furnish a certificate to your Regional Compliance Officer certifying that you are

currently, and have been at all times throughout the prior year, in compliance with this Policy or otherwise reporting in detail the circumstances of any noncompliance. A form of such certificate will be made available to you by the end of each calendar year.

- g. **Confidentiality of Filings.** The Regional Compliance Officer will keep all of your filed reports confidential unless any report indicates Securities positions that may be in violation of this Policy, at which time the Regional Compliance Officer will inform senior management about your Securities holdings.
- h. **Reporting to Head Offices.** All office heads of Fitch offices in the Americas shall arrange for the delivery to the Regional Compliance Officer in New York and all office heads in the rest of the world shall arrange for the delivery to the Regional Compliance Officer in London, of all required Securities Holdings Forms, quarterly and annual updates and yearly certifications of compliance from the employees in their respective offices.

## **VII. Questions**

Questions as to the meaning of any part of this Policy or the applicability of this Policy to a specific situation should be directed to your department head, Fitch's Legal Department or your Regional Compliance Officer.