

Code of Conduct

Milan, 1st March 2016



Cerved Rating Agency is the Italian credit rating agency specialized in the assessment of the creditworthiness of non-financial companies of small, medium and large size and of their issuances of financial instruments.

Cerved Rating Agency efficiently collects, compares, elaborates and evaluates a complex set of public, proprietary and company internal information in order to assign credit ratings.

Cerved Rating Agency endeavours to issue credit ratings that help to reduce the existing asymmetry of information between rated entities, obligors, originators, underwriters, and arrangers, on one side, and users of credit ratings on the other.

Cerved Rating Agency's Code of Conduct is based on four objectives:

Quality and integrity of the credit rating process – Cerved Rating Agency endeavours to issue opinions that help to reduce the asymmetry of information among borrowers, lenders and other market participants;

Independence and conflicts of interest – Cerved Rating Agency decisions are independent and free from political or economic pressures and from conflicts of interest arising from the ownership structure, business or financial activities, or the financial interests of the Cerved Rating Agency employees. Cerved Rating Agency avoids activities, procedures or relationships that may compromise or appear to compromise the independence and objectivity of credit rating operations;

Transparency and timeliness of ratings disclosure; and

Confidential information – Cerved Rating Agency maintains in confidence all non-public information communicated by any issuer, or its agents, under the terms of a confidentiality agreement or otherwise under a mutual understanding that the information is shared confidentially.

GLOSSARY OF TERMS

“Code of Conduct Fundamentals for Credit Rating Agencies”: the code of conduct published by the International Organization of Securities Commissions (“IOSCO Code”) in December 2004 and subsequently revised in May 2008 and March 2015.

“Principles regarding the activities of credit rating agencies” (“IOSCO Principles”): the principles published by IOSCO in 2003 that constitute the basis of the IOSCO Code.

“Cerved Rating Agency”: Cerved Rating Agency S.p.A., a credit rating agency registered in Europe and based in Italy. Cerved Rating Agency collects and analyses economic and financial information regarding non financial companies and their issuances of financial instruments, and issues an assessment of their creditworthiness using an alpha-numeric scale from A1.1 to C2.1 (“credit rating”).

“Regulation EC n. 1060/2009”: the Regulation of the European Parliament and Council published on 16th September 2009 about credit rating agencies and subsequent amendments.

“Management”: Cerved Rating Agency employees responsible for the management of the company and its employees.

“Cerved Rating Agency Code of Conduct” (“Cerved Rating Agency Code” or “Code”) the present code of conduct applicable for all Cerved Rating Agency’s employees.

“Rated Entity” any entity (issuer/obligor) that issues debt Securities or financial obligations.

“User”: Cerved Rating Agency client that requests and uses the credit rating service.

“Confidential Information”: any non-public information that Cerved Rating Agency comes across during the process of elaboration and issuance of the credit rating, including:

- a) information that may become public;
- b) information Cerved Rating Agency receives from third parties who have not signed any confidentiality agreement on such information.

“Compliance Function” the function dedicated by Cerved Rating Agency to the surveillance and monitoring of the correct and continuous application of the procedures and rules described in this document and of all the regulations applicable for credit rating agencies in Europe.

“Compliance Officer” the employee responsible of the Compliance Function at Cerved Rating Agency;

“Credit Rating Supervisory Committee”: the committee dedicated by Cerved Rating Agency to the monitoring of the adequacy and completeness of the rating methodologies and procedures.

This committee is also responsible for the approval of any relevant amendment to the above mentioned procedures and methodologies.

“**Affiliate**” means an entity that directly or indirectly controls, is controlled by, or is under common control with another entity.

“**Analyst**” means Cerved Rating Agency employee who performs analytical functions that are necessary for the issuing or monitoring of a credit rating or participates in determining credit ratings, including an employee involved in a credit rating committee.

“**Credit rating**” or “**rating**” means an opinion regarding the creditworthiness of an entity or obligation, expressed using an established and defined ranking system of rating categories¹.

“**Credit rating action**” means to determine an initial credit rating, an upgrade of an existing credit rating, a downgrade of an existing credit rating (including to a default category), an affirmation of an existing credit rating, or a withdrawal of a credit rating.

“**Unsolicited credit rating**” is a credit rating initiated at the request of an entity other than the issuer or related third party².

“**Credit rating agency**” or “**CRA**” means an entity that is in the business of issuing credit ratings.

“**Credit rating methodology**” means the procedures by which Cerved Rating Agency determines credit ratings, including the information that must be considered or analyzed to determine a credit rating and the analytical framework used to determine the credit rating, including, as applicable, the models, financial metrics, assumptions, criteria, or other quantitative or qualitative factors to be used to determine the credit rating.

“**Credit rating process**” means all the steps taken with respect to a credit rating action including, but not limited to, Cerved Rating Agency’s selection and assignment of analysts to work on the matter, application of the credit rating methodology, decision-making activities (e.g., the operation of a rating committee), interaction with the rated entity, obligor, originator, underwriter, or arranger, and as applicable, dissemination of the credit rating publicly or to subscribers.

“**Employee**” means any individual who works for Cerved Rating Agency on a full-time, part-time, or temporary basis, including any individual working as a contractor, provided that such contractor is involved in the credit rating process.

¹ The definition used by Cerved Rating Agency reflects the definition provided for in Regulation EU1060/2009 and subsequent amendments.

² The definition used by Cerved Rating Agency reflects the definition included in Regulation EU 462/2013 and the interpretation provided by ESMA in Q&A on Implementation of Regulation EU no. 462/2013 on Credit Rating Agencies of 16 December 2015.

“Entity” means a government; political subdivision, agency, or instrumentality of a government; or a company, corporation, partnership, trust, estate, or association.

“Trading instrument” means a security, money market instrument, derivative, or other similar product.

“Obligation” means a trading instrument, credit commitment, loan, or other similar product or transaction that has inherent credit risk.

“Obligor” means the entity that is legally or contractually obliged to make payments on a rated obligation.

1. QUALITY AND INTEGRITY OF THE CREDIT RATING PROCESS

A. Quality of the Credit Rating Process

1.1 Cerved Rating Agency establishes, maintains, documents, and enforces a credit rating methodology that is rigorous, capable of being applied consistently, and, where possible, results in credit ratings that can be subjected to some form of objective validation based on historical experience.

1.2 The credit ratings issued by Cerved Rating Agency reflect all information known and believed to be relevant to Cerved Rating Agency and consistent with the applicable credit rating methodology that is in effect. Therefore, Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls to ensure that the credit ratings and related reports are based on a thorough analysis of all such information.

1.3 Cerved Rating Agency adopts reasonable measures designed to ensure that it has the appropriate knowledge and expertise, and that the information it uses in determining credit ratings is of sufficient quality and obtained from reliable sources to support a high quality credit rating.

1.4 Cerved Rating Agency avoids issuing credit ratings for entities or obligations for which it does not have appropriate information, knowledge, and expertise.

1.5 In assessing creditworthiness, Cerved Rating Agency's analysts use the applicable credit rating methodology in a manner that is consistent across all entities or obligations for which that methodology is used.

1.6 Cerved Rating Agency defines the meaning of each category in its rating scales and applies those categories consistently across all classes of rated entities and obligations to which a given rating scale applies.

1.7 Credit ratings are assigned by Cerved Rating Agency and not by an analyst or any other employee of Cerved Rating Agency.

1.8 Cerved Rating Agency assigns analysts who, individually or collectively, have appropriate knowledge and experience for assessing the creditworthiness of the type of entity or obligation being rated.

1.9 Cerved Rating Agency maintains internal records that are accurate and sufficiently detailed and comprehensive to reconstruct the credit rating process for a given credit rating action. The records are retained for as long as necessary to promote the integrity of the credit rating process, including to permit internal audit, compliance, and quality control functions to review past credit rating actions in order to carry out the responsibilities of those functions. Further, Cerved Rating Agency

establishes, maintains, documents, and enforces the necessary policies, procedures, and controls to ensure that its employees comply with the applicable internal record maintenance, retention, and disposition requirements and with applicable laws and regulations governing the maintenance, retention, and disposition of records.

1.10 Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls designed to avoid issuing credit ratings, analyses, or reports that contain misrepresentations or are otherwise misleading as to the general creditworthiness of a rated entity or obligation.

1.11 Cerved Rating Agency ensures that it has and devotes sufficient resources to carry out and maintain high quality credit ratings.

When deciding whether to issue a credit rating for an entity or obligation, Cerved Rating Agency assesses whether it is able to devote a sufficient number of analysts with the skill sets to determine high quality credit ratings, and whether analysts have access to sufficient information in order to determine a high quality credit rating.

1.12 Cerved Rating Agency has delegated a senior manager with appropriate experience with the responsibility to review the feasibility of providing a credit rating for a type of entity or obligation that is materially different from the entities or obligations Cerved Rating Agency currently rates.

1.13 Cerved Rating Agency has established a Credit Rating Supervisory Committee that has been delegated with the review function: the Committee, composed of the Cerved Rating Agency's Independent Non-Executive Directors and a senior manager, is responsible for conducting a rigorous, formal periodic review pursuant to an established timeframe, of all aspects of the credit rating methodologies, including models and key assumptions, and significant changes to the credit rating methodologies. This function is independent of the employees who are responsible for determining credit ratings.

1.14 Cerved Rating Agency in selecting the analysts who will participate in determining a credit rating, seeks to promote continuity and to avoid bias in the credit rating process.

1.15 Cerved Rating Agency ensures that sufficient employees and financial resources are allocated to monitoring and updating all its credit ratings. Except for a credit rating that clearly indicates it does not entail ongoing surveillance, once a credit rating is published, Cerved Rating Agency monitors the credit rating on an ongoing basis by:

- a. reviewing the creditworthiness of the rated entity or obligation regularly, at least annually;
- b. initiating a review of the status of the credit rating upon becoming aware of any information that might reasonably be expected to result in a credit rating action (including withdrawal of a credit rating), consistent with the applicable credit rating methodology;

- c. reviewing the impact of and applying a change in the credit rating methodologies, models or key rating assumptions on the relevant credit ratings within a reasonable period of time;
- d. updating on a timely basis the credit rating, as appropriate, based on the results of such review; and
- e. incorporating all cumulative experience obtained.

1.16 Cerved Rating Agency uses the same analytical teams, with the appropriate expertise and experience, to determine initial credit ratings and subsequent monitoring.

1.17 Cerved Rating Agency establishes, maintains, documents, and enforces a procedure that clearly set forth guidelines for disseminating credit ratings that are the result or subject of credit rating actions and the related reports, and for when a credit rating will be withdrawn.

Any rating action relating to public credit ratings that are not supplied under subscription is communicated to the public through Cerved Rating Agency's publicly accessible website and previously disclosed to the rated entity as per Regulation EC 1060/2009.

Any rating action relating to public credit ratings supplied under subscription is communicated to the user of the rating and previously disclosed to the rated entity as per Regulation EC 1060/2009.

B. Integrity of the Credit Rating Process

1.18 Cerved Rating Agency and its employees deal fairly and honestly with rated entities, obligors, originators, underwriters, arrangers, and users of credit ratings.

1.19 Cerved Rating Agency's employees respect the highest standards of integrity and ethical behavior; Cerved Rating Agency endeavours, within the limits of the Italian applicable laws, through its policies, procedures and controls not to employ individuals with demonstrably compromised integrity .

1.20 Cerved Rating Agency and its employees do not, either implicitly or explicitly, give any assurance or guarantee to an entity subject to a rating action, obligor, originator, underwriter, arranger, or user of the credit ratings about the outcome of a particular credit rating action.

1.21 Cerved Rating Agency and its employees do not make promises or threats about potential credit rating actions to influence rated entities, obligors, originators, underwriters, arrangers, or users of the credit ratings to pay for credit ratings or other services.

1.22 Cerved Rating Agency and its employees do not make proposals or recommendations regarding the activities of rated entities or obligors that could impact a credit rating of the rated entity or obligation, including but not limited to proposals or recommendations about corporate or legal structure, assets and liabilities, business operations, investment plans, lines of financing, business combinations, and the design of structured finance products.

1.23 Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls designed to ensure that Cerved Rating Agency and its employees comply with the code of conduct and applicable laws and regulations.

a. Cerved Rating Agency has established a compliance function responsible for monitoring and reviewing the compliance of the Cerved Rating Agency and its employees with the provisions of the code of conduct and with applicable laws and regulations.

b. The compliance function is also responsible for reviewing the adequacy of the Cerved Rating Agency's policies, procedures, and controls designed to ensure compliance with the code of conduct and applicable laws and regulations.

c. Cerved Rating Agency has assigned to a senior level employee with the requisite skill the compliance function. The compliance officer's reporting lines and compensation are independent of the Cerved Rating Agency's credit rating operations.

1.24 Upon becoming aware that another employee or an affiliate of Cerved Rating Agency is or has engaged in conduct that is illegal, unethical, or contrary to Cerved Rating Agency code of conduct, any employee will report such information immediately to the compliance officer or another officer of Cerved Rating Agency, as appropriate, so proper action may be taken. Cerved Rating Agency does not expect its employee be experts in law, nonetheless, Cerved Rating Agency's employees are expected to report activities that a reasonable person would question as non-compliant with applicable regulation and the present code. Upon receiving such a report from an employee, Cerved Rating Agency will take appropriate action, as determined by the laws and regulations of the jurisdiction and the policies, procedures, and controls established, maintained, documented, and enforced by Cerved Rating Agency. Cerved Rating Agency prohibits retaliation against any employees who, in good faith, make such reports.

2. INDEPENDENCE AND AVOIDANCE OF CONFLICTS OF INTEREST

A. General

2.1 Cerved Rating Agency does not delay or refrain from taking a credit rating action based on the potential effect (economic, political, or otherwise) of the action on Cerved Rating Agency, a rated entity, obligor, originator, underwriter, arranger, investor, or any other market participant.

2.2 Cerved Rating Agency and its employees use care and professional judgment to maintain both the substance and appearance of Cerved Rating Agency's and its employees' independence and objectivity.

2.3 The determination of a credit rating will be influenced only by factors relevant to assessing the creditworthiness of the rated entity or obligation.

2.4 The credit rating Cerved Rating Agency assigns to an entity or obligation will not be affected by whether there is an existing or potential business relationship between Cerved Rating Agency (or its affiliates) and the rated entity, obligor, originator, underwriter, or arranger (or any of their affiliates), or any other party.

2.5 Cerved Rating Agency will operationally, legally, and physically separate its credit rating business and its analysts from any other businesses that may present a conflict of interest. For other businesses that do not necessarily present a conflict of interest, Cerved Rating Agency will establish, maintain, document, and enforce policies, procedures, and controls designed to minimize the likelihood that conflicts of interest will arise. Cerved Rating Agency discloses on its publicly available website the ancillary services it provides. In the determination of the so called ancillary services Cerved Rating Agency refers to Regulation EC 1060/2009 and subsequent amendments and to the Guidelines published by ESMA on this matter.

B. Policies, Procedures, Controls and Disclosures

2.6 Cerved Rating Agency establishes, maintains, documents and enforces policies, procedures, and controls to identify and eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence the credit rating methodologies, credit rating actions or analyses of Cerved Rating Agency or the judgment and analyses of its employees. Cerved Rating Agency policies, procedures and controls address the following potential conflicts of interests:

- a. being paid to issue a credit rating by the rated entity or by the obligor, originator, underwriter, or arranger of the rated obligation;
- b. being paid by subscribers with a financial interest that could be affected by a credit rating action;
- c. being paid by rated entities, obligors, originators, underwriters, arrangers, or subscribers for services other than issuing credit ratings;
- d. providing a preliminary indication or similar indication of credit quality to an entity, obligor, originator, underwriter, or arranger prior to being hired to determine the final credit rating for the entity, obligor, originator, underwriter, or arranger; and
- e. having a direct or indirect ownership interest in a rated entity or obligor, or having a rated entity or obligor have a direct or indirect ownership interest in Cerved Rating Agency.

2.7 Cerved Rating Agency discloses actual and potential conflicts of interest in a complete, timely, clear, concise, specific, and prominent manner on the company's publicly available website. When

the actual or potential conflict of interest is unique or specific to a credit rating action with respect to a particular rated entity, obligor, originator, lead underwriter, arranger, or obligation, such conflict of interest will be disclosed in the same form and through the same means as the relevant credit rating action.

2.8 Cerved Rating Agency will disclose the general nature of its compensation arrangements with rated entities, obligors, lead underwriters, or arrangers according to applicable EU Regulation.

2.10 Cerved Rating Agency will not hold or transact in trading instruments presenting a conflict of interest with the credit rating activities.

2.11 In instances where rated entities or obligors (e.g., sovereign nations or states) have, or are simultaneously pursuing, oversight functions related to Cerved Rating Agency, the employees responsible for interacting with the officials of the rated entity or the obligor (e.g., government regulators) regarding supervisory matters should be separate from the employees that participate in taking credit rating actions or developing or modifying credit rating methodologies that apply to such rated entity or obligor.

C. CRA Employee Independence

2.12 Reporting lines for employees and their compensation arrangements are structured to eliminate or effectively manage actual and potential conflicts of interest.

a. An employee who participates in or who might otherwise have an effect on a credit rating action with respect to an entity or obligation will not be compensated or evaluated on the basis of the amount of revenue that Cerved Rating Agency derives from that entity or obligor.

b. Cerved Rating Agency conducts formal and periodic reviews of its compensation policies, procedures, and practices for employees who participate in or who might otherwise have an effect on a credit rating action to ensure that these policies, procedures, and practices have not compromised and do not compromise the objectivity of the credit rating process.

2.13 Employees who participate in or who might otherwise have an effect on a credit rating action will not initiate or participate in discussions with rated entities, obligors, arrangers, or subscribers regarding fees or payments charged to such rated entity, obligor, arranger, or subscriber.

2.14 An employee will not participate in or otherwise influence a credit rating action with respect to an entity or obligation if the employee, an immediate family member of the employee (e.g., spouse, domestic partner, or dependent), or an entity managed by the employee:

a. Holds or transacts in a trading instrument issued by the rated entity or obligor;

- b. Holds or transacts in a trading instrument (other than a diversified collective investment scheme) that itself owns an interest in the rated entity or obligor, or is a derivative based on a trading instrument issued by the rated entity or obligor;
- c. Holds or transacts in a trading instrument issued by an affiliate of the rated entity or obligor, the ownership of which may cause or may be perceived as causing a conflict of interest with respect to the employee or Cerved Rating Agency;
- d. Holds or transacts in a trading instrument issued by a lead underwriter or arranger of the rated obligation, the ownership of which may cause or may be perceived as causing a conflict of interest with respect to the employee or Cerved Rating Agency;
- e. Is currently employed by, or had a recent employment or other significant business relationship with the rated entity or obligor or a lead underwriter or arranger of the rated obligation that may cause or may be perceived as causing a conflict of interest;
- f. Is a director of the rated entity or obligor, or lead underwriter or arranger of the rated obligation;
or
- g. Has, or had, another relationship with or interest in the rated entity, obligor, or the lead underwriter or arranger of the rated obligation (or any of their affiliates) that may cause or may be perceived as causing a conflict of interest.

2.15 An analyst should not hold or transact in a trading instrument issued by a rated entity or obligor in the analyst's area of primary analytical responsibility. This would not preclude an analyst from holding or trading a diversified collective investment scheme that owns a trading instrument issued by a rated entity or obligor in the analyst's area of primary analytical responsibility.

2.16 Any employee is prohibited from soliciting money, gifts, or favors from anyone with whom Cerved Rating Agency does business and is prohibited from accepting gifts offered in the form of cash or cash equivalents or any gifts exceeding a minimal monetary value.

2.17 An employee who becomes involved in a personal relationship (including, for example, a personal relationship with an employee of a rated entity, obligor, or originator, or the lead underwriter or arranger of a rated obligation) that creates an actual or potential conflict of interest is required under Cerved Rating Agency's policies to disclose the relationship to the compliance officer.

2.18 Cerved Rating Agency will review without unnecessary delay the past two-year-work of an analyst who leaves Cerved Rating Agency and joins an entity that the employee participated in rating, an obligor whose obligation the employee participated in rating, an originator, underwriter, or arranger with which the employee had significant dealings as part of his or her duties, or any of their affiliates.

3. RESPONSIBILITIES TO THE INVESTING PUBLIC, RATED ENTITIES, OBLIGORS, ORIGINATORS, UNDERWRITERS, AND ARRANGERS

A. Transparency and Timeliness of Credit Ratings Disclosure

3.1 Cerved Rating Agency assists investors and other users of credit ratings in developing a greater understanding of credit ratings by disclosing in plain language, among other things, the nature and limitations of credit ratings and the risks of unduly relying on them to make investment or other financial decisions. Cerved Rating Agency does not state or imply that the competent supervisory authority (ESMA) endorses its credit ratings or use its registration status to advertise the quality of its credit ratings.

3.2 Cerved Rating Agency discloses sufficient information about its credit rating process and its credit rating methodologies, so that investors and other users of credit ratings can understand how a credit rating was determined.

3.3 Cerved Rating Agency will disclose a material modification to a credit rating methodology prior to the modification taking effect according to the applicable EU Regulation. In any case, Cerved Rating Agency will disclose the material modification in a non-selective manner in compliance with the applicable EU regulation.

3.4 Cerved Rating Agency issues credit ratings only upon request. Cerved Rating Agency issues credit ratings upon request of the rated entity (issuer/borrower) or a related third party (*solicited credit rating*) and of an entity other than the issuer or related third party (*unsolicited credit rating*).

3.5 Cerved Rating Agency discloses its policies and procedures for distributing credit ratings and reports, and for when a credit rating will be withdrawn.

3.6 Cerved Rating Agency discloses on its publicly available website clear definitions of the meaning of each category in its rating scales, including the definition of default.

3.8 Cerved Rating Agency is transparent with investors, rated entities, obligors, originators, underwriters, and arrangers about how the relevant entity or obligation is rated. The applicable procedures and methodologies are indicated in the rating communication and available on Cerved Rating Agency website. The rating communication always include all the factors determining the rating and the information necessary to understand it.

3.9 Cerved Rating Agency informs the rated entity, or the obligor or arranger of the rated obligation about the critical information and principal considerations upon which a credit rating is based prior to disseminating a credit rating that is the result or subject of the credit rating action and afford

such rated entity, obligor, or arranger an adequate opportunity to draw attention on any factual errors that would have a material effect on the credit rating according to applicable EU regulation. Cerved Rating Agency duly evaluates any response from such rated entity, obligor, or arranger.

3.10 Cerved Rating Agency publicly discloses or distributes to its subscribers a credit rating that is the result or subject of the credit rating action as soon as practicable after taking such action.

3.11 Cerved Rating Agency publicly discloses or distributes to its subscribers a credit rating that is the result or subject of a credit rating action on a non-selective basis.

3.12 Cerved Rating Agency discloses in its credit ratings whether the rated entity, obligor, or originator, or the underwriter or arranger of the rated obligation participated in the credit rating process. Each credit rating not initiated at the request of the rated entity, obligor, or originator, or the underwriter or arranger of the rated obligation is identified as such.

3.13 Cerved Rating Agency uses information that comes from sources deemed as reliable. Cerved Rating Agency will clearly indicate the attributes and limitations of each credit rating, and the extent to which it verifies information provided to it by the rated entity, obligor, or originator, or the underwriter or arranger of the rated obligation.

3.14 Cerved Rating Agency indicates in the communication of a credit rating that is the result or the subject of a credit rating action when the credit rating was last updated or reviewed. The credit rating announcement also indicates the principal credit rating methodology or methodology version that was used in determining the credit rating and where a description of that credit rating methodology can be found. Where the credit rating is based on more than one credit rating methodology, or where a review of only the principal credit rating methodology might cause investors and other users of credit ratings to overlook important aspects of the credit rating, Cerved Rating Agency explains this fact in the credit rating announcement, and indicate where to find a discussion of how the different credit rating methodologies and other important aspects factored into the credit rating decision.

3.16 When issuing or revising a credit rating, Cerved Rating Agency explains in its announcement and related report the key assumptions and data underlying the credit rating, including financial statement adjustments that deviate materially from those contained in the published financial statements of the relevant rated entity or obligor.

3.17 If Cerved Rating Agency discontinues monitoring a credit rating for a rated entity or obligation it will either withdraw the credit rating or disclose such discontinuation to the public or to its subscribers as soon as practicable. A publication by Cerved Rating Agency of a credit rating that is no longer being monitored will indicate the date the credit rating was last updated or reviewed, the

reason the credit rating is no longer monitored, and the fact that the credit rating is no longer being updated.

3.18 In order to promote transparency and to enable investors and other users of credit ratings to compare the performance of different credit rating agencies, Cerved Rating Agency discloses sufficient information about the historical transition and default rates of its credit rating categories with respect to the classes of entities and obligations it rates. Such information is publicly available on ESMA's website.

B. The Treatment of Confidential Information

3.19 Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls to protect confidential and/or material non-public information, including confidential information received from a rated entity, obligor, or originator, or the underwriter or arranger of a rated obligation, and non-public information about a credit rating action (e.g., information about a credit rating action before the credit rating is publicly disclosed or disseminated to subscribers).

a. The policies, procedures, and controls prohibit Cerved Rating Agency and its employees from using or disclosing confidential and/or material non-public information for any purpose unrelated to Cerved Rating Agency's credit rating activities, including disclosing such information to other employees where the disclosure is not necessary in connection with the credit rating activities, unless disclosure is required by applicable law or regulation.

b. The policies, procedures, and controls require Cerved Rating Agency and its employees to take reasonable steps to protect confidential and/or material non-public information from fraud, theft, misuse, or inadvertent disclosure.

c. With respect to confidential information received from a rated entity, obligor, originator, underwriter, or arranger, the policies, procedures, and controls prohibit Cerved Rating Agency and its employees from using or disclosing such information in violation of the terms of any applicable agreement or mutual understanding that Cerved Rating Agency will keep the information confidential, unless disclosure is required by applicable law or regulation.

d. With respect to a pending credit rating action, the policies, procedures, and controls prohibit Cerved Rating Agency and its employees from selectively disclosing information about the pending credit rating action, except to the rated entity, obligor, arranger, or their designated agents, or as required by applicable law or regulation.

3.20 Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls designed to prevent violations of applicable laws and regulations governing the treatment and use of confidential and/or material non-public information.

3.21 Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls that prohibit employees that possess confidential and/or material non-public information concerning a trading instrument from engaging in a transaction in the trading instrument or using the information to advise or otherwise advantage another person in transacting in the trading instrument.

4. GOVERNANCE, RISK MANAGEMENT, AND EMPLOYEE TRAINING

4.1 Cerved Rating Agency's Board of Directors has the ultimate responsibility for ensuring that Cerved Rating Agency establishes, maintains, documents, and enforces a code of conduct that gives full effect to the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies and compliant with Regulation EC1060/2009 and subsequent amendments.

4.2 Cerved Rating Agency establishes sound and effective procedures for risk assessment, identification, monitoring and reporting and risk management according to Annex I Section A point 4 of Regulation UE1060/2009 and subsequent amendments.

4.3 Cerved Rating Agency establishes, maintains, documents, and enforces policies, procedures, and controls requiring employees to undergo formal ongoing training at reasonably regular time intervals. The subject matter covered by the training is relevant to the employee's responsibilities and covers, as applicable, Cerved Rating Agency code of conduct, credit rating methodologies, the laws governing credit rating activities, policies, procedures, and controls for managing conflicts of interest and governing the holding and transacting in trading instruments, and the policies and procedures for handling confidential and/or material non-public information. The policies, procedures, and controls include measures designed to verify that employees undergo required training.

5. DISCLOSURE AND COMMUNICATION WITH MARKET PARTICIPANTS

5.1 Cerved Rating Agency's disclosures, including those specified in the provisions of the Code, are intended to be complete, fair, accurate, timely, and understandable to investors and other users of credit ratings.

5.2 Cerved Rating Agency's Code of Conduct is compliant with Regulation EC 1060/2009 and subsequent amendments and implements the provisions of the IOSCO Statement of Principles Regarding the Activities of Credit Rating Agencies and the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies (collectively, the "IOSCO provisions"). Cerved Rating Agency's Code of Conduct deviates from IOSCO provisions only in the few cases where the IOSCO provisions are not consistent with the applicable European Regulation or with Cerved Rating Agency's actual operations (See Annex 1 for the detailed exceptions). However, Cerved Rating Agency believes that in the few mentioned exceptions the deviation does not hinder the main objective and focus of

the IOSCO provisions. Cerved Rating Agency Code of Conduct is implemented by the Board of Directors and enforced by the procedures and controls put in place. Cerved Rating Agency will disclose as soon as practicable any changes to its Code of Conduct or changes to how it is being implemented or enforced.

5.3 Cerved Rating Agency has established and is maintaining a function charged with receiving, retaining, and handling complaints from market participants and the public. The function is covered by the Compliance Officer who establishes, maintains, documents, and enforces policies, procedures, and controls for receiving, retaining, and handling complaints, including those that are provided on a confidential basis. The policies, procedures, and controls should specify the circumstances under which a complaint must be reported to senior management and the Board of Directors.

5.4 Cerved Rating Agency publicly and prominently discloses free of charge on its website:

- a. the Code of Conduct;
- b. the credit rating methodologies;
- c. any other disclosures specified in the provisions of the IOSCO CRA Code as applicable, and
- d. any other disclosures specified in Regulation EC 1060/2009 and subsequent amendments.

ANNEX 1

The following clauses of IOSCO code are not applicable for Cerved Rating Agency as it does not issue ratings on structured finance products:

2.9 A CRA should disclose in its credit rating announcement whether the issuer of a structured finance product has informed the CRA that it is publicly disclosing all relevant information about the obligation being rated or if the information remains non-public.

3.7 A CRA should differentiate credit ratings of structured finance products from credit ratings of other types of entities or obligations, preferably through a different credit rating identifier. The CRA should also disclose how this differentiation functions.

3.15 When rating a structured finance product, a CRA should publicly disclose or distribute to its subscribers (depending on the CRA's business model) sufficient information about its loss and cash-flow analysis with the credit rating, so that investors in the product, other users of credit ratings, and/or subscribers can understand the basis for the CRA's credit rating. The CRA should also publicly disclose or distribute information about the degree to which it analyzes how sensitive a credit rating of a structured finance product is to changes in the assumptions underlying the applicable credit rating methodology.