

## EXECUTIVE SUMMARY

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**Objective:** To communicate Fitch Ratings' policy regarding the protection and permissible dissemination of Confidential Information, including Material Non-Public Information

**Effective Date:** 28 August 2019

**Application:** Fitch Ratings, Inc. and each of its credit rating affiliates that issues ratings under the trade name "Fitch Ratings"

**Replaces:** Bulletin 41 *Global Confidentiality Policy* (Version 5.0; 31 December 2018)

## 1. OVERVIEW

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This Policy sets forth those requirements applicable to Fitch Ratings Representatives regarding the protection and permissible dissemination of Confidential Information, including MNPI and Confidential Analytical Information.

As outlined in this Policy, different restrictions apply to the dissemination of the different types of Confidential Information.

## 2. DEFINITIONS

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**"Analyst"** shall have the meaning as set forth in Bulletin 2: *Rating Process Manual*.

**"Confidential Information"** means information that is not generally known to the public and that pertains to Fitch Ratings' finances, business or operations, or to a Rated Entity's finances, business or operations, or to an Analytical Product that Fitch Ratings has produced, or expects to produce, whether the information was provided by a third party or created or obtained by Fitch Ratings. Confidential Information includes but is not limited to Confidential Analytical Information and MNPI.

**"Confidential Analytical Information"** means any Confidential Information entrusted to a Fitch Ratings Representative by a Rated Entity or its agents or representatives for purposes of Fitch Ratings performing data and information analysis and the evaluation, approval, issuing and review of Credit Ratings.

**"Credit Rating"** means a Rating that assesses the creditworthiness of an issuer or its Securities.

**"Analytical Products"** shall have the meaning as set forth in Bulletin 7: *Analytical Products – Defined: Ratings, Assessments, Opinions and Scores*.

**"Endorsed Rating"** means an international scale public Credit Rating where the relevant primary analyst is employed by Fitch Ratings, Inc., Fitch Australia Pty Ltd., Fitch Ratings Brasil Ltda., Fitch (Hong Kong) Ltd., Fitch Ratings Japan Ltd., Fitch Mexico S.A. de C.V. or Fitch Singapore Pte. Ltd. (or any branch of one of these entities, wherever located).

**"EU"** means the European Union.

**"EU Fitch Ratings CRA"** means each of Fitch Ratings Ltd and its affiliates registered as credit rating agencies in the EU and its and their branches (wherever located).

**"Fitch Ratings"** means Fitch Ratings, Inc. and each of its credit rating affiliates that issues Ratings under the trade name "Fitch Ratings".

**"Fitch Ratings Representatives"** means all officers, directors and employees of Fitch Ratings and other persons performing similar functions for or on behalf of Fitch Ratings.

**“Legitimate Business Interest”** means that a prospective recipient of Confidential Information would be able to derive a legitimate business benefit from access to, or knowledge or possession of, the Confidential Information. That benefit may be to Fitch Ratings or its affiliates, or to the owner and/or provider of the Confidential Information and/or a third party. The Legitimate Business Interest standard is broader in scope (i.e., it permits a wider dissemination of the information) than the “Need to Know” principle.

**“Material Nonpublic Information (“MNPI”)**, also referred to as “Inside Information” in some jurisdictions, means Confidential Information that a reasonable investor would consider important in deciding whether to buy, hold or sell a Security, or that relates, directly or indirectly, to one or more issuers or to one or more Securities which, if it were made public, would likely have a significant effect on the prices of those Securities. Examples of MNPI may include but are not limited to:

- potential or pending rating actions and non-rating opinions or views, and any related analyses, reports or press releases created by Fitch Ratings;
- information regarding the date/time that a rating committee has been scheduled if the resulting rating action is likely to have a significant effect on the price of issued and outstanding Securities, unless the date/time has been publicly disclosed in accordance with applicable legal or regulatory requirements;
- Fitch Ratings being awarded a mandate to produce an Analytical Product vis-à-vis a Rated Entity or Security, if knowledge of the mandate would itself result in disclosure of a material, nonpublic transaction or event of a Rated Entity;
- the withdrawal of an Analytical Product for analytical reasons;
- earnings or earnings projections;
- strategic plans;
- new products, discoveries or services;
- a pending or prospective merger, acquisition, tender offer or financing;
- the disposition of a subsidiary or a significant sale of assets;
- the gain or loss of a material contract, customer or supplier;
- a change in management;
- an increase or decrease in dividends, the declaration of a stock split, or the offering of Securities;
- government investigations or other actions; and
- material litigation, including potential litigation and litigation developments.

**“Need to Know”** means that, at the time information is to be provided, a prospective recipient of the information requires that specific information to perform his or her duly assigned tasks or services for or on behalf of Fitch Ratings. The Need to Know standard is narrower in scope (i.e., it permits less dissemination of the information) than the “Legitimate Business Interest” standard.

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

**“Rating”** means a “Rating” as defined in [Bulletin 7: Credit Products – Defined; Ratings, Assessments, Opinions and Scores](#).

“**Security(ies)**” means any note, stock, treasury stock, security future, security-based swap or derivative, bond, debenture, evidence of indebtedness, certificate of interest or participation, money market instrument, units in collective investment undertakings, or other type of financial instrument representing a tradable asset.

### 3. PERMISSIBLE USES OF CONFIDENTIAL INFORMATION

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Fitch Ratings Representatives who have access to Confidential Information are not permitted to use or share that information for any purpose other than the conduct of Fitch Ratings’ business or operations or as expressly provided in this Policy.

### 4. PROTECTING CONFIDENTIAL INFORMATION

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Fitch Ratings Representatives are required to protect and safeguard Confidential Information entrusted or made available to them from fraud, theft, misuse and inappropriate disclosure. This obligation includes but is not limited to undertaking the following:

- Fitch Ratings Representatives must store, maintain and transmit Confidential Information exclusively on or via Fitch-managed networks, systems and devices. Without limitation, this means that Fitch Ratings Representatives may not send Confidential Information to their personal email or messaging accounts, or other than in accordance with the [BYOD Policy – Email on Personal Devices](#), store it on their personal devices or drives. Confidential Information may be disseminated through Fitch Ratings’ large file transfer solution (Bigmail) only as described in the [IT Acceptable Use Policy](#).
- When communicating with the public, investors or market participants, Fitch Ratings Representatives must support their analyses, opinions or views without revealing Confidential Information unless, in respect of Confidential Information pertaining to a particular Rated Entity, expressly permitted by the Rated Entity or its agents or representatives. In addition, these communications must not reflect or signal that a change in Rating or outlook may be forthcoming; and
- Fitch Ratings Representatives must access, use and maintain Confidential Information in a secure location, outside the view of persons not authorized to access the information. In addition, they must refrain from discussing Confidential Information where non-authorized persons might overhear it, such as in public places, at conferences or outside events, or in other conversations with third parties.

### 5. RESTRICTIONS ON DISSEMINATING CONFIDENTIAL INFORMATION

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#### 5.1 Permissible Sharing of Confidential Information other than MNPI or Confidential Analytical Information

Subject to the restrictions set forth in Bulletin 4: *Segregation of Commercial & Analytical Activities*, Fitch Ratings Representatives may share Confidential Information that does not constitute either MNPI or Confidential Analytical Information, with:

- other Fitch Ratings Representatives who have a Legitimate Business Interest in the Confidential Information;
- advisors and experts providing services to Fitch Ratings under a duty of confidentiality; and
- affiliates of Fitch Ratings that have a Legitimate Business Interest in the information, and are subject to a duty of confidentiality.

## 5.2 Permissible Sharing of MNPI

Subject to the restrictions set forth in Bulletin 4 and elsewhere in this Policy, Fitch Ratings Representatives may share MNPI only with:

- Fitch Ratings Representatives who have a Need to Know the MNPI;
- advisors and experts providing services to Fitch Ratings under a duty of confidentiality who have a Need to Know the MNPI;
- the Rated Entity or the issuer of the Security (or their agents or representatives) to which the MNPI pertains; and
- in connection with an Analytical Product relating to an issuer, obligor or Security that Fitch Ratings produced at the request of a third party, such third party.

Note that Bulletin 13: *Global Securities Trading and Conflicts of Interest Policy* imposes additional prohibitions on transacting in Securities while in possession of MNPI (i.e., the Insider Trading prohibition).

## 5.3 Permissible Sharing of Confidential Analytical Information by Non-EU Employees

Subject to the restrictions set forth in Bulletin 4 and elsewhere in this Policy, employees of Fitch Ratings outside the EU may share Confidential Analytical Information, unless it is with respect to an Endorsed Rating, with other Fitch Ratings Representatives, and advisors and experts providing services to Fitch Ratings under a duty of confidentiality, who have a Need to Know the information.

## 5.4 Permissible Sharing of Confidential Analytical Information by EU Employees and by All Employees with respect to Endorsed Ratings

Subject to the restrictions set forth in Bulletin 4 and elsewhere in this Policy, Analysts employed by an EU Fitch Ratings CRA, and Analysts working on an Endorsed Rating, may share Confidential Analytical Information only with:

- other Analysts who have a Need to Know the information;
- advisors and experts providing services to Fitch Ratings under a duty of confidentiality who have a Need to Know the information; and
- Fitch Ratings Representatives whose role involves advising or supporting Analysts or Analytical Activities (e.g., Legal, Compliance, Publishing, Credit Policy, Criteria, etc.) who have a Need to Know the information.

To the extent BRM staff (i) employed by an EU Fitch Ratings CRA receive Confidential Analytical Information from a third party or (ii) receive Confidential Analytical Information with respect to an Endorsed Rating from a third party, they may share the information only with Analysts, advisors/experts and Fitch Ratings Representatives consistent with this Section, and with other BRM staff who have a Need to Know the information.

## 5.5 Production of Confidential Information in Governmental, Legal and Regulatory Processes

Nothing in this Policy shall prohibit Fitch Ratings from producing Confidential Information to any third party:

- as required under any applicable law, rule or regulation, or in response to a request for information in a subpoena or from any governmental or regulatory agency or authority; or
- in connection with any legal proceeding in which Fitch Ratings or any of its officers, directors, employees or affiliates is a named party.

### 6. RELIANCE BY ISSUERS

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Fitch Ratings acknowledges that issuers and Rated Entities who disclose their Confidential Information to Fitch Ratings may rely upon Fitch Ratings' obligations and limitations regarding the nondisclosure and protection of their Confidential Information as set forth in this Policy.

### 7. NO RESTRICTIONS ON REPORTING UNLAWFUL CONDUCT

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Nothing in this Policy prohibits any Fitch Ratings Representative from reporting possible violations of law or regulations to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the U.S. Congress, and any U.S. agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of laws or regulations of any jurisdiction. Fitch Ratings Representatives are not required to seek authorization or notify Fitch Ratings that they have made such reports or disclosures.

### 8. QUESTIONS

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For questions concerning this Policy, please contact the Compliance Department at [reporting@fitchratings.com](mailto:reporting@fitchratings.com).

<b>Owner:</b>	Bruce Legorburu, Chief Compliance Officer
<b>Version:</b>	5.1
<b>Supplements:</b>	<p>Fitch Ratings Bulletin 2: <i>Rating Process Manual</i></p> <p>Fitch Ratings Bulletin 4: <i>Segregation of Commercial and Analytical Activities</i></p> <p>Fitch Ratings Bulletin 7: <i>Analytical Products – Defined: Ratings, Assessments, Opinions and Scores.</i></p> <p>Fitch Ratings Bulletin 13: <i>Global Securities Trading and Conflicts of Interest Policy</i></p> <p><i>BYOD Policy – Email on Personal Devices</i></p>

### Appendix A

#### Summary of Changes

##### **August 28, 2019**

This policy was modified to satisfy a Compliance Testing Finding regarding the acceptable use of large file transfer applications, such as BigMail. This policy was specifically modified to incorporate the Information Technology Acceptable Use Policy by reference.

##### **December 31, 2018**

Eliminated definition of Analytical Activities and modified definition of Rated Entities. Added language to apply to endorsed ratings the EU restriction about sharing certain confidential info with BRM. Finally, we tidied up some of the definitions and eliminated a footnote as unnecessary.