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## CRA CODE OF CONDUCT

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# Introduction

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**axesor** Risk Management SLU, hereinafter **axesor**, in performing its activity as a Credit Rating Agency, is aware of the possibility that actual or potential conflicts of interest could arise with clients, providers, employees, shareholders or any third party in general who has any connection with the company.

**axesor**'s mission is to provide objective, independent, comprehensive and high quality information to its clients. With this objective in mind and to protect the integrity of the credit rating process, as well as assuring our rated companies and clients that they will be fairly treated, **axesor** has adopted this *CRA Code of Conduct* (hereinafter the "Code").

This Code includes the Fundamentals of the Code of Conduct for Credit Rating Agencies of the International Organization of Securities Commissions ("IOSCO Code") which regulate the activity of credit rating agencies and personnel related to such activities. It specifically adopts the guidelines set out in the report revised in May 2008 by the Technical Committee of the International Organization of Securities Commissions" (IOSCO).

The Code is based on the following principles:

- Objectivity, Quality and Integrity in the rating processes.
- Independence regarding actual or potential conflicts of interest.
- Transparency concerning the Market.

**axesor** ensures that its employees perform in accordance with this Code, and reserves the right to impose legal or disciplinary action on personnel who partially or completely fail to do so. Any aspect or process not included in this document will always be governed within the framework of the three basic principles listed above. Any exception or practice outside of the fundamentals of this document must be approved, in writing, by the **axesor** Audit Committee as the body responsible for the application and interpretation of the Code, and then ratified by the Administrative Board.

The *CRA Code of Conduct* shows the framework and general regulations of action regarding the detection as of situations of actual or potential conflicts of interest to prevent such situations from occurring or, in the case that they cannot be avoided, ensuring a suitable management of the conflicts of interest that could arise, in accordance with the *Procedure for the Identification, Management and Communication of Conflicts of Interest*.

This *CRA Code of Conduct* enters into force as soon as it is published and distributed to the persons affected and will take effect until its modification or appropriate annulment by the Board.

The *CRA Code of Conduct* should not be interpreted as a contract. Therefore **axesor** assumes no responsibility or obligation towards a third party that could arise from what is expressed here.

**axesor** reserves the right to amend or modify this document whenever it considers it appropriate.

# Section I. Definitions

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## 1. Credit Ratings

Credit ratings are opinions of the ability of an entity to honour its financial obligations (capital and interests) under the terms agreed; therefore they measure the solvency of entities which are rated by **axesor** and therefore their ability to comply with their payment commitments.

They are the result of the application of different statistical methodologies and different qualitative elements, as well as the aggregation of expert opinions issued by the team of credit rating analysts from **axesor**.

A rating does not involve suggestions or advice from **axesor** on the undertaking of possible credit or other type of transactions with the rated company. It should not be understood either that the result of a rating guarantees that credit obligations will or will not be complied with. These are not recommendations for purchasing, selling or holding any security.

## 2. Conflicts of Interest

*Conflict of interest* is understood to mean any situation or event in which the personal interests, direct or indirect, of partners, managers, directors or employees of the company are found to be in opposition with those of the society, interfering with the duties which are their responsibility within society or causing them to act for motives other than the true and honest fulfilment of their responsibilities.

In relation to **axesor**, conflicts of interest are situations whose existence can discredit the principles of *objectivity, independence and/or transparency* in credit ratings issued by **axesor** in the judgement of a neutral observer.

## 3. CRA Employees

Personnel who directly participate in the credit rating process, in the credit rating approval process and any other person who provides services to the Agency and who has an influence on the outcome of the said ratings.

In accordance with the organisational structure of **axesor**, this definition covers:

- The Rating Department
- The Rating Committee

## 4. Connections

*People affected* could be subject to potential conflicts of interest by virtue of their family, financial or work relationships or for any other cause relating to a specific action, service or operation.

For the purposes of this Code:

- A “*financial connection*” will be considered to be direct or indirect ownership of any financial instrument of an entity, or the direct or indirect participation in its ownership, other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.

- The following will be considered a "work connection":
  - a) Participation to the administrative or supervisory board,
  - b) Employment relationship (defined as a person discharging managerial responsibilities, having access to privileged information and power to make decisions) or business connection, current or recent, with a rated entity. Recent is understood to mean within the last twelve months.
- Persons closely associated will be considered a "family connection" as:
  - a) Spouses or any partner of that person considered by national law as equivalent to the spouse.
  - b) Dependent children.
  - c) Other relatives of the person, who have shared the same household for a minimum period of one year.
  - d) Any legal person, trust or partnership, whose managerial responsibilities are discharged by a person referred to in letters (a), (b) and (c) of this point, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.

Having a *financial or work connection*.

- "Different connections" are considered to be those different from those already expressed which, in the judgement of an impartial and external observer, could compromise the impartial action of an employee.

## Section II. Scope of Application

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### 5. Affected Person´s

- 5.1. All processes and employees of **axesor** (including shareholders, members of the Board of Directors of all **axesor** group of companies and independent members of Rating Committee) are considered to be affected. Inside employees of **axesor** are included the so-called "CRA employees" and the other employees of the company.
- 5.2. The *CRA Code of Conduct* is also applicable to the following people:
- a) External advisors who, for any reason, have access to information relating to credit ratings.
  - b) Other individuals who, as a result of an outsourcing contract signed with the agency, provide services to the agency related to their credit rating activities.
- 5.3. Persons affected must fill out the *Declaration of Conflicts of Interest* in the presence of the Audit and Compliance Department upon joining the company; they must also renew it annually and update it as soon as any changes occur regarding their connections.

**axesor** has a "*Declaration of Conflicts of Interest*" form through which any actual or potential conflict of interest can be reported (Annex II).

### 6. Responsible People

- 6.1. These are the people responsible for the correct and appropriate application of the *CRA Code of Conduct* to areas or persons to which some responsibility described in this Code applies.
- 6.2. The Audit and Compliance Department is responsible for verifying compliance with procedures established by the Rating Department for the issuance of credit ratings.
- It is also responsible for complying with all points mentioned in this Code, its policies and procedures, as well as the legislation in force, which will be defined within the *Manual of Audit and Compliance Functions*.
- 6.3. The Audit and Compliance Department must keep an up-to-date list of person´s who must abide by, in a temporary and/or permanent manner, by the *CRA Code of Conduct*.
- 6.4. Human Resources keep the Audit and Compliance Department informed of person´s who, through subcontracting or temporary contracts, are considered to be affected person´s, as well as the period of time during which they must continue to abide by the *CRA Code of Conduct*.
- 6.5. The Human Resources Department, together with the Audit and Compliance Department, are responsible for ensuring the full independence of remuneration policies for related employees.
- The Audit Committee must be notified in writing of any actual or potential discrepancy in this respect.
- 6.6. The Audit Committee and the Board of Directors are responsible for the approval of all methodologies used for the process of credit rating.
- 6.7. Faced with the detection of a conflict of interest, the *Procedure for the Identification, Management and Communication of Conflicts of Interest* and the *Conflicts of Interest Policy* should be applied in

order to manage and eliminate it. In the case that it is not covered by the aforementioned policy, the Audit Committee will propose measures to be adopted.

- 6.8.** The **axesor** Board of Directors is the body responsible for approving the *CRA Code of Conduct* as well as its modifications.

## Section III. Regulations

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The credit ratings issued by **axesor** are the result of the application of rigorous methodologies.

Even so, it is the intention of **axesor** to reinforce the independence of the credit ratings it issues in view of any potential conflict of interest that could arise.

For this reason, the following regulations have been adopted:

### 7. Quality and integrity in the credit rating processes

#### 7.1. Quality of the information

- 7.1.1 All credit ratings are carried out based on an exhaustive analysis of the information examined through the authorised methodologies as well as by using all information that proves relevant to the ratings analysts, and always in accordance with approved procedures and policies. Ratings based on partial or erroneous information will not be issued at any time.
- 7.1.2 Credit ratings assigned in accordance with the authorised methodologies are endorsed by the Rating Committee, thus they will not be understood as being issued by one or several analysts individually.
- 7.1.3 Credit ratings issued by **axesor** are based on the principles of quality, objectivity, transparency, independence and good faith.
- 7.1.4 Credit ratings will be issued when it is possible to carry out evaluations that can be validated based on experience and historical information.
- 7.1.5 **axesor** is not obliged to audit the information published or provided by its clients, or to carry out any research or revision, or to take any other measures with the aim of obtaining information that the clients have not provided. If the information is incorrect or in any way deceptive, the credit rating associated with the information could not be considered appropriate and **axesor** does not accept any responsibility for this risk.
- 7.1.6 **axesor**, aware of its responsibility towards the users of its credit ratings, will adopt any measures of caution which it considers necessary regarding those ratings where it has reason to be suspicious regarding the quality of the underlying information.

#### 7.2. Quality in the credit rating process

- 7.2.1 **axesor** promotes and supports sufficient human and material resources to maintain quality criteria for credit ratings.
- 7.2.2 Analysts have, individually or collectively, suitable knowledge and preparation to award credit ratings and always apply the procedures and methodologies approved by the Audit Committee and the Board of Directors and published by the Director of Rating Analysis.
- 7.2.3 **axesor** will assess periodically whether existing methodologies and models for determining credit ratings of structured finance instruments are appropriate when the risk characteristics of the assets underlying a structured product change materially.
- 7.2.4 **axesor** guarantees, personnel in charge of executing credit ratings, access to relevant information for the drawing up of a credit rating.

- 7.2.5 In cases involving new types of structured finance instruments, **axesor** will refrain from providing credit rating unless it considers it has sufficient information and analytical skills appropriate to do it.
- 7.2.6 **axesor** and personnel related to credit ratings, avoid issuing judgements of value with respect to a rating, in such a way that the rated entity could be seen to benefit or be damaged with respect to third parties.
- 7.2.7 **axesor** organizes the personnel responsible for carrying out and approving credit ratings to promote continuity and avoid bias in the rating process.

### 7.3. Integrity of the credit rating process

- 7.3.1 **axesor** and its employees comply with all the applicable laws and regulations that related to their activities, in accordance with the Spanish legislation in force, Regulation (EC) N° 1060/2009 of the European Parliament , and its corresponding amendments; and the regulations established by ESMA (European Securities and Markets Authority).
- 7.3.2 **axesor** and its employees should behave properly and honestly towards rated entities, clients, other market participants and the public.
- 7.3.3 Personnel involved in the process of credit ratings maintain the highest levels of integrity; **axesor** will not hire, for their credit rating services, individuals whose integrity has clearly been compromised.
- 7.3.4 **axesor** immediately removes from tasks related to credit rating any individual whose honesty and integrity is seen to be compromised, and reserves the right to undertake any legal or disciplinary actions it considers appropriate.
- 7.3.5 Neither **axesor** nor its analysts offer any implicit or explicit guarantee or any certainty of the result of a credit rating before having subjected it to the pre-established methodologies and processes.
- 7.3.6 **axesor** will ensure that credit rating analysts or persons who approve the credit ratings do not make proposals or recommendations, either formally or informally, regarding the design of structured finance instruments on which it is expected to issue a credit rating.
- 7.3.7 Any CRA employee who could be involved in any personal connection that could generate a conflict of interest (*connection*), actual or apparent, should bring it to the attention of the Audit and Compliance Department using the *Declaration of Conflicts of Interest*.
- 7.3.8 The *Declaration of Conflicts of Interest* includes those connections different from those already expressed which, in the judgement of an impartial and external observer, could compromise the impartial action of an employee. In the case of reasonable doubt, the Audit and Compliance Department should be consulted.
- 7.3.9 Any **axesor** employee who has knowledge of the fact that another worker is carrying out or has carried out any illicit or unethical conduct or any conduct contrary to the present Code is obliged to communicate such information truthfully, quickly and faithfully to the Audit and Compliance Department, which is responsible for compliance with this Code.

It is assumed that not all employees will have legal or normative knowledge, but it is expected that they will apply reasonable criteria to distinguish such inappropriate conduct. The highest decision-making body of **axesor** guarantees that in no case will sanctions or reprisals of any kind be applied to employees who report conduct contrary to the present Code.

## 7.4. Supervision and Updating

- 7.4.1 The Audit and Compliance Department annually revises and evaluates the effectiveness of the establishment of *the CRA Code of Conduct* as well as compliance with it.
- 7.4.2 Any credit rating put at the disposal of our clients is subject to:
- Continual revision and updating on an annual basis at a minimum.
  - Updating in the case of modification of rating systems or criteria previously approved by the Audit Committee and the Board of Directors and published by the Director of Rating Analysis..
  - Supervision and updating in a continual manner of all credit ratings issued, whenever there is new information that could be relevant to such a rating.
- 7.4.3 Any credit rating will include the date on which it was assigned and/or modified.
- 7.4.4 In the case that the criteria for rating an entity cannot be fulfilled either temporarily or permanently or the conditions that enabled a previous rating are affected, **axesor** will suspend and withdraw said rating. In such cases, **axesor** will inform the subscribers affected of the date on which the rating was updated for the last time and the reason why the rating has been withdrawn or suspended.

## 7.5. The Safekeeping of credit ratings

- 7.5.1 **axesor** guards all information available related to its credit rating process in accordance with strict measures of security laid out in the *Security Document* and the *Privacy Policy* in such a way that access is only granted to authorised personnel and always within the procedures for deriving credit ratings.
- 7.5.2 **axesor** keeps and maintains historical records with the information used to assign a credit rating and to endorse the fundamentals on which it is based. These records are backed up using security back-ups in accordance with the policy established by the company.

# 8. axesor's independence and precautions against conflicts of interest

## 8.1 General Principles

- 8.1.1 **axesor's** credit ratings are independent and exempt from political, economic or any other pressure. They are free from conflicts of interest related to the shareholding structure, from **axesor** group businesses activities or its employees. **axesor** avoids activities, relationships or procedures that could compromise or appear to compromise the impartiality, independence and objectivity of rating activities.
- 8.1.2 The compensation parameters for credit ratings will be clearly differentiated from conditions applicable to other services.
- 8.1.3 **axesor** provides credit ratings for: companies, including financial institutions, structured finance instruments and States or regional or local authorities of States.
- 8.1.4 The credit rating activities developed by **axesor**, in accordance with that laid out in its respective business plans, constitute activities reserved for professionals who, in accordance with the organisational structure, have been chosen for that purpose. These activities are always carried

out in the name of **axesor**, and CRA employees are prohibited to carry out parallel activities or activities outside of the company.

- 8.1.5 **axesor** does not promote nor does it refrain from issuing a credit rating based on the potential effect (financial, political or other) of said rating on any entity or a related third party.
- 8.1.6 **axesor** and in particular the CRA employees in charge of issuing credit ratings go to all the necessary lengths to ensure, both materially and in appearance, the objectivity and independence of credit ratings.
- 8.1.7 The drawing up and assigning of a credit rating is exclusively influenced by factors relevant to such rating, factors considered within the methodologies and procedures established, and expressly exclude all other factors.
- 8.1.8 The credit ratings are not affected by the existence of an actual or potential business relationship between **axesor** and the rated entity, its subsidiaries or parent companies, or by the non-existence of such a relationship. **Axesor** discloses in credit rating reports the auxiliary services provided to the rated entity or related third parties.
- 8.1.9 **axesor** can provide other services different to those of issuing credit ratings (auxiliary services) whenever it does not generate a conflict of interest. However, **axesor** and its direct and indirect shareholders, will never provide a rated entity or a related third party with consultancy or advisory services with respect to the company or legal structure, assets, liabilities, or activities of said rated entity or a related third party.
- 8.1.10 **axesor** publishes an *Inventory of the Auxiliary Services* that it offers. In the case of wanting to offer new auxiliary services, this will be communicated to the Audit and Compliance Department in order to be able to evaluate potential conflicts. In order to minimise the possibility of conflicts of interest arising, and to adequately deal with conflicts of such nature that may arise, **axesor** keeps a list of auxiliary services provided to rated entities or a related third party.
- 8.1.11 The credit rating processes are kept independent of any other process or line of business within **axesor**. Therefore alterations to the rating criteria for reasons other than those given in the pre-established rating methodologies are not permitted. However, once a definitive, supported and comprehensive rating is drawn up, **axesor** reserves the right to integrate it into other areas of activity for commercial ends.
- 8.1.12 **axesor** keeps its credit rating processes and its team of analysts who perform them properly segregated, operatively and functionally, from other company activities which could generate a conflict of interest.
- Specifically, the Audit and Compliance Department is in charge of ensuring that there exists an effective separation and independence of credit rating processes with respect to other company activities, informing of the risks before any type of conflict of interest arises.
- 8.1.13 **axesor** applies exactly the same criteria and methodologies to rate entities that operate on the European territory, whether they are of domestic or foreign capital, emphasizing that lack of distinction.
- 8.1.14 **axesor** has implemented a *Procedure for the Identification, Management and Communication of Conflicts of Interest* and has defined a *Conflicts of Interest Policy* at group level, with the aim of preventing, identifying, managing and eliminating any actual or potential conflict of interest that could influence the opinions and analysis drawn up by **axesor** and its employees in relation to credit ratings.

- 8.1.15 Any statement on the part of **axesor** on actual or potential conflicts of interest is complete, swift, clear, concise, specific and relevant.
- 8.1.16 **axesor** will disclose the general nature of its compensation arrangements with rated entities.
- a) Where **axesor** receives from a rated entity compensation unrelated to its rating service, **axesor** will disclose the proportion such non-rating fees constitute against the fees **axesor** receives from the entity for rating services.
  - b) **axesor** will disclose if it receives 10 percent or more of its annual revenue from the same rated entity or related third party.
- 8.1.17 In instances where rated entities or obligors (e.g., sovereign nations or states) have, or are simultaneously pursuing, oversight functions related to the Credit 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.

## 8.2 Independence of axesor employees and analysts

- 8.2.1 The report lines and payment agreements for employees in relation to credit rating processes are structured to prevent, eliminate and manage actual or potential conflicts of interest.
- The members of the Rating Department and the Rating Committee are not paid or evaluated according to the credit ratings they issue.
- 8.2.2 The compensation policy for members of the Rating Department, the Audit and Compliance Department, the Rating Committee and independent members of the administrative board is independent of the commercial results that **axesor** may obtain as a Credit Rating Agency.
- 8.2.3 **axesor** will conduct formal and periodic reviews of compensation policies and practices for CRA employees to ensure that these policies and practices do not compromise the objectivity of the credit rating process.
- 8.2.4 Employees linked to the processes of credit rating are not directly involved in any type of negotiation of conditions, payments, commissions or fees with entities they rate, a related third party or a person who, directly or indirectly, has a vehicle of control with the rated entity.
- 8.2.5 **axesor** does not issue credit ratings should it or one of its CRA employees possess, directly or indirectly, financial instruments of the rated entity or a related third party, or participate, directly or indirectly, in the ownership of the entity either themselves or through a person closely associated, other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.
- Neither will they carry out ratings when the rated entity or a related third party is, directly or indirectly, linked to **axesor** by relationship that constitutes control.
- 8.2.6 **axesor** does not issue credit ratings when one of its CRA employees, shareholders or any other natural person whose services are placed at the disposal or under the control of the credit rating agency of **axesor** owns financial instruments of any entity related to a rated entity, the ownership of which may cause or may be generally perceived as causing a conflict of interest, other than holdings in diversified collective investment schemes.

- 8.2.7 **axesor** does not rate businesses in which one of the CRA employees has had an employment, business or other connection during the last year.
- 8.2.8 **axesor** does not issue credit ratings when one of its CRA employees or shareholders (either themselves or through a person closely associated) is a member of the administrative or supervisory board of the rated entity or a related third party which could cause a conflict of interest.
- 8.2.9 CRA employees, shareholders or any other natural person whose services are placed at the disposal or under the control of the credit rating agency of **axesor**, shall not buy or sell or engage in any transaction in any financial instrument issued, guaranteed, or otherwise supported by any rated entity, either themselves or through a person closely associated. Except in the case of holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.
- axesor** identifies and controls the financial instruments of rated entities which its employees possess.
- 8.2.10 As a general policy, **axesor** does not accept gifts. This information is covered in the *Gifts and Business Events Policy* document.
- 8.2.11 **axesor** will revise the work carried out during the last two years by an analyst or person responsible for approving credit ratings who leaves **axesor** to join a rated entity. **axesor** has a protocol of action established, for this purpose.
- 8.2.12 Employees with the ability to influence credit ratings are fully identified by the Human Resources Department.
- 8.2.13 The Rating Department controls periods of participation in credit rating activities aimed at each one of the rated entities by the different analysts and those responsible for approving said ratings. In this way, they should not exceed the frequency limits regarding the credit rating activity for the same entity established in Article 7, Section 4 of Regulation (EC) No. 1060/2009. As such, the Rating Department has a gradual rotation mechanism for people involved in processes of credit rating which is undertaken on an individual basis and not at a team level.
- 8.2.14 The Audit and Compliance Department is completely unconnected to the issue of credit ratings.

## 9. axesor's responsibility towards third parties and rated businesses

### 9.1. Transparency and the opportunity to publish credit ratings

- 9.1.1 **axesor** should immediately disclose decisions adopted on the ratings of entities which it rates.
- 9.1.2 **axesor** will publish its policies on the disclosure of ratings on its website.
- 9.1.3 **axesor** will publish on each credit rating the date it was last updated.

Also, **axesor** will indicate clearly the principal methodology or the methodology version that was used in determining the rating, including a reference to the full description.

- 9.1.4 **axesor** will publish sufficient information on its procedures, methods and assumptions (including adjustments of financial statements which differ significantly from the financial statements published by the rated entity) in such a way that third parties can understand how the rating has been assessed. This information will include as a minimum:
- The significance of each rating category.
  - The definition of payment default.
  - The time horizon used by **axesor** to assign a rating.
- a) Where **axesor** rates a structured finance instrument, it shall provide in the credit rating all information about loss and cash-flow analysis it has performed or relied upon as well as an indication of any expected change in the credit rating, to that investors can understand the rating assigned. If it is possible, it will also disclose the degree to which it analyzes how sensitive a structured finance credit rating is to changes in the underlying assumptions of the credit rating issued.
- b) In order to differentiate the ratings for structured finance instruments from the rest of rated products, **axesor** will insert "(sf)" in the rating categories for all of its ratings of structured finance instruments, such inclusion will appear following the credit rating.
- c) **axesor** shall state clearly and prominently when disclosing credit ratings any attributes and limitations of the credit rating. In particular shall prominently state when disclosing any credit rating whether it considers satisfactory the quality of information available on the rated entity and to what extent it has verified information provided by the rated entity or a related third party. If a credit rating involves a type of entity or financial instrument for which historical data is limited, **axesor** shall make clear, in a prominent place, such limitations.
- In a case where the lack of reliable data or the complexity of the structure of a new type of financial instrument or the quality of information available is not satisfactory or raises serious questions as to whether a credible credit rating can be provided, **axesor** shall refrain from issuing a credit rating or withdraw an existing rating.
- 9.1.5 To issue or revise a credit rating, **axesor** will explain in its reports the essential elements that support the rating opinions. On this topic, the possible restrictions referring to confidentiality agreements or legislation applicable to the protection of information will be applied.
- 9.1.6 Prior to issuing or revising a rating, **axesor** will inform the rated entity on the fundamental principles on which it is based, and shall provide the rated entity the opportunity to clarify any possible misperception of the facts, in order to produce an accurate credit rating. **Axesor** will duly evaluate the response of the rated entity. When in particular circumstances **axesor** has not informed the rated entity prior to issuing or revising a rating, **axesor** will inform the rated entity as soon as possible thereafter and it should explain the general reason for the delay.
- 9.1.7 To promote transparency and give our clients better judgement over the **axesor** credit ratings, sufficient information about the historical behaviour of the insolvency risk for each rating category and the evolution over time of said securities will be published at least once a year, so that it is possible to follow up the methodologies, assumptions and evolution of the ratings. If the nature of a rating or other factors mean that the historical experience of insolvencies is not applicable or appropriate, statistically valid or could be misleading to ratings users, **axesor** will explain such circumstances. These reports will be available at [www.axesor-rating.es](http://www.axesor-rating.es).

9.1.8 For each credit rating, **axesor** will disclose if the rated entity participates or not in the rating process, and unsolicited ratings will be identified as such.

A description of the **axesor** credit rating methodologies and applicable policies can be consulted at [www.axesor-rating.es](http://www.axesor-rating.es).

9.1.9 Any significant changes in rating methodologies, procedures, processes or practices will be carried out with maximum transparency. Where feasible and appropriate, the publication of changes is done before their application. **axesor** considers carefully the different uses of credit ratings before significantly modifying its rating methodologies, procedures, processes or practices.

9.1.10 **axesor** as a Credit Rating Agency reserves the right to issue unsolicited credit ratings and, therefore make commercial use of them as long as they ensure that:

- There exists a legitimate interest in the rated entity by the market as a whole, a third party, commercial partner, actual or potential creditor or debtor.
- Sufficient information exists to support an appropriate evaluation and, where appropriate, to keep continuous monitoring.

9.1.11 **axesor** reserves the right to suspend, modify, increase, decrease, withdraw or place under surveillance a given credit rating, in accordance with the procedures established. Of course, it always abides by the highest criteria of objectivity, independence and transparency.

9.1.12 **axesor** will publish annually a *Transparency Report*. Regarding its content, the following information should be emphasised: description of internal quality control of activities, information on revenue arising from credit rating activities and revenue from other activities, the description of the record-keeping policy and personnel rotation policy.

## 9.2. Treatment of Confidential Information

9.2.1 Generally, the term "Confidential Information", within the meaning of this document, is referred to any information that is not of public domain.

9.2.2 **axesor** will not consider any information to be of confidential nature when such information:

- Is included in publicly disclosed documents (annual reports and quarterly filings with the CNMV or other public authorities or stock exchanges, which have been published by the relevant issuer).
- Is included in a press release issued by the issuer.
- Is included in a publication or newspaper of general circulation.
- Has been declared to be public by the issuer.
- The entity providing said information indicates that it may be disclosed.

9.2.3 All the information elaborated by analysts as output of the issued rating process is considered confidential information. In consequence all this information has a limited accessibility and will not be disclosure under any condition except as part of official reports defined.

9.2.4 **axesor** has policies and procedures to protect the confidentiality of information provided by the rated entities. Except as permitted by the rated entities, and in accordance with applicable laws and regulations, **axesor** and its employees should not disclose confidential information by any

means, such as press releases, conferences, to future employers, in conversations with investors, with other rated entities, or to any other person. Except to comply with a legal rule or judicial or administrative requirement.

- 9.2.5 **axesor** will use confidential information only in the course of the operation or functions for which it was transmitted.
- 9.2.6 Employees will take all reasonable measures to protect all property and records belonging to or in possession of **axesor** from fraud, theft or misuse.
- 9.2.7 **axesor** employees will be prohibited from engaging in transactions in securities when they possess confidential information concerning the issuer of such securities.
- 9.2.8 CRA employees will familiarize themselves with the **axesor Privacy Policy** and certify their compliance with it.
- 9.2.9 Employees will not disclose any non-public information about credit ratings or regarding possible future ratings of **axesor**, except the rated entity or its designated agents.
- 9.2.10 Employees will not share confidential information entrusted to **axesor** with employees' partners that are not credit rating agencies. **Axesor** employees will not share confidential information within the company, unless they are based on the principle of "need-to-know".
- 9.2.11 Employees will not use or share confidential information for the purpose of trading Securities, or for any other purpose, except in the exercise of the activity of the credit rating agency.

## 10. Publication of the CRA Code of Conduct

### 10.1 Publication and approval

- 10.1.1 **axesor** will publish the *CRA Code of Conduct* and describe how the provisions contained within it enable the application of the fundamentals of the IOSCO Code relating to credit rating agencies. If discrepancies occur between the IOSCO principles and **axesor's** policies and/or procedures, the Company will explain what these discrepancies are, why they have occurred and how, in spite of them, the objectives of the IOSCO Code have been reached.
- 10.1.2 **axesor** will distribute the *CRA Code of Conduct* to all employees as soon as they join the company.
- 10.1.3 Persons affected, in accordance with that laid out in section II of this document, will sign to show acknowledgement of the fact that they have been informed of, and have understood, the *CRA Code of Conduct* (Annex I).
- 10.1.4 Whenever changes in the *CRA Code of Conduct* are produced, all employees will be notified by email with a notification of receipt and the updated document will be published on the **axesor** intranet.
- 10.1.5 **axesor** makes channels available to all market participants to exercise their right to lodge queries, concerns or complaints about company policies. Comments of importance are passed on to the directors of the company and are taken into account when revising or formulating policies or procedures. Channels of communication are published on the company website.
- 10.1.6 **axesor** will publish the following documentation in a prominent place on its website:

- The *CRA Code of Conduct*.
- A description of the methodologies employed in the drawing up of credit ratings.
- Information on the historic default data for rating categories of the Credit Rating Agency.

## 11. Breach of Performance

Breach of Performance with that laid down in the *CRA Code of Conduct* will be considered as a work related fault in the terms established in the legislation in force. **axesor** has a specific procedure for this case procedure called *Procedure for the Infringement of Internal Regulations*.

The previous is understood without prejudice to any offence that could arise from that stipulated in the legislation in force and/or the civil or criminal responsibility which in each case is requirable of the offender.

## Glossary

- **Credit Rating Agency:** Entity whose activity consists of issuing credit ratings and has been registered by ESMA.
- **Analyst:** **axesor** employee responsible for assigning credit, participate in their assignment or in the modeling process a credit rating.
- **CRA Employees:** personnel who directly participate in the credit rating process, in the credit rating approval process; and any other person who provides their services to the Agency and who has an influence on the outcome of the said ratings.

In accordance with the organisational structure of **axesor**, this definition covers:

- The Rating Department
- The Rating Committee
- **axesor:** Trademark of the commercial company **AXESOR CONOCER PARA DECIDIR S.A.**
- **Credit Ratings:** Opinions referring to the ability of an entity to honour payments arising from its obligations or of any another nature. The ratings refer exclusively to credit risk.
- **Unsolicited Credit Ratings:** Credit ratings assigned by **axesor** in which the issuer takes no part in the credit rating process and is based only on public information.
- **Solicited Credit Ratings:** Credit ratings assigned by **axesor** in which the credit rating process begins at the request of the issuer or a third party with the directed involvement of the rated entity.
- **Code of Conduct for Credit Rating Agencies of the International Organization of Securities Commissions (“IOSCO Code”):** This is the Code of Conduct issued by the International Organization of Securities Commissions which provides a framework of reference at an international level for credit rating agencies. It has been developed through the cooperation of international securities regulation authorities, credit rating agencies and other market participants.
- **Audit Committee:** A group of experienced employees who supervise and guarantee compliance by the Agency and its employees with the regulations established.
- **Rating Committee:** A group composed of experienced employees and independent expert members who formally ratify credit ratings which have been supervised and elevated to the Committee by Head Analysts.
- **Company (The):** The commercial company **AXESOR RISK MANAGEMENT SLU.**
- **Confidential Information:** Relevant information received by rating services from a rated entity, legal representatives, or other actors in the rating process and clearly marked as “confidential” or which has been received with specific, written instructions from the owner of the information that it is to be treated as confidential.
- **IOSCO:** Acronym for “*International Organization of Securities Commissions*”.
- **Directors:** The CEO and deputy CEOs who carry out the leadership functions in **axesor**.

- **Affected:** Persons who can in any way influence the credit rating processes, in either a direct or an indirect manner.
- **Financial Connection:** Direct or indirect ownership of any financial instrument of an entity company, or the direct or indirect participation in its ownership, other than holdings in diversified collective investment schemes, including managed funds such as pension funds or life insurance.
- **Work Connection:** will be considered the:
  - a) Participation to the administrative or supervisory board,
  - b) Employment relationship (defined as a person discharging managerial responsibilities, having access to privileged information and power to make decisions) or business connection, current or recent, with a rated entity. Recent is understood to mean within the last twelve months.
- **Family Connection:** will be considered the persons closely associated as:
  - c) Spouses or any partner of that person considered by national law as equivalent to the spouse.
  - d) Dependent children.
  - e) Other relatives of the person, who have shared the same household for a minimum period of one year.
  - f) Any legal person, trust or partnership, whose managerial responsibilities are discharged by a person referred to in letters (a), (b) and (c) of this point, or which is directly or indirectly controlled by such a person, or that is set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such person.

Having a financial or work connection.
- **Different Connection:** Connections that are different to those expressed previously which, in the judgement of an impartial and external observer, could compromise the impartial action of an employee.