

Conflict of Interest Policy

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1. Introduction

A number of potential conflicts of interest have been identified in relation to the issuance of credit ratings as relevant to the business in accordance with Regulation (EC) No 1060/2009 of the European Parliament and its subsequent amendments. This document contains the inventory of such identified conflicts.

2. Definitions

CRA employees

Personnel directly involved 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 determination of credit ratings.

3. Target

The purpose of this document is to define the policy that EthiFinance Ratings SL (EFR) adopts to manage, in compliance with the provisions of Regulation (EC) No 1060/2009 and its amendments, each of the cases identified as conflicts of interest, whether actual or potential.

4. Scope of application

This policy applies to EthiFinance Ratings SL as legal entity, their shareholders, the Board of Directors, the Audit Committee and the so-called "CRA Employees".

5. Conflict of Interest Policy

<i>Conflicts of Interest</i>	<i>Linking</i>	<i>Associated Policies</i>
In relation to EthiFinance Ratings SL (hereafter EFR) and its shareholders		
a) To have rated entities that could have, directly or indirectly, some kind of control link with the EFR, with a percentage equal to or greater than 10%.	<i>Control Link</i>	No credit rating is issued.
b) Having shareholders holding 5% or more of the capital or voting rights of EFR, with an economic interest of 5% or more in another Credit Rating Agency, whether in capital, voting rights or rights to appoint or remove members of the Board of Directors or Supervisory Board.	<i>Economic Link</i>	Shareholder participation in other agencies is not allowed.

<i>Conflicts of Interest</i>	<i>Linking</i>	<i>Associated Policies</i>
c) Having shareholders who hold 5% or more of the capital or voting rights of EFR , who are members of the Board of Directors or Supervisory Board of another Credit Rating Agency, or who have the power to exercise any dominant influence.	<i>Work Link</i>	Shareholder participation in other agencies is not allowed.
d) Having shareholders who own 10% or more of the capital or voting rights of EFR or who may otherwise exercise a dominant influence over the activities of the Agency, with an economic interest of 10% or more of the voting rights or who may otherwise exercise a dominant influence over the activities of any of the rated entities or related third parties.	<i>Economic Link</i>	No credit rating is issued.
e) EFR holds financial instruments of any of the rated entities or related third parties, with the exception of holdings in diversified collective investment schemes that include managed funds such as pension funds or life insurance.	<i>Economic Link</i>	No credit rating is issued.
f) Have shareholders who own 10% or more of the capital or voting rights of EFR or who may otherwise exercise a dominant influence over the activities of the Agency, who are members of the Board of Directors or Supervisory Board of any of the rated entities or related third parties.	<i>Work Link</i>	No credit rating is issued.
g) Have rated entities that are customers of the ancillary services provided by EFR and its parent.	<i>N/A</i>	No credit rating is issued in case the volume of sales of Ancillary Services to a rated company exceeds 5% of the sum of the net turnover of the companies providing ancillary services.
In relation to CRA employees		
h) Have CRA employees with a financial interest in any of the rated entities or related third parties.	<i>Economic Link</i>	The person with the link is not allowed to participate in the credit rating process of the entity to which he/she is connected.
i) Have CRA employees holding financial instruments of any of the rated entities or related third parties, with the exception of holdings in diversified collective investment schemes that include managed funds such as pension funds or life insurance.		

<i>Conflicts of Interest</i>	<i>Linking</i>	<i>Associated Policies</i>
j) Have CRA employees who are members of the Management or Supervisory Board of any of the rated entities or related third parties.	<i>Work Link</i>	The person with the link is not allowed to participate in the credit rating process of the entity to which he/she is connected.
k) Have CRA employees with a recent or current employment or business relationship with any of the rated entities or related third parties.		
l) Have CRA employees, who take up a key management position with the rated entity or a related third party within six months of the issuing of a credit rating or rating outlook.	<i>Work Link</i>	The CRA Employees declare that they know, understand and accept the restrictions set out in Annex I, Section C, point 7 of Regulation (EC) No 1060/2009. In the event of non-compliance, the ratings in which such persons have participated shall be reviewed.
m) Have CRA employees who's closely associated persons have any of the conflicts listed in points (h), (i), (j) and (k).	<i>Family Link</i>	The person with the link is not allowed to participate in the credit rating process of the entity to which he/she is connected.
n) Having CRA employees who solicit or accept money, gifts or favours from anyone with whom the Agency does business.	<i>N/A</i>	It is not permitted to solicit or accept money, gifts or favours from any person with whom the Agency does business.
o) Have CRA employees who declare an affiliation that, in the opinion of an external and impartial observer, could compromise their impartial performance.	<i>Distinct Link</i>	The person with the link is not allowed to participate in the credit rating process of the entity originating the conflict.
p) Have a CEO who is member of the Board of Directors or Supervisory Board of any of the rated entities or related third parties.	<i>Work Link</i>	No credit rating is issued.

6. Control Mechanisms

Conflicts of interest are controlled by the Compliance Function, applying this policy as appropriate and with the support of the *Procedure for the Identification, Management and Communication of Conflicts of Interest*.

The Audit Committee is periodically informed of potential conflicts and the monitoring of such conflicts.