



ICAP S.A.

CONFLICTS OF INTEREST POLICY

DECEMBER 2018

Purpose

The purpose of this document is to state the most significant potential conflicts that may be identified, the measures that ICAP S.A. (ICAP) takes in order to prevent their occurrence, the controls that check whether a conflict has taken place, and the procedure that is followed in case of an identified conflict. This document is also in accordance with the provisions of the amended EU Regulation 1060/2009 on Credit Rating Agencies.

Identification and Management of conflicts of interest

ICAP has adopted internal procedures and mechanisms to a) identify, b) prevent, and c) manage and d) eliminate any conflict of interest, which may influence the Credit Rating Assessments (ICAP Credit Ratings), as well as the broader objectivity and impartiality of the rating procedure.

Code of Conduct, published on ICAP website¹, includes a range of policies, procedures and internal controls that are implemented to ensure the objectivity and accuracy of the provided Credit Ratings and the operations' transparency.

ICAP has identified and discloses in its website the following potential conflicts of interest for which related policies and procedures have been implemented. It is noted that the recognition of conflicts of interest and how they will be treated is not a static procedure; the following table is expected to be reviewed by the Compliance Function at least in a bi-monthly basis.

Glossary

Credit Rating

Opinion regarding the creditworthiness of an entity issued using an established and defined ranking system of rating categories which is in accordance with the provisions of the amended Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16.09.2009 on Credit Rating Agencies.

Analyst

An ICAP's employee who performs analytical functions that are necessary for the issuing of a Credit Rating.

Relative

The persons closely associated with the ICAP's employee within the meaning of Article 1 (2) of Directive 2004/72/EC.

Rated Entity

The legal entity for which ICAP assigns a Credit Rating.

Related Third Party

The originator, arranger, sponsor, servicer or any other party that interacts with ICAP on behalf of a Rated Entity, including any person directly or indirectly linked to that Rated Entity by control.

Ancillary Services

ICAP provides the following Ancillary Services: Business Information, Financial/Sectorial Studies, Financial Publications (Subscription and Advertisement), Marketing & Sales Solutions, Credit Risk Evaluation and Consulting Services. The Ancillary Services are not part of the Credit Rating activities.

¹ <http://www.icap.gr/Default.aspx?id=8776&nt=19&lang=2>

Conflicts of Interest detected area	Potential Conflicts of Interest	ICAP Proactive Measures to avoid the Conflicts	ICAP Controls to investigate the occurrence of a Conflict	ICAP Procedures in case of existence of a Conflict
<p align="center">Related Companies with ICAP</p>	<p>ICAP's Credit Rating Assessment Dept. will rate an Entity where ICAP or ICAP's Shareholders, or its Subsidiaries or its Board of Directors Members or its Supervisory Board Members:</p> <ol style="list-style-type: none"> 1) Directly or indirectly own financial instruments of the Rated Entity or a Related Third Party, 2) Have any direct or indirect ownership in the Rated Entity or a Related Third Party, 3) Are Members of either the Administrative or the Supervisory Board of the Rated Entity or a Related Third Party, 4) Exercise control to the Rated Entity or a Related Third Party through funds that they manage. 	<ol style="list-style-type: none"> 1) Internal Policies set the framework under which circumstances a company should not be rated, 2) IT infrastructure allows the automatic assignment of the identified companies as NR (Not Rated), prohibiting any manual intervention from the Analysts, 3) Compliance Function requests periodically from the Board of Directors Members and the Supervisory Board Members and the Shareholders to state whether they have any participation to other companies. Additionally, the Compliance Function requests periodically from the Legal Dept. to state whether ICAP and its Subsidiaries have any participation to other companies. Compliance Function ensures to identify these companies accordingly in the systems prohibiting any Credit Rating assessment. 	<p>Compliance Function, through its periodic controls ensures that no Credit Rating is assigned to a Company related directly or indirectly to ICAP, its Shareholders, its Subsidiaries, its Board of Directors Members or its Supervisory Board Members.</p>	<p>In case there is evidence that a Company related directly or indirectly to ICAP or its Stakeholders is rated, then the Compliance Function will first:</p> <ol style="list-style-type: none"> 1) Inform the Credit Rating Assessment Dept. to withdraw immediately the Credit Rating, 2) Assess whether the finding consist an: <ul style="list-style-type: none"> ▪ IT defect or a ▪ Professional misconduct. <p>Then, it will report its opinion to the Supervisory Board.</p> <p>If the Supervisory Board provides its alignment that the infringement, is due to an IT malfunction, then it will mandate the Compliance Function to investigate further and arise with remedial actions, collaborating with the respective IT Division.</p> <p>In case of misconduct, the Supervisory Board will assess the severity and the impact of the finding, and propose to the Board of Directors its opinion on the penalty and the remedial actions that should be imposed. Upon Board of Directors meeting, a decision will be taken.</p>

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<p>Organisational Aspects</p>	<p>ICAP will not ensure that its business interest does not impair the independence or accuracy of the Credit Rating activities, i.e. does not ensure that:</p> <ol style="list-style-type: none"> 1) The Credit Risk Services and Business Information Depts. are operationally, organizationally and financially separated from each other and from the other ICAP Divisions, 2) The companies that ICAP participates are organizationally, operationally and legally separate entities and they do not employ resources and systems of ICAP, 3) The provided Ancillary Services do not present conflicts of interest with the Credit Rating activities, 4) A shareholder participating with more than 5% in ICAP, does not participate with more than 5% or influences also other (not in the Group companies) companies registered as Credit Rating Agencies, 5) An Analyst or a Lead Analyst will not participate in the Credit Rating process of a Rated Entity for more than 5 or 7 years respectively and after that period the specific Analyst/ Lead Analyst will not be allowed to rate the specific entity for at least 2 years. 	<ol style="list-style-type: none"> 1) ICAP adopts sound and prudent internal procedures, e.g. absolute lack of any hierarchical or inter-office dependence among the employees of Credit Risk Services and Business Information Depts. and among them with the ones of Marketing & Sales, Finance & Administration and IT Divisions, 2) ICAP has separated its activities operationally, financially and business-wise, having created organizationally independent and autonomous Divisions and Departments for each of its activities, employing specialised personnel, so as to ensure the integrity of the rating procedure, 3) The relevant disclaimer that states the Rated Entities' use of services offered by the other Departments of ICAP is included in the presentation of the Credit Ratings, 4) Compliance Function requests periodically from the Administrative or Supervisory Board Members and the Shareholders to state whether they have any participation to other CRA's, 5) Analysts Rotation Policy meets Regulation requirements. 	<p>The Compliance Function controls that:</p> <ol style="list-style-type: none"> 1) The presentation of the Credit Rating includes the relevant disclaimer that the Rated Entity also makes use of ICAP Ancillary Services, 2) The Rated Entities from which ICAP receives more than 5 % of its annual revenues, will be disclosed to the public, 3) ICAP Divisions and affiliated companies are organisationally, operationally, and financially independent, 4) Analysts Rotation Policy will be implemented correctly. 	<p>In case of a finding the Compliance Function will report it to the Supervisory Board.</p> <p>Then the Supervisory Board will assess its severity and impact and will escalate it to the Board of Directors meeting for a final decision and the remedial actions that should be imposed.</p> <p>In case Credit Ratings were impacted due to the finding they will be withdrawn immediately.</p> <p>The Supervisory Authorities and the impacted credit rating customers will be notified accordingly.</p>

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Administrative / Supervisory Board	<p>If the Board of Directors or the Supervisory Board deviates at least in one of the following:</p> <ol style="list-style-type: none"> 1) The Credit Rating activities are independent from all political and economic influences or constraints, 2) The compensation of the Independent Members is not linked to the business performance, 3) Independent Members' term of office is a pre-agreed fixed period, not exceeding the five years and not renewable, 4) Independent Members' dismissal takes place only in cases of misconduct or professional underperformance, 5) It ensures that ICAP complies with the requirements of the Regulation, 6) It ensures that conflicts of interest are properly identified, managed and disclosed. 	<ol style="list-style-type: none"> 1) Internal Policies set the framework for the role and responsibilities of the Administrative and Supervisory Board, 2) Internal Procedures define the reporting lines and meetings organisation between the Supervisory Board Members and the Internal Control Functions, in order to meet the Regulation requirements, 3) The Independent Members cannot be dismissed for any reason other than misconduct or professional underperformance, as approved by the Board of Directors, 4) The Independent Members of the Supervisory Board are appointed for a maximum fixed non-renewable five years term, as approved by the Board of Directors, 5) The Independent Members do not acquire any remuneration other than a fixed amount attributable to each Board of Directors' sitting, 6) A sufficient number of Independent Members in the Supervisory Board is ensured, in accordance with Regulation, 7) The appointment of good repute and sufficiently skilled and experienced Independent Members executives is ensured. 	<p>Internal Audit controls examine whether Board Members' behaviours are consistent with ICAP policies and amended Regulation principles.</p>	<p>In case of a finding, the Internal Audit will report it to the Audit Committee.</p> <p>Subsequently the Audit Committee will assess its severity and impact and reach a final decision and the remedial actions that should be imposed.</p>

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<p>Compliance Function</p>	<p>If the Compliance Function deviates at least in one of the following:</p> <ol style="list-style-type: none"> 1) Independency of activities, 2) Not being involved in the performance of Credit Rating activities it monitors, 3) Monitoring and reporting on compliance under the Regulation, 4) Monitoring and assessing the adequacy and effectiveness of the measures and procedures put in place, 5) Advising and assisting ICAP employees regarding CRA's obligations under the Regulation, 6) Reporting regularly on the carrying out of its duties to senior management and the Independent Members of the Supervisory Board, 7) Being compensated independently of ICAP's business performance. 	<ol style="list-style-type: none"> 1) Internal Policies set the framework of the role and responsibilities of the Compliance Function Members in accordance with Regulation requirements, 2) Function's Work Plan {{communicated to European Securities and Markets Authority (ESMA)}, establishes the Compliance Function monitoring and reporting responsibilities, 3) Compliance Function Members are not remunerated in relation with ICAP's business performance, ensuring their judgement's independence, 4) Internal Procedures define the Compliance Function's reporting and communication lines, 5) The appointment of good repute and sufficiently skilled and experienced Compliance Function Members. 	<p>Standard annual controls examine whether the Compliance Function's workings are consistent with ICAP Policies and the amended Regulation principles.</p> <p>The controls run by:</p> <ul style="list-style-type: none"> ▪ The Internal Audit Dept. and ▪ The Supervisory Board. 	<p>If, during the annual controls, is found that one or more of the Function Member(s) acted negligibly or by intention exhibiting professional misconduct, then the issue will be escalated to the Supervisory Board.</p> <p>The Supervisory Board will assess the severity and the impact of the infringement, and propose to the Board of Directors its opinion on the penalty or the remedial actions that should be imposed. Upon Board of Directors meeting a decision will be taken.</p> <p>The Supervisory Authorities will be notified by the President of the Supervisory Board on:</p> <ul style="list-style-type: none"> ▪ The finding(s), ▪ The Supervisory Board proposal, ▪ The Board of Directors' final decision.

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<p>Internal Review Function</p>	<p>If the Internal Review Function deviates at least in one of the following:</p> <ol style="list-style-type: none"> 1) Independency of activities, 2) Reviewing the methodologies, models and key rating assumptions, 3) Reviewing any significant changes on the methodologies, the models and the key rating assumptions, 4) Reviewing the standard procedure that should be followed when changes in the methodology, in the models or in the key rating assumptions occurred. 	<ol style="list-style-type: none"> 1) Internal Policies set the framework of the role and the responsibilities of the Internal Review Function Members in accordance with Regulation requirements, 2) Function's Work Plan {{communicated to European Securities and Markets Authority (ESMA)}, establishes the Internal Review Function monitoring and reporting responsibilities, 3) Internal Review Function Members are not remunerated in relation with ICAP's business performance, ensuring their judgement's independence, 4) Internal Procedure exhibiting the steps that should be followed when changes in the methodology, in the models or in the key rating assumptions occurred. 5) Detailed timetable on the Internal Review Members tasks is followed up periodically, 6) Internal Procedures define the Internal Review Function's reporting and communication lines, 7) The appointment of good repute and sufficiently skilled and experienced Internal Review Function Members. 	<p>Standard annual controls examine whether the Internal Review Function's workings are consistent with ICAP Policies and the amended Regulation principles. The controls run by the Supervisory Board.</p>	<p>If, during the annual controls, is found that one or more of the Function Member(s) acted negligibly or by intention exhibiting professional misconduct, then the issue will be escalated to the Supervisory Board.</p> <p>The Supervisory Board will assess the severity and the impact of the infringement, and propose to the Board of Directors its opinion on the penalty and the remedial actions that should be imposed. Upon Board of Directors meeting a decision will be taken.</p> <p>The Supervisory Authorities will be notified by the President of the Supervisory Board on:</p> <ul style="list-style-type: none"> ▪ The finding(s), ▪ The Supervisory Board proposal, ▪ The Board of Directors final decision.

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<p style="text-align: center;">Analysts' Duties</p>	<p>Employees in the Credit Rating Assessment Dept. (Analysts) infringe when they:</p> <ol style="list-style-type: none"> 1) Depart from ICAP to join a Rated Entity, which he or she has been involved in the rating assessment, 2) Promote to the Rated Entities services offered by other Divisions or Departments of ICAP, 3) Provide, directly or indirectly, consulting or other services which are activities of other ICAP's Divisions or related firms, 4) Participate in discussions or negotiations regarding the fees or payments of Credit Ratings provided, 5) Are compensated or evaluated in relation to the amount of revenues that ICAP derives from the Credit Rating activities or the number of the Entities that the employee assesses. 	<ol style="list-style-type: none"> 1) ICAP's Business Code of Conduct and Internal Regulation have been circulated to all the employees participating in the Credit Rating Assignment process. The employees are committed to follow the principles consistently, 2) Where an employee terminates his or her employment and joins a Rated Entity, which he or she has been involved in the rating assessment, ICAP reviews the relevant work of the employee over two years preceding his or her departure, 3) During the recruitment process ICAP employees commit not to take up a key management position to the Rated Entity within six months of the last Credit Rating assignment, 4) ICAP has ensured the organisational, operational and financial separation of the Credit Risk Services and Business Information Depts. with the Sales & Marketing Division, 5) Internal Policies set the framework that the Analysts must not in any case promote any services offered by other Divisions or participate in fees negotiation of a Credit Rating, 6) Compliance Function trainings ensure Analysts' awareness that promoting other services to Rated Entities and participating on fees negotiation consist professional misconduct, 7) The HR Policies ensure objectivity and transparency. Analysts' evaluation is not allowed to take into consideration ICAP's revenues from the credit rating activities or the number of the entities that were rated. 	<p>The Compliance Function controls annually the Analysts' awareness on the Business Code of Conduct and the Internal Regulation, the performance of the evaluation procedure, the Analysts employment termination and the Credit Rating guarantees.</p> <p>The Internal Audit controls ensure the monitoring and compliance with the Pricing Policies.</p>	<p>In case there is evidence that Analysts' judgement has been impaired, then the Compliance Function will:</p> <ul style="list-style-type: none"> ▪ Report the finding to the Supervisory Board, ▪ Inform the Credit Rating Assessment Dept. to immediately withdraw the Credit Ratings that have been affected, ▪ Notify accordingly the Supervisory Authorities and the respective rating customers, ▪ Control whether the Credit Ratings are reassessed. <p>The Supervisory Board will assess the severity and the impact of the finding, and propose to the Board of Directors its opinion on the penalty and the remedial actions that should be imposed. Upon Board of Directors meeting a decision will be taken.</p>

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<p>Analyst's relation with the Rated Entity</p>	<p>The Analyst's judgement during the Credit Rating Assignment process could be impacted, if at least one of the following events occurs:</p> <ol style="list-style-type: none"> 1) Has/had received any kind of gifts, money or compensation by the Rated Entity or a Related Third Party, 2) Had a recent employment, business or other relationship with the Rated Entity or a Related Third Party, 3) Offers his work simultaneously to another employer, which could influence his/her employment relation with ICAP, 4) Has/had any relation with the Rated Entity or a Related Third Party, that may impact his objectivity and reliability, 5) Directly or indirectly owns financial instruments of the Rated Entity or a Related Third Party, 6) Is a Member of the Administrative or Supervisory Board of the Rated Entity or a Related Third Party. 	<ol style="list-style-type: none"> 1) ICAP's Business Code of Conduct and Internal Regulation have been circulated to all the employees participating in the Credit Rating Assignment process. The employees are committed to follow the principles consistently, 2) Analysts are expected either to declare their relationship with the Rated Entity and the Related Third Party or to request their exception from the Credit Rating process, 3) Compliance Function trainings ensure Analysts' awareness on the significance to declare to either the Compliance Officers or the Rating Supervisor if they are subject to any of the stated events and the potential consequences if this declaration does not happen, 4) Internal Policies set the framework of assigning a Credit Rating under the stated events consists professional misconduct, 5) If Analysts' decision on the assigned Credit Rating differs more than two zones from the quantitative assessment, then the final decision will be escalated to ICAP's Rating Committee. 	<p>Compliance Function, through its standard controls has set specific criteria that may suggest biased Credit Rating assignment.</p> <p>In such cases follows up directly with the Credit Rating Supervisor and asks for a complete documentation on the assigned Credit Rating.</p>	<p>In case there is evidence that Analysts' judgement has been impacted, then the Compliance Function will:</p> <ul style="list-style-type: none"> ▪ Report the finding to the Supervisory Board, ▪ Inform the Credit Rating Assessment Dept. to immediately withdraw the Credit Ratings that have been affected, ▪ Notify accordingly the Supervisory Authorities and the respective rating customers. <p>The Supervisory Board will assess the severity and the impact of the finding, and propose to the Board of Directors its opinion on the penalty and the remedial actions that should be imposed. Upon Board of Directors meeting a decision will be taken.</p>

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<p>Credit Ratings Fees</p>	<p>ICAP will infringe if:</p> <ol style="list-style-type: none"> 1) Doesn't ensure that fees charged to its clients for the provision of Credit Ratings and Ancillary Services are not discriminatory and are based on actual costs, 2) Fees charged for Credit Rating Services depend on the level of the Credit Rating issued or on any other result or outcome of the work performed. 	<ol style="list-style-type: none"> 1) Internal Policies set the framework that the fees charged to ICAP clients are non-discriminatory, based on actual costs and don't depend on the outcome of the work performed, 2) The Pricing Policies and Procedures, assure unbiased fees charged to ICAP clients. 	<p>ICAP Internal Audit controls ensure whether the fees charged are non-discriminatory, follow the standard policies and procedures and are tracked properly and archived.</p>	<p>In case of a finding, the Internal Audit will report it to the Audit Committee.</p> <p>Subsequently, the Audit Committee will assess its severity and impact and reach a final decision and the remedial actions that should be imposed.</p> <p>The Supervisory Authorities and the impacted rating customers will be notified accordingly.</p>
<p>IT Infrastructure</p>	<p>ICAP will infringe if:</p> <p>IT systems, relative policies, procedures and resources do not ensure continuity, regularity, security and proper archiving in the performance of its Credit Rating activities.</p>	<ol style="list-style-type: none"> 1) Systems are monitored on an ongoing basis by IT Operations Dept., 2) ICAP adopts technical security policies procedures that are reviewed continuously. 	<p>The Internal Audit and the Compliance Function monitor and evaluate the adequacy and effectiveness of the IT systems, the internal control mechanisms and take appropriate measures to address any deficiencies in continuity, security and archiving.</p>	<p>The Functions will escalate accordingly their findings in the appropriate Bodies which will take the final decisions and impose the remedial actions.</p>

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<p align="center">Solicited Credit Ratings</p>	<p>ICAP will infringe if in the Solicited Credit Rating Assignment procedure:</p> <ol style="list-style-type: none"> 1) Performs biased data analysis based on selective information provided by the issuer, 2) Assigns higher Credit Ratings levels in order to increase its revenues. 	<ol style="list-style-type: none"> 1) Strict contracts that enforce the issuer to provide all the information needed by ICAP to proceed on an objective and integral Credit Rating assessment. 2) The Pricing Policies and Procedures, assure that the fees charged to ICAP clients are independent from the Credit Rating level. 	<p>The Compliance Function and the Legal Dept. ensure the completeness of the contracts.</p> <p>Internal Audit controls ensure whether the fees charged on Solicited Credit Ratings are independent from the Credit Rating level.</p>	<p>In case of a finding, the Internal Audit will report it to the Audit Committee.</p> <p>Subsequently the Audit Committee will assess its severity and impact, reach a final decision and impose the remedial actions.</p>

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<p>Provision of Consulting Services</p>	<p>ICAP will infringe if:</p> <p>1) Provides the following Consulting Services to the Rated Entities:</p> <ul style="list-style-type: none"> ▪ Business Plans and Feasibility Studies, ▪ Viability Studies and Financial Restructuring, ▪ Valuation of Companies and Real-Estate Assets, ▪ Budgeting – Planning – Forecasting and Cash Flow Management, <p>2) The relevant disclaimer is missing from the Credit Rating presentation of the Rated Entities which make of the following Consulting Services:</p> <ul style="list-style-type: none"> ▪ Market Studies and Regional Development Studies, ▪ Development and implementation of GDPR compliance framework, ▪ Business Analytics Solutions, ▪ Business Intelligence and Decision Support Tools, ▪ Loyalty Programs. 	<p>1) Internal Policies set the framework under which circumstances a company should not be rated,</p> <p>2) IT infrastructure allows the automatic assignment of the identified companies as NR (Not Rated), prohibiting any manual intervention from the Analysts,</p> <p>3) A relevant disclaimer is included in the Credit Rating presentation of the Rated Entities which make use of the specific Consulting Services.</p>	<p>The Compliance Function, through its periodic controls ensures that no Credit Rating is assigned to an entity which makes use of the specific Consulting Services.</p> <p>The Compliance Function controls that the presentation of the Credit Rating includes the relevant disclaimer that the Rated Entity also makes use of the specific Consulting Services.</p>	<p>In case there is an evidence that ICAP assigned a Credit Rating to an entity which makes use of the specific Consulting Services, then the Compliance Function will:</p> <p>1) Inform the Credit Rating Assessment Dept. to withdraw immediately the Credit Rating,</p> <p>2) Assess whether the finding consist an:</p> <ul style="list-style-type: none"> ▪ IT defect or a ▪ Professional misconduct. <p>Then, it will report its opinion to the Supervisory Board.</p> <p>If the Supervisory Board provides its alignment that the infringement, is due to an IT malfunction, then it will mandate the Compliance Function to investigate further and arise with remedial actions, collaborating with the respective IT Division.</p> <p>In case of misconduct, the Supervisory Board will assess the severity and the impact of the finding, and propose to the Board of Directors its opinion on the penalty and the remedial actions that should be imposed. Upon Board of Directors meeting, a decision will be taken.</p>

