



ICAP GROUP S.A.

TRANSPARENCY REPORT

MARCH 2015

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INTRODUCTION

For more than fifty years, ICAP represents the largest provider of Business Information in Greece, having strongly connected its history with the economic development of the country.

Its services and products are provided to the financial sector, to companies of the domestic and international markets and are used for assisting business decisions.

ICAP is actively involved since 1992 in Credit Risk measurement and Credit Rating evaluation of Greek companies, based on the data derived from ICAP DATABANK, the most comprehensive databank in Greece comprising extensive information on more than 500,000 companies.

On 16th September of 2009 the European Parliament and the European Council issued the Regulation 1060/2009 outlining a number of requirements that Credit Rating Agencies must satisfy.

Following the above developments, ICAP Group submitted in September 2010 the application file to the competent Authorities for registration in the records of the Credit Rating Agencies. After the required consultations, the competent European authority (European Securities & Markets Authority) and the corresponding Greek supervisor (Hellenic Capital Market Commission) published the registration of ICAP Group as a CRA with effect from 7th July of 2011.

After this development, and in accordance with Article 12 and Annex I, Section E, Paragraph III of the amended Regulation (1060/2009) of the European Parliament and Council, ICAP GROUP publishes this Transparency Report covering the period from 01.01.2014 up to 31.12.2014.

1. LEGAL STRUCTURE AND OWNERSHIP

1.1 Shareholding Structure

ICAP was founded in 1971 in Athens, Greece. It evolved following the conversion to S.A. of ICAP HELLAS L.L.C., which was founded in 1964 (Government Gazette No. 106 / 1964) from a group of Greek and foreign economists and businessmen.

The Company's shareholding structure includes indirectly GLOBAL FINANCE, as well as the French COFACE Group, one of the largest European Group specialising in export credit insurance and financial information.

The shareholding structure as at 31.12.2014 is represented in the following table:

s/n	Corporate Name	Percentage
1	THORFINN INVESTMENTS LTD	75.58%
2	COFINPAR S.A.	13.28%
3	Other Shareholders	11.14%
	Total	100.00%

Share capital on 31.12.2014 amounted to Euro 11,533,500 divided in 38,445,000 shares of 0.30 Euro.

THORFINN INVESTMENTS LTD is controlled by GLOBAL FINANCE, the largest private equity firm in South-Eastern Europe, founded in 1991.

GLOBAL FINANCE manages a number of funds, each with a distinctive, clearly defined geographic and investment focus, supporting the regional expansion of businesses in Greece and abroad. Global Finance's operations comprises of investments in the manufacturing, information technology, specialty retail, media, telecommunications, services and real estate sectors in South-Eastern Europe.

CONFINPAR S.A. is controlled (100%) by the French COFACE, one of the world's largest company specialised in export credit insurance and financial information, established in 12, Cours Michelet, La Defense 10, 92800 Puteaux, France.

The main activities of COFACE include trade receivables insurance, finance and management services as well as business information provision.

1.2 Participations

The following section summarizes data on the Company's participations as at 31.12.2014.

Corporate Name	ICAP Participation	Head Office	Establishment Year	Sector
ICAP OUTSOURCING SOLUTIONS S.A. (GREECE)	100%	2 El. Venizelou 17676, Kallithea, Attiki	1999	Call Centre Services, Management Support Services
ICAP ADVISORY S.A. (GREECE)	100%	2 El. Venizelou 17676, Kallithea, Attiki	2010	Management Consulting and Human Capital Advisors
ICAP EMPLOYMENT SOLUTIONS S.A. (GREECE)	100%	2 El. Venizelou 17676, Kallithea, Attiki	2002	Provisional Employment Services
ICAP SECURITY SERVICES S.A. (GREECE)	100%	2 El. Venizelou 17676, Kallithea, Attiki	2012	Provision of Security Services Personnel
CYCLE S.A. (GREECE)	100%	2 El. Venizelou 17676, Kallithea, Attiki	1996	Receivables Management
TAYLOR NELSON SOFRES ICAP S.A. (TNS ICAP S.A.) (GREECE)	49%	154A Sevastoupoleos 11526, Athens	2002	Market Research Services
ICAP BULGARIA EAD (BULGARIA)	100%	43 Christopher Columbus Blvd, 1592 Sofia, Bulgaria	2006	Management Consulting Services
ICAP CYPRUS LIMITED (CYPRUS)	100%	169 Athalassas Ave., 2015 Strovolos, Office 102, Nicosia, Cyprus	2010	Business Information and Management Consultancy Services
ICAP ROMANIA S.R.L (ROMANIA)	100%	10 Bucuresti – Nord Road, Building O21 Voluntari, Ilfov, Romania	2008	Business Information and Management Consultancy Services
ICAP BUSINESS SERVICES d.o.o. Beograd (SERBIA)	100%	90v Omladinskih Brigada Str., 11070 Novi Belgrade, Serbia	2009	Business Information and Management Consultancy Services
CYCLE EUROPEAN S.R.L. (ROMANIA)	100%	10 Bucuresti-Nord Road, Building O21 Voluntari, Ilfov, Romania	2004	Receivables Management
CYCLE CREDIT d.o.o. Beograd (SERBIA)	100%	90v Omladinskih Brigada Str., 11070 Novi Belgrade, Serbia	2007	Receivables Management
CYCLE CREDIT BULGARIA SOLE LIMITED (BULGARIA)	100%	43 Christopher Columbus Blvd, 1592 Sofia, Bulgaria	2010	Receivables Management
ICAP EMPLOYMENT SOLUTIONS SOLE LIMITED (BULGARIA)	100%	43 Christopher Columbus Blvd, 1592 Sofia, Bulgaria	2012	Human Resource Services

Corporate Name	ICAP Participation	Head Office	Establishment Year	Sector
ICAP EMPLOYMENT SOLUTIONS ROMANIA S.R.L. (ROMANIA)	100%	10 Bucuresti-Nord Road, Building O21 Voluntari, Ilfov, Romania	2013	Human Resource Services
SKYRMET INVESTMENTS LIMITED (CYPRUS)	100%	4 Naxou Str. , Nicosia, Cyprus	2007	Holding Company
CYCLE INTERNATIONAL S.A. (TURKEY)	51%	Sun Plaza, Bilim Sok, No: 5 Kat: 14, 34398 Maslak, Istanbul, Turkey	2013	Receivables Management
ICAP CREDIT RISK SERVICES D.O.O. (CROATIA)	100%	Masarikova 13 - 10000, Zagreb, Croatia	2014	Business and management consulting services and market research
ICAP B.H D.O.O.BANJA LUKA (BOSNIA)	100%	Sime Solaje 17 – 78000, Bagna Luka, Bosnia	2014	Business and management consulting services, market research and advertising services

ICAP participates in these companies directly or indirectly through its subsidiaries.

2. INTERNAL CONTROL MECHANISMS

Given below are details of these internal structures that ensure:

- Integrity,
- Transparency,
- Reliability and quality of credit rating activities,
- Compliance of the rules for the company's organization and conduct in order to promote the independence and avoid conflicts of interests.

2.1 Board of Directors

The Board of Directors keeps the authority to administrate and represent the Company, to schedule the strategies of the Company in connection with the general guidelines and directions (prices, fees, employment administration, personnel etc), with the business plans, planning and budgets, with the programs of organization and management (plan of organization, competences, authorizations, description of proceedings etc), with the provision of general instructions and directions and in general to resolve important issues and to supervise the authorized representatives.

The Board of Directors composition as at 31.12.2014 was as follows:

s/n	Name	Position
1	George Kourtis	Chairman
2	Nikitas Konstantellos	Vice Chairman, CEO
3	Charalampos Sachinis	Member
4	Panagiotis Lagarias	Member
5	Eric Vaingnedroye	Member
6	Ilias Tsigkas	Independent Member
7	Corinne Saunders	Independent Member

2.2 Audit Committee

The Audit Committee is a monitoring and review body of the financial risks of the organization. Accordingly it is an advisory body to the management board of ICAP.

The Committee consists of three Board members who have the appropriate degree of objectivity and the necessary skills to address such matters in more detail as directed by the Board.

The Audit Committee is responsible for the review of the:

- Financial reporting process,
- System of internal control and management of financial risks,
- Audit process,
- Company's process for monitoring compliance with laws, regulations and internal code of business conduct and
- Conflict of interests of ICAP with its shareholders (including their subsidiaries and affiliates) and its executives.

2.2.1 Internal Audit

The Internal Audit Department is independent of the other Company departments and reports directly to the Audit Committee of the Board of Directors. The department has one permanent employee.

The competencies of the internal audit include the independent evaluation of the adequacy and efficiency of the Company's internal control systems and of its corporate governance.

Specifically, but not exclusively, these competencies include the:

- Review of operations and of relative internal control activities designed to assure the achievement of set targets,
- Qualitative assessment of managerial and financial information,
- Compliance review of the Corporate Guidelines and of the Code of Business Conduct,
- Compliance review of the established policies and relative legal constraints. In particular, compliance with ISO 9001 is reviewed on an annual basis,
- Compliance review with the IS-IT security policy,
- Review of the legitimacy of management compensation,
- Review of inter-company transactions.

2.3 Supervisory Board

The Supervisory Board reports directly to the Company's Board of Directors and is responsible for the supervision of the Internal Review and Compliance Functions.

It consists of 3 members, one of which is not related to ICAP while the other two are Independent Members of the Board of Directors.

The members of the Supervisory Board meet the requirements of the independence provided by the Section III Point 13 of the constitution 2005/162/EC of the European Commission, of 15th February 2005, in respect with the role of the non executive and supervisory administrative executives of the listed companies, as well as with the committees of the administrative or the supervisory board, as to meet the requirements of the amended Regulation 1060/2009 of the European Parliament and of the Council of 16.09.2009 in relation to Credit Rating Agencies.

The Supervisory Board does not relate in any way with the credit ratings assignment procedures as well as the operational framework applied to the activities of the Credit Risk Services Division.

The competences of the Supervisory Board contain the following:

- Monitoring the sufficiency of the results of the methods used for credit assessment and their evaluation,
- Resolutions on the development / revision of the methods used for credit assessment,
- Monitoring the compliance with the Regulation 1060/2009,
- Communication with the competent supervisory authorities,
- Evaluation of the activities of the Internal Review and Compliance Functions.

2.3.1 Internal Review Function

The Internal Review Function is an independent department of the Company with main responsibility to regularly review the methodologies for the credit ratings assignment. This particular Function directly reports to the Supervisory Board and is independent of the Credit Risk Services Division. It consists of one permanent employee.

All reports / studies prepared by the Function are submitted to the Supervisory Board for their assessment and decision-making procedures.

The Supervisory Board monitors the performance and the proper operation of the Function by evaluating the progress of the activities in relation to the agreed annual work plan and the quality of the tests / studies performed.

The Function's main responsibility is the annual validation tests of the accuracy and the discriminatory power of the credit ratings assignment methodologies. The validation includes a series of tests for the accuracy of the assigned credit ratings. In addition to the reporting to the Supervisory Board, the Internal Review Function may also suggest, if necessary, specific measures for improving the methodology framework.

Moreover, the Internal Review Function regularly monitors the effect of specific macroeconomic factors on the assigned credit ratings as well as the evolution of the default rates both at an economic level and at an activity sector level and suggests the necessary improvements in order to calibrate procedures according to current economic conditions.

The Internal Review Function collaborates with the relevant Departments to take into consideration any remarks / suggestions from the parties involved for the improvement of the existing methodologies.

2.3.2 Compliance Function

The Compliance Function is responsible for the monitoring and the evaluation of the Company's procedures regarding the implementation of the requirements and criteria set by the Regulation 1060/2009 for the operation of the Credit Rating Agencies and the support and the provision of any information to the competent authorities upon exercise of their duties.

The Function reports to the Supervisory Board and the Board of Directors and consists of two permanent employees who are fully occupied with the responsibilities of it.

The Supervisory Board monitors the performance and the proper operation of the Function by evaluating the progress of the activities in relation to the agreed annual work plan and the quality of the reviews by assessing the completeness of the areas included in the scope.

The main responsibilities of the Function concern:

- Monitor and, on a regular basis, assess the adequacy, effectiveness and application of the measures and procedures put in place by all involved personnel in accordance with the guidelines of Regulation 1060/2009, and the actions taken to address any deficiencies in ICAP's compliance with its obligations,
- Advise and assist the people responsible for carrying out credit rating activities, to comply with obligations under the Regulation,
- Cooperate with Company's legal department for the compliance, where necessary, under the applied legal framework,
- Inform and support the competent authorities,
- Inform the Supervisory Board and the Board of Directors for any observed breach of the regulatory framework in force or for possible significant deficiencies in the observance of the requirements it imposes,
- Inform the Company's new employees about the relevant regulatory obligations, the Internal Regulation and the Code of Conduct and the Compliance Function's operation during scheduled training seminars (induction programs) as well as inform the existing employees for possible developments in related topics.

2.4 Code of Conduct

The Code of Conduct has been composed based on the IOSCO Code of Conduct principles for the Credit Rating Agencies.

It constitutes an aggregated record of specific mechanisms. The adoption of these mechanisms is appropriate and efficient for protecting the independence of the CRAs regarding the Credit Ratings production, for identifying, eliminating and/or managing potential conflicts of interests as well as for ensuring the confidentiality of the information.

ICAP provides its credit rating services with objectivity, independence, integrity and transparency.

ICAP has adopted and applies internal procedures and policies that ensure the objectivity and accuracy of the provided Credit Ratings.



ICAP has adopted and applies all the necessary audit mechanisms which ensure the adherence to the present Code of Conduct and particularly the objectivity, independence, integrity and accuracy of the provided Credit Ratings.

3. CREDIT RATING ASSIGNMENT PROCESS

This section describes the process that ICAP developed for the assignment of credit ratings to companies according to the requirements of amended Regulation 1060/2009 of the European Parliament and of the Council of 16 September 2009 and CESR's guidelines (10-347) on Credit Rating Agencies.

The assignment of a credit rating to a company is related with the estimation of the company's probability of default, according to ICAP's definition of default, for the following 12 months (time horizon of estimation).

The credit rating assignment process is activated after the completion of the quality control of the information collected during the update process and consists of the following steps:

- Execution of the quantitative assessment that assesses the financial accounts, the derogatory data and the commercial characteristics of the company,
- Qualitative assessment of the economic unit,
- Final credit rating assignment,
- The notification of the rated company for its assigned rating.

According to the CEREP terminology ('CESR's Guidelines for the implementation of the CEREP', Ref.: 10-331, page 9), ICAP provides only Corporate ratings for Corporate issuers that are not considered to be a financial institution or insurance.

3.1 Quantitative Assessment

ICAP has developed quantitative algorithms for evaluating companies' creditworthiness. The algorithms examine:

- The financial state of the company based on financial ratios,
- The solvency of the company by considering the existence of derogatory payment data,
- The commercial characteristics of the company by examining among others the number of employees, the activity sector's risk and the years in operation.

Credit rating models are based on the application of logistic regression and thus:

- They estimate the probability of default,
- They classify each company into credit ratings, based on the above estimation.

The key parameters of the above credit rating models are the following:

- The time horizon is set to be 12 months, i.e. ICAP credit rating models have been developed to estimate the one year probability of default,
- The definition of a company as "defaulted" derives from Bankruptcies, Bankruptcy Petitions and other elements that indicate significant inability of the company to fulfil its obligations.
- The period during which companies' data are collected (performance period) is:
 - for the financial data, the last three years before the assessment date,
 - for the derogatory data, two years before the assessment date,
 - for the commercial data, the most recent at the time of the assessment are collected.

3.2 Qualitative Assessment

The aim of the qualitative characteristics assessment is to combine the results of the quantitative assessment with additional information – qualitative characteristics – of the economic unit. This procedure is provisioned by the amended Regulation 1060/2009 of the

European Parliament and of the Council of 16 September 2009 and CESR's guidelines (10-347).

In order to achieve this aim, a specific assessment methodology of the qualitative characteristics is developed that ensures the integrity, independence and consistency of the Analyst's credit rating opinion regarding the creditworthiness of the economic unit.

The credit rating assignment process is executed from 18 Analysts and 1 Lead Analyst, who supervise the procedures and approve the credit ratings. It should be noted that the Lead Analyst is responsible for the allocation of new credit ratings to the Analysts, according to potential conflicts of interest as well as the number of credit ratings that an Analyst may assign during a year. For each new credit rating, the Analyst states to the Lead Analyst if there is a conflict of interest issue in order to be excluded from the rating procedure of the specific company.

Following the international practices, ICAP's methodology focuses on specific rating criteria that can be grouped in three main categories based on the risk factors they assess:

- Business Risk
- Financial Risk
- Industry Risk

3.3 Final Credit Rating

The Analyst combines the results of the quantitative and qualitative assessments, as explained above, and arrives at a proposal on the rating to be assigned to the company.

This proposal, under certain occasions, is reviewed by the Rating Committee that will be responsible for deciding the final credit rating.

The Rating Committee convenes in any of the following occasions:

- ✓ When the Total Assets of the rated company exceed €100m,
- ✓ When the rated company is subject to special events such as:
 - mergers / absorptions,
 - financial accounting reporting standards changes (from G.S. to I.F.R.S.),
 - management changes affecting the company's status,
 - loss of trademarks / representation rights,
 - contribution / absorption of a business sector/s
- ✓ Disagreement on the rating to be assigned between the Analyst and the Lead Analyst,
- ✓ When the rated company expresses serious reservations regarding the result of the assessment and for that reason provides additional data to be taken into account,
- ✓ When the calculated rating differs 3 zones or more from the one that the Analyst and Lead Analyst propose.

The final credit rating that is jointly decided by the Analyst, the Lead Analyst and the Rating Committee (if the above conditions apply) is then stored in ICAP's database accompanied by the appropriate justification and the rated company is notified of the result of the assessment.

3.4 Final Decision Notification

When the final decision is concluded, ICAP contacts the rated company and informs it about the credit rating decision as well as the information that led to this decision. The communication with the rated company takes place at least 12 working hours before the publication of the credit rating.

If the rated company has not an objection to the credit rating and to the information used to reach the decision, the disclosure of the evaluation process is initiated.

In case that the rated company does not agree with the assigned rating, it is asked from the rated entity to provide ICAP with additional mainly financial data in order to proceed respectively with a reassessment.

Finally, in order to clearly distinguish these evaluations from the ones which are not assessed according to the Regulation 1060/2009, these are indicated as Credit Ratings.

3.5 Credit Ratings Monitoring and Updating

ICAP may review the rating of a Company either: a) as part of the regular assessment of the Company's creditworthiness (at least twice a year), or b) as a response to a Client's request, submitted to ICAP only in a written form.

The Credit Ratings review can also be initiated when ICAP becomes aware of any significant information that might reasonably be expected to significantly influence the recent Credit Ratings.

ICAP reserves the right to postpone or discontinue the publication of a rating for a specific Company at any time, as well as to alter, downgrade, upgrade or withdraw the rating of a specific Company, without any relevant request of the rated Company, by providing in any case the necessary justification.

ICAP's Credit Ratings reviews are independent from any consequences (economical, political or other) that these may cause to ICAP, the rated Company and any other interested party. For that reason, ICAP has taken all necessary actions for ensuring the independence of the Credit Ratings assignment operations and the observance of the related procedures from any type of influence, internal or external.

4. STATISTICS – CREDIT RATING PERSONNEL ALLOCATION

The staff allocation up to 31st December of 2014 over the main credit rating activities is given below.

Senior Management: the personnel responsible for the management of the company and the specific credit rating activities, including the Internal Audit, Internal Review and Compliance Functions and the Supervisory Board.

Credit Ratings Assignment: the personnel who are responsible with the assignment of either new credit ratings or credit rating reviews to companies. It consists from the Analysts, the Lead Analyst, the Supervisor and the Director of the Department.

Methodologies Development: the personnel responsible for the development and maintenance of the methodology and the quantitative algorithms employed during the credit ratings assignment and the support of the activities related to the credit ratings applications.

Credit Ratings Support: the personnel responsible for updating the database with new information, the processing of clients' requests and supporting the production of deliverables.

Personnel Allocation	Employees
Senior Management	7
- Supervisory Board	3
- Compliance Function	2
- Internal Review Function	1
- Internal Audit	1
Credit Rating Assignment	21
- Analysts	18
- Lead Analysts	1
- Director/ Supervisor	2
Methodologies Development	3
Credit Ratings Support	9

It is noted the significant role of the Rating Committee in the credit rating assignment procedures. It consists from the Analyst, the Lead Analyst, the Supervisor and the Director of the Credit Risk Services Division. It convenes in order to decide on the assignment of credit ratings to companies that meet specific criteria in accordance with ICAP's "Rating Committee Policy".

5. RECORD KEEPING POLICY

ICAP keeps at its premises for at least 5 years the following information:

- All data related to each assigned credit rating, including among others:
 - Input data (financial, derogatory and qualitative information as well as other related information such as financial studies that may be used,
 - Results of each step of the methodology applied as well as final results,
 - Identities and opinions of all parties involved in the assignment procedure (including the Analysts' reports delivered to the Rating Committee as well as the set of minutes of each meeting),
 - Other information needed for the presentation of the credit ratings (e.g. date of the credit rating).

- Records of received and sent communications with the rated companies during the credit rating assignment procedure as well as relevant internal communications. These records include:
 - The interviews with the rated companies for the collection or / and confirmation of the necessary data
 - The disclosure of the credit ratings to the rated companies before their publication and the responses of the rated companies
 - Internal communications inside the Business Information & Credit Ratings Department (e.g. among Analysts and Lead Analysts or among the groups of the Department) as well as among the Business Information & Credit Ratings Department and any other relevant Department (e.g. the Financial Studies Department for the provision of relative information).

These communications may be on an electronic or written form (i.e. email / fax or letters / questionnaires / memos), except the phone interviews conducted with the rated companies for the collection of the necessary data.

All emails, independently of the users' actions, are stored centrally on ICAP's server while all written communications, including copies of fax communications, are stored in specific archives under the responsibility of the Credit Risk Services Division's relevant employees (e.g. Analyst, Lead Analyst, member of Rating Committee).

- All clients-related information, including (per client):
 - Products / Services requested and the relevant signed contracts
 - Fees receivedThis information is stored in an independent information system.

- All documents describing the credit rating methodologies, procedures and policies that ICAP applies.

- All documents describing the measures, procedures and policies that ICAP applies for its compliance with the Regulation. In the same folder are kept the results of any assessments performed by the Compliance function as well as all reports submitted to the Supervisory Board. In addition, in the specific folder are included all relevant documents required for the management of the Regulation's breaches.

- In addition, the appropriate records are kept for information – data such as:
 - Board of Directors meeting minutes
 - Supervisory Board meeting minutes as well as its reports to the Board of Directors
 - The procedures and the reports / studies of the Internal Review and Compliance Functions

- Communication of Compliance Function with the employees of the Credit Risk Services Division
- Files sent to CEREP and SOCRAT
- Files and documents disclosed to competent authorities, etc.

For all the information above, a system of controlled / authorised access depending on the activities and position level of each user is applied.

Moreover, ICAP applies a specific back-up procedure for all the information mentioned above that makes its retrieval possible in cases of system failures or other malfunctions.

ICAP will keep at its premises for at least 5 years the above information.

Finally, the above information is available to the competent authorities upon request.

6. INTERNAL AUDIT REVIEW OF COMPLIANCE FUNCTION

General Info

An internal review of the Compliance Function was conducted in order to form an opinion on the adequacy and effectiveness of existing procedures and practices with respect to the regulatory obligations as determined by the amended EU Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Overall, Compliance Functions' processes and controls are satisfactory to ensure alignment of the credit rating process with the regulatory requirements. Furthermore, it is noted that during year 2014 improvement actions have been undertaken in order to enhance Operating Procedures and strengthen internal controls with a view to increase objectivity, integrity and independence over the credit rating process.

The audit scope of the 2014 review included the following areas:

Efficiency of Compliance Function controls on conflicts of interest

The Internal Audit reviewed the efficiency and the effectiveness of the controls set into force for identifying, preventing and managing conflicts of interest. During the sampling process controls implemented by the Compliance Function were found efficient, effective and in line with EU Regulation.

Effectiveness of Compliance Function controls on integrity and transparency of the credit rating process

A sample process was conducted concerning the steps followed during the credit rating assignment procedure and it indicated adherence to internal procedures and regulatory framework, thus also illustrating that the Compliance Function operates efficiently.

Implementation of Compliance Functions' Work Plan as communicated to ESMA

The scope of the review focused on Compliance Functions' responsibilities with respect to regularly scheduled and ad hoc reporting activities. The audit results showed that reporting obligations were fulfilled in a timely manner.

Adequacy of Training Activities

Training sessions for new and existing employees took place as per the standard policies. The 2014 training program aimed at enhancing employees' awareness of regulatory framework and internal procedures, as well as improving analysts' core competencies over the credit rating process.

7. ANALYSTS' ROTATION POLICY

ICAP has developed an Analyst / Lead Analyst rotation policy for the promotion of the credit ratings assignment procedures' independence and transparency as well as for preventing potential conflicts of interest.

The rotation policy expects that an Analyst can rate a specific company or companies related to the company for maximum 4 years while the Lead Analysts as well as the Rating Committee members can rate a specific company or companies related to the company for maximum 7 years. For the observance of the policy a specific record is kept for all Analysts, Lead Analysts and Rating Committee members with the companies that they have evaluated during the above time periods.

Moreover, after the implementation of the rotation policy, the Analysts, Lead Analysts and the Rating Committee members can not rate again a specific company or related to it companies for 2 years since their last rating assignment.

8. REVENUES

The annual revenues that come from credit rating activities as well as from other activities not related to credit rating assignment refer to the financial year that ended at the 31.12.2014. Specifically, a breakdown of revenues is:

Company Total Revenues	€ 12,520,643
Revenues from Credit Ratings: revenues related to credit rating assignment activities.	€ 784,713
Revenues from Business Reports: revenues related to business information activities excluding those related to credit rating assignment.	€ 6,944,026
Other Revenues of Credit Risk Services Division: revenues from other activities related to Credit Risk Services Division such as sectorial studies, financial publications, etc.	€ 3,661,004
Revenues of other divisions: revenues from other activities not related to Credit Risk Services such as management consulting.	€ 1,130,900

Similarly the breakdown of revenues coming from the Credit Rating Clients is:

Total Revenues from Credit Rating Clients	€ 1,335,028
Revenues related with Credit Rating Services	€ 784,713
Revenues related with Ancillary Services, i.e. Business Reports, Financial Publications, Sectorial Studies	€ 550,315

9. CORPORATE GOVERNANCE STATEMENT

This is a Statement concerning corporate governance within the meaning of article 46a, paragraph 1, of Council Directive 78/660/EEC of 25 July 1978.

Article 46a, par. 1, section (a) sub-sections (i) and (ii)

The Company voluntarily applies a Code of Conduct («Code») for credit ratings, as described in above par. 2.4 of the present. The Code contains practices respective to those of the International Organization of Securities Commissions Code of Conduct Fundamentals for Credit Rating Agencies ("IOSCO Code").

The Code has been electronically notified to all Company's personnel employed in the Business Information and Credit Ratings Department, moreover the Code is freely available to any employee of that Department.

Article 46a, par. 1, section (a) sub-section (iii)

Greek Law does not provide minimum requirements to be met by the Company in relation to the specific activity of credit rating. The Company has no shares or other movable assets in stock market ("non listed company"), as consequence the Company is not subject to the Greek provisions of corporate governance under Law 3016/2002.

Article 46a, par. 1, section (b)

Not applicable.

Article 46a, par. 1, section (c)

The Internal Control is described in the above section 2 of the present.

The Company does not face any currency risk and there are not any considerable issues with respect to credit risk, liquidity risk and operational risk.

ICAP has established appropriate accurate processes designed to ensure that financial statement presentation remains current with changes in accounting and disclosure standards. Moreover, the Company develops and periodically updates its corporate accounting policies and procedures in order to ensure that controls are appropriately designed and consistently implemented according to specific management structure and approach. In order to ensure that sound accounting procedures are in place, the following measures are incorporated:

- The Company has a comprehensive chart of accounts which provides a detailed description of each account, identifies how the account is mapped on the G/L and identifies related accounts and sample entries.
- On a quarterly basis an in-house audit is being established to reconcile the current chart of accounts with the updated accounting standards in cooperation with the external auditors. During the process the crucial point is the agreement of accounts and checks of the accuracy of the chart. In case of variances, it may be necessary to correct the accounts.
- All accounts are reconciled at least monthly with more frequent reconciliation for riskier accounts with higher volumes and more complex transactions. The most sensitive accounts are those of the Cash in Hand and Bank, Clients, Suppliers, Liabilities to Banks & Tax and FA.
- In order to facilitate timely, complete and accurate financial statement closings, there are in place processes that relate to Variance Analysis and Intercompany Balances.
- An important component of a robust financial control process includes policies with respect to aging and charge-off of stale or unreconciled account balances. The Company has established account aging processes and develops defined write-off guidelines.

- Accounting and Finance staff is knowledgeable and possesses the necessary competencies. The group consists of 8 people with related academic titles.
- Finally, the Internal Audit Department and Senior Management monitor the financial accounts. The Board of Directors and Senior Management are proactive and in place to review and implement changes to the financial control environment. The Internal Auditors give close attention to accounting control issues and approved corporate-wide policies that defined the accounting control.

Article 46a, par. 1, section (d)

All direct or indirect participations of the Company are set out in the above paragraph 1.2.

No other holders of the Company's shares, than the Company's shareholders. These shareholders are mentioned in the above paragraph 1.1 and they have the rights designated by the provisions of the Law 2190/1920 on societate anonime, as currently in force. Pursuant to those provisions, the rights of the minority shareholders are protected, in case they represent at least 1/20 of the share capital.

There are no restrictions on the voting rights of shareholders.

The members of the Board of Directors are elected by the General Assembly of the Company, without any restriction provided by its Articles of Incorporation. It is also provided that in event of death, resignation or dismissal of any Board member, the remaining members must elect a new member for the remainder of the tenure.

The Board members have no powers to issue or buy-back shares. The Board of Directors, as a management body, is entitled to distribute shares only in compliance with the resolutions of the General Assembly (i.e. increase of share capital with issue of new shares) and with the provisions of the Law 2190/1920 on societate anonime.

Article 46a, par. 1, section (e)

The competences, the convention, the meeting, the agenda, the quorum and the voting majority and in general the operation of the General Assemblies of the Company are described in detail in the Law 2190/1920 on societate anonime.

Article 46a, par. 1, section (f)

The Company's composition and operation of the administrative, management and supervisory bodies, and their committees, are specified in above par. 2.1 (Board of Directors), 2.2 (Audit Committee), 2.3 (Supervisory Board).