

Independence and Conflict of Interests

It is essential in order for Lianhe Ratings Global Limited (“LRGL” or “the Company”) to function appropriately in the marketplace that LRGL retains an appropriate degree of objectivity when determining credit ratings and/or other rating products (“Ratings”). A potential and perceived lack of independence and/or existence of conflict-of-interest present challenges to LRGL’s objectivity and role in the marketplace.

LRGL requires its employees to be in a position of independence and has adopted internal procedures and mechanisms to identify, and eliminate, and/or manage and disclose as appropriate, any actual or potential conflicts of interest that may influence either: (i) the Ratings LRGL assigns; or (ii) the judgement and analyses of the licensed representatives who are involved in the preparation of Ratings in order to ensure that the rating services are undertaken in an objective manner. LRGL’s employees (“Employees”) are strictly prohibited from trading securities (including derivatives) of Rated Entities, their affiliates, or any entity under LRGL’s coverage.

Disclosure of any actual or potential conflicts of interest should be made in a timely manner.

Conflict of Interest Certification

An Employee shall not approve, participate in or otherwise influence the determination of a Rating, if the Employee has a conflict of interest or circumstances create the impression of a conflict of interest that LRGL deems to be unacceptable, in either case arising from any of the following with respect to the Employee:

- a. owns Securities (including derivatives of Securities) issued, guaranteed or otherwise supported by the Rated Entity, its affiliates or any of the identified third parties;
- b. has had a recent employment or other significant business relationship with the Rated Entity, its affiliates or identified third parties, that either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems to be unacceptable;
- c. has a Family Member who works for the Rated Entity, its affiliates or identified third parties, in circumstances where this employment relationship either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems to be unacceptable;
- d. has, or had, any other relationship with the Rated Entity, its affiliates or identified third parties, or any related entity thereof that either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems to be unacceptable;
- e. has, or had initiated, or participated in Fee Discussions with the Rated Entity, its affiliates or identified third parties, (excluding accidental receipt of fee information with participation from the Employee and clearance);
- f. has received gifts or entertainment or cash from the Rated Entity, its affiliates or identified third parties, that either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems to be unacceptable in accordance with the Gift and Entertainment Policy; or
- g. has a Family Member who received gifts or entertainment or cash from the Rated Entity, its affiliates or identified third parties, that either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems to be unacceptable in accordance with the Compliance Manual.

If an Employee determines that an actual or potential conflict exists that would make such Employee ineligible to participate in the process for determining a Rating, the Employee must (i) cease participation in the rating or assessment process and (ii) reach out to Compliance.

Outside Business Interests and Other Potential Conflicts Policy

Policy

LRGL permits Employees to maintain Outside Business Interests as long as:

- a. the Outside Business Interest does not create an actual or potential conflict of interest;
- b. the Outside Business Interest does not affect the ability of Employees to perform their professional responsibilities within LRGL, including obligations under their employment contracts with LRGL; and
- c. the Employee does not approve, participate in or otherwise influence the determination of a Rating that is associated with such Outside Business Interest.

An Employee may not participate in the selection of vendors, business partners or contractors, and Employees may not approve, participate in or otherwise influence the determination of the Rating of any particular entity or obligation, where an actual or potential conflict might arise from an Outside Business Interest of the Employee or the business interests of the Employee's immediate relations (i.e., a spouse, partner, parent, child or sibling) or other close personal relationship.

An Employee may not engage in Outside Business Interests without prior written approval from his/her manager and review by Compliance. Further, Employees may not use LRGL's company resources, including telephones, fax machines and computers, to engage in activities related to Outside Business Interests.

An actual or potential conflict of interest between the professional responsibilities of an Employee and an Outside Business Interest may arise with an Outside Entity:

- That is a vendor, business partner, customer, contractor or competitor of LRGL;
- That may be a competitor of LRGL, or offers a product or service similar to a product or service offered by LRGL;
- That is a Rated Entity, or that is an affiliate of a Rated Entity;
- That interacts with LRGL on behalf of a Rated Entity as a Related Third Party;
- That receives non-Rating Services from LRGL;
- That provides compensation or remuneration for services as a board member.

Additionally, an actual or potential conflict of interest could arise where the activities of the Employee's immediate relations or other close personal relationships could otherwise affect the Employee's ability to perform his or her professional responsibilities at LRGL.

Outside Positions of LRGL's Employees

A Licensed Person serving in an Outside Position may be regarded as a representative of LRGL and might find his/her duties with such Outside Entity to be in conflict with LRGL's interests.

A Licensed Person, therefore, may not assume any Outside Position that may create an actual or potential conflict of interest with the professional responsibilities the Employee performs for LRGL regardless of whether the Licensed Person is compensated for such outside activities.

A Licensed Person may accept Outside Positions only after receiving written approval from his/her manager and review by Compliance. In general, board nominations or memberships for Rated Entities will not be approved. Further, requests by Licensed Person to be nominated for or to serve on the board of directors of any Outside Entity (regardless of whether it is a for-profit or not-for-profit entity) generally will not be approved if such service includes any compensation or remuneration.

Recent Employment of LRGL's Employees

Employees who are new hires are required to report to their manager any employment, or other relevant engagement as a director, officer, consultant or contractor, in the 12 months prior to joining LRGL.

An Employee may be instructed by his/her manager to refrain from participating in certain professional activities if the Employee has served within the past 12 months in an Outside Position with a vendor, business partner, contractor or customer of LRGL.

Employees may not approve, participate in or otherwise influence the determination of the Rating of any particular entity or obligation if the Employee has, or had, served within the past 12 months in an Outside Position with a Rated Entity, its affiliate or a Related Third Party, that either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems unacceptable.

Significant Business Interest of LRGL's Employees

An Employee may establish or maintain Significant Business Interests only after receiving written approval from their managers and review by Compliance.

Employees may be instructed by their manager to refrain from participating in certain professional activities if the Employee has, or had within the last 12 months, a Significant Business Interest in a vendor, business partner, customer or contractor of LRGL.

Employees may not approve, participate in or otherwise influence the determination of the Rating of any particular entity or obligation if the Employee has, or had within the last 12 months a Significant Business Interest with the Rated Entity, its affiliate or a Related Third Party, that either constitutes a conflict of interest or creates the impression of a conflict of interest that LRGL deems unacceptable.

Business Interests of Immediate Relations

Actual or potential conflicts of interest may arise from the business interests of immediate relations (i.e., a spouse, partner, parent, child or sibling) with Rated Entities, their affiliates or Related Third Parties, or vendors, business partners, customers, contractors or competitors of LRGL. This can include employment by, or consulting, contracting or advising for such entities, as well as a Significant Business Interest in such entities.

An Employee is required to disclose to his/her manager any business interests of immediate relations of which he/she is aware that may reasonably create an actual or potential conflict of interest with the Employee's professional responsibilities at LRGL.

An Employee may be instructed by his/her manager to refrain from participating in certain professional activities where an immediate relation has a business interest with a Rated Entity, its affiliate or a Related Third Party or with a vendor, business partner, customer, contractor or competitor of LRGL.

Managers are required to take steps as necessary so the Employee is not in a position to make or influence decisions as part of his or her position at LRGL in a way that may reasonably create an actual or potential conflict with such business interests.

Other Relationships

Actual or potential conflicts of interest also may arise from the business interests of those with whom an Employee has a close personal or other relationship (e.g., the employment of a close personal friend). Employees are required to disclose to their manager any such actual or potential conflicts of interest of which they are aware.

Managers are required to take steps as necessary so the Employee is not in a position to make or influence decisions as part of his or her position at LRGL in a way that may reasonably create an actual or potential conflict with such business interests.

Anti-Bribery and Anti-Corruption Policy

It is the policy to comply with all applicable anti-bribery and anti-corruption laws, including but not limited to all applicable anti-bribery and anti-corruption laws where LRGL operates, and to accurately reflect all transactions in LRGL's books and records.

Making actual payments or even offering business courtesies (as described below) or anything else of value, such as gifts, entertainment or other hospitality, to public officials (as defined below) may violate anti-bribery and anti-corruption laws. Commercial bribery (not involving public officials) is also illegal in many countries. This Policy prohibits all commercial or public sector bribery.

Employees are prohibited from offering or paying bribes. Employees are also prohibited from providing any business courtesy or other thing of value for the purpose of rewarding a person for performing a function or activity that he/she is otherwise required to perform, or for inducing or rewarding the improper performance of a function or activity. Whether a function or activity is performed "improperly" is judged by whether it breaches a reasonable person's expectation in relation to the performance of that function or activity, such as the expectation that a person will perform a function or activity impartially and in good faith.

For purposes of this Policy, outreach to and engagement with public officials (including legislators and regulators) for the purpose of advancing LRGL's legitimate business interests is not considered improper, provided that such outreach or engagement complies with this Policy.

Public Officials

Although this Policy prohibits both commercial and public sector bribery, payments to or on behalf of, and the offering of business courtesies to, public officials warrant close scrutiny and must undergo advance review and approval by Compliance (unless exempted pursuant to the exemptions below). For purposes of this Policy, "public official" is construed broadly and includes not only elected officials of a government, but also any officer or employee of a government or any department, agency or "instrumentality" thereof (such as a government-controlled company or other commercial enterprise) or of a public international organization. "Public official" also includes any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality, or for or on behalf of any such public international organization.

Examples of public officials include the following:

- Head of state
- Royal family member
- Ministry or agency official
- Judge, magistrate or legislator
- Officer or employee of a government-controlled company, including government-controlled financial, banking, healthcare and transportation institutions and utilities
- Private person acting officially on behalf of a government department, agency or instrumentality

- Official of a public international organization (e.g., World Bank, IMF, UN)
- Employee of any government agency
- Political party, party official, or candidate for public office
- Employee of a government-sponsored pension or retirement plan

For purposes of the anti-bribery and anti-corruption laws, it is irrelevant whether a person is considered a public official by the government at issue.

Business Courtesies

Bribery is not limited to the payment of cash with corrupt intent, but also may include the provision of business courtesies or other things of value, such as gifts, hospitality or entertainment, for an improper purpose. It is never permissible to provide any business courtesy for a corrupt or improper purpose. In addition, no business courtesy may be given, directly or indirectly, to a public official except in cases that are approved by Compliance in advance, as provided below (unless exempted pursuant to the exemptions below).

Business courtesies could include, among other things:

- Gifts
- Promotional items
- Travel expenses
- Meals, entertainment, recreation and other hospitality
- Tickets to sporting, cultural or other events
- Charitable donations – whether in cash or various forms of sponsorship (such as dinners or golf tournaments)
- Business opportunities
- Discounted or free products or services
- Internships, secondment or employment for public officials or their family members
- Loans
- Assistance with medical care

Restrictions on Providing Business Courtesies to Business Contacts That Are Not Public Officials

Employees may provide business courtesies to any business contact only if the following general requirements are met:

- a. The cost of the business courtesies must be reasonable and justifiable under the circumstances;
- b. The business courtesies must comply with applicable laws;
- c. The business courtesies must not reasonably be interpreted as an attempt to obtain or retain an improper business advantage, and must not reflect negatively on the reputation of LRGL or the recipient;
- d. The business courtesies must be bona fide and must directly relate to a legitimate business purpose such as:
 - a) the promotion, demonstration or explanation of LRGL's products and services, or
 - b) the execution or performance of a contractual obligation; and

- e. The business courtesies must be supported by receipts and must be properly documented in accordance with any applicable expense reimbursement and accounting procedures.

Restrictions on Providing Business Courtesies to Public Officials

Employees may provide business courtesies to public officials only if all of the general requirements listed above are met and under the following additional conditions:

- a. The business courtesies must be pre-approved by Compliance (unless exempted pursuant to the exemptions below);
- b. The business courtesies must be given in an open and transparent manner and must not be given to induce or reward the improper performance of an official function or activity;
- c. The business courtesies must not involve the transfer of cash; any business courtesies involving cash equivalents, such as gift cards or gift certificates, require pre-approval by Compliance; and
- d. In the case of an actual gift, such as a holiday gift, the business courtesies must not be extravagant in value, must be provided only to reflect esteem or gratitude, and must be infrequent (no more than two times per year).

Exemptions from Pre-Approval Requirement for Certain Routine, Reasonable Business Courtesies Provided to Public Official

From time to time, in the ordinary course of conducting its businesses, LRGL may provide routine, reasonable business courtesies to public officials that are exempted from the pre-approval requirement described above, provided that they are directly related to a legitimate business purpose and otherwise comply with all requirements set forth in this Policy, including compliance with local laws.

The exemptions are:

- a. Meals and refreshments provided to attendees, participants and speakers at LRGL's conferences and events, provided that the costs of such meals and refreshments are reasonable given the venue;
- b. Meals and refreshments provided incidental to meetings with public officials, regardless of venue, provided that such meals and refreshments are of nominal value (less than or equal to US \$180 per person or the relevant local equivalent);
- c. LRGL's-branded items that are provided at LRGL's events and conferences, provided that such items are of nominal value (less than US\$180 per person or the relevant local equivalent); and
- d. LRGL's research, provided that such research has already been published.

Policy for Solicitation or Acceptance of Money, Gifts, Favors, or Entertainment

Rating Personnel

- a. Rating Personnel are prohibited from offering or soliciting or accepting any money, gifts, favours, services or entertainment (hereinafter referred to as “Gifts”) from any Rated Entity or any sponsor of any Rated Entity or its Agents.
- b. This prohibition that Rating Personnel cannot accept Gifts applies to all Rated Entities and their Agents, regardless of whether the Rated Entity is within the Rating Personnel’s area of analytic responsibility.
- c. The restrictions in this Policy do not apply to promotional offers or items which Rated Entities or their Agents make available to the general public as part of their marketing programs, and which are unrelated to the Rating activities of LRGL or the business with LRGL.
- d. Rating Personnel can only accept minor incidentals provided in the context of a business interaction, such as light meals, pens and paper, limited to US \$50 (or the local equivalent) per person, per business interaction, per day.
- e. As an example, Rating Personnel can continue to accept simple hospitality, such as morning coffee and pastries, or a sandwich buffet or box lunch, when they meet at a Rated Entity or its Agent’s office. However, the limit does mean that for all-day meetings, some arrangements will need to be made that allow Rating Personnel to limit what they accept from a Rated Entity or its Agents. Alternative arrangements might include Rating Personnel taking a break from the meeting and either going out to lunch without the Rated Entity or its Agent’s employees, joining the Rated Entity or its Agent’s employees for lunch but paying for their share of the meal, or paying for the entire meal. Rating Personnel should consult, as necessary, with their managers for guidance.
- f. Except as otherwise noted herein, Rating Personnel cannot accept reimbursement from any third party for transportation, lodging, or incidental expenses incurred in connection with attendance at a conference or event sponsored in whole or in part by a Rated Entity, including where Rating Personnel are speaking or presenting at the conference or event. This prohibition does not apply to conference or event registration fees that can be waived for speakers and presenters.
- g. Notwithstanding the prohibition above, Rating Personnel can accept reimbursement for expenses incurred where they are speaking or presenting at conferences or events sponsored by industry associations or other non-Rated Entities provided that the reimbursing party is not a Rated Entity.
- h. Persons Closely Associated are also prohibited from soliciting or accepting Gifts from any Rated Entity or its Agents, if: (i) the interaction with the Rated Entity or Agent is linked directly or indirectly with LRGL’s Rating activities; and (ii) it might cause or be perceived to cause a conflict of interest.
- i. Unless such Gifts are so lavish or extravagant that they would create a conflict or the appearance of a conflict of interest between LRGL and the Rated Entity or its Agent. Persons Closely Associated may solicit or accept Gifts from any Rated Entity or its Agent that are:
 - a) based on the Person Closely Associated’s employment,

- b) unrelated to:
 - i. LRGL's Rating activities,
 - ii. LRGL's business relationships,
 - iii. the Rated Entity's or its Agent's interaction with Rating Personnel,
- c) general marketing items from a Rated Entity or its Agent including where a Rated Entity or Agent has sponsored a sporting, cultural or charitable event that the Rated Entity or Agent typically provides to a larger group of people, which coincidentally includes a Person Closely Associated.
- j. Rating Personnel must inform the relevant Persons Closely Associated of these prohibitions.
- k. Rating Personnel are under no obligation to ask Persons Closely Associated whether they have received a Gift from a Rated Entity or its Agent. In the event that Rating Personnel become aware of the receipt of any Gift (excluding those in items a to c above) that a Person Closely Associated has accepted or solicited from a Rated Entity or its Agent, he/she must immediately report the Gift to his/her manager and to the Compliance Department.
- l. If Rating Personnel accepts a Gift, he/she must immediately provide the following information to his/her manager and to the Compliance Department: when the Gift was received, the estimated value of the Gift and from whom the Gift was received. The Compliance Department, in consultation with other departments as deemed necessary, will determine the appropriate course of action.
- m. Violation of this policy could impair LRGL's ability to issue or maintain Ratings in which those Rating Personnel participated.

Separation of Rating Personnel from Commercial Activities and Information Policy

Background

LRGL requires the separation of its rating activities from any commercial activities to prevent commercial considerations from compromising the integrity or independence of its Ratings or Rating Services.

This Policy sets forth commercial information that Employees cannot share with Rating Personnel, commercial activities in which Rating Personnel may not participate, and restrictions on non-Rating Personnel who participate in Fee Discussions or Sales or Marketing with respect to Ratings or Rating Services.

Prohibited Information and Activities

- a. No Employee may provide Rating Personnel with:
 - a) Fee Information or Sales or Marketing information; or
 - b) Financial performance or competitive information relating to LRGL or other credit rating agencies, unless there is a Rating Personnel Need to Know and providing such information is not intended to, and would not reasonably be expected to, influence (i) either the analysis or rating outcome for any Rating or Rating Service or (ii) either the content or application of any methodology or procedure by which Ratings are determined.
- b. Non-Rating Personnel may not provide Rating Personnel with feedback, views, or other information concerning Ratings or Rating Services that is intended to, or reasonably would be expected to, influence:
 - a) Either the analysis or rating outcome for any particular Rating or Rating Service; or
 - b) Either the content or application of any methodology or procedure by which Ratings are determined.
- c. Rating Personnel may not:
 - a) Engage in Fee Discussions or send to other Rating Personnel any internal or external communications that contain general or customer-specific fee information; or
 - b) Participate in Sales or Marketing of any product or service of LRGL or its affiliates, nor allow Sales or Marketing considerations to influence the provision of Ratings or Rating Services. Rating Personnel who become involved in Sales or Marketing or Fee Discussions, or who receive Sales or Marketing or Fee Information, must immediately contact Compliance.
- d. Commercial, Regional Management, and other non-Rating Personnel may not:
 - a) Involve Rating Personnel in Sales or Marketing or Fee Discussions;
 - b) Participate in developing or approving procedures or methodologies used for determining a Rating;
 - c) Participate in the determination or monitoring of a Rating. For purposes of this Policy, participation in developing or approving procedures or methodologies used for determining a Rating or in the determination or monitoring of a Rating includes, but is not limited to attending, even as a silent observer, any rating committee or any other meeting or discussion concerning:



- I. the determination or monitoring of a Rating; or
- II. the determination of the content of any methodology or procedure by which Ratings are determined;

Non-Rating Personnel are prohibited from accessing rating committee materials, attending rating committees (in any capacity), or communicating with Rating Personnel regarding fee/sales targets. Rating and commercial teams must operate from physically segregated office spaces.

- d) Seeking in any way to influence (i) either the analysis or rating outcome for any particular Rating or Rating Service, or (ii) the determination of the content of any methodology or procedure by which Ratings are determined. If you have questions as to what constitutes prohibited information or activities, please contact Compliance.

Staff Dealing Policy

Where the Company has relationship with a client or a relationship which gives rise to an actual or potential conflict of interest in relation to such transaction, the Company will neither rate or provide services unless the Company has discussed that material interest or conflict with the client and taken all reasonable steps to ensure fair treatment of the clients.

In any event, the Company should put the client's interests first and treat them fairly in all activities. This Policy is designed to prevent legal, business and ethical conflicts to guard against the misuse of proprietary, confidential or material non-public information.

The Company requires:

- a. Staff are required to disclose existing holdings upon joining the company and at least annually thereafter as stated in this Policy;
- b. Staff are required to obtain prior written approval for personal account dealing from the Chief Executive Officer or Compliance. The permission should be valid for no more than 5 trading days and subject to the below restrictions.

Staff may not buy or sell a security for which the Company Rates. Staff is required to hold all personal investments for at least 30 days unless prior written approval from a Responsible Officer is given for an earlier disposal.

Reporting requirements for staff dealing

- a. A staff is required to certify, on a regular status and at the time of hire, by signing on the Staff Dealing Declaration Statement that he does not have any brokerage account outside the Company with the exception of money market, mutual fund and cash management accounts.
- b. All outside accounts that could be used as brokerage accounts must be identified on the form, even though the required approvals may previously have been granted.
- c. Personal checking or saving accounts, money market and mutual fund accounts that cannot be used as trading accounts need not be listed.

Monitoring of staff dealing

- a. Each transaction in the Staff Dealing Account must be reviewed on a regular basis by Compliance;
- b. Compliance will review staff dealing on an ongoing basis;
- c. Compliance should review from time to time amongst other things, the nature of the transactions and the relationship, if any, which the transactions may have priority to other transactions;
- d. In monitoring staff dealing, Compliance may do any of the following:
 - a) Consider whether the transaction is consistent with the Company's policy regarding staff dealing, for example issues relating to improper price sensitive information or speculation of securities;
 - b) Consider whether the transaction is appropriate given the staffs particulars (unusually large or complex trades).

Consequences of breach in Staff Dealing Policy

Violation of Staff Dealing Policy may result in penalties ranging from the cancelation of a trade to dismissal of the staff. Violation may lead to disciplinary action against the individual.

The Company will review all staff dealings on a regular basis. If Compliance suspects that there is inappropriate staff dealing it may escalate the matter to Senior Management to decide on appropriate action including disciplinary action.

Policy for Receipt, Review and Retention of Complaints

LRGL is required to provide for the receipt, review and retention of certain complaints, as defined below, received from Employees, Rated Entities, and other external parties. The purpose of this is to identify the types of complaints covered under the requirement and outline the steps towards reporting a potential complaint.

Complaints covered by this policy

Complaints covered by this policy are communications received by LRGL that contain:

- a. Allegations of specific violations of laws, regulations, the Code of Conduct, policies and procedures by a LRGL Employee with respect to LRGL's actions as a Rating Agency;
- b. Specific factual assertions that a particular LRGL Rating, model or methodology is unsupported or has been assigned or applied improperly; or
- c. Allegations that a LRGL employee who is involved in the initiation, determination, approval, maintenance, monitoring, changing or withdrawal of a Rating, or in supporting the Rating process, has performed in a manner that violates laws, regulations, policies and or procedures.

For purposes of this requirement, unless they meet one of the definitions above, the following are not in and of themselves considered to be Complaints:

- a. General expressions of disagreement with particular Ratings, the outcome of a Rating Committee or the models and methodologies used by LRGL in formulating its Ratings;
- b. An external request to appeal a Rating; or
- c. A comment on whether in use methodologies for determining Ratings should be updated.

All potential complaints should be reported to the Compliance Department.

Reviewing complaints

Upon receipt, the Compliance Department is responsible for reviewing all complaints and in consultation with the appropriate personnel, determining what response, if any is required. If the Compliance Department determines that further review is required, it will be responsible for conducting that review.

Record retention

All records and documentation obtained or produced by the Compliance Department in connection with the review of a Complaint, including all reports and other material must be maintained by the Compliance Department.

Confidential Information and Material Non-Public Information Policy

Background

In the course of performing their job responsibilities, Employees may receive or gain access to Confidential Information, some of which may be Material Non-Public Information (“MNPI”). Confidential Information may come from an external source, such as an Issuer or other third party, or it may be created internally. Employees must protect all Confidential Information, whether external or internally sourced and whether or not it is MNPI, and may not use or share such information for any purpose other than the conduct of LRGL’s business. Protecting Confidential Information helps LRGL’s fulfil its legal obligations and helps to encourage customers’ good faith disclosures. Employees should err on the side of caution and refrain from disclosing information until they have determined whether it is Confidential Information.

This Policy describes Employees’ responsibilities to safeguard Confidential Information and the restrictions on its disclosure and use.

Policy

A. Preserving, Protecting, and Safeguarding Confidential Information

Employees must preserve, protect, and safeguard Confidential Information from fraud, theft, or misuse. Employees must also protect Confidential Information from inadvertent or unintentional disclosure to internal or external parties that do not have a need to know the information. Employees must not discuss Confidential Information with unauthorized third parties, including family members or business or social acquaintances, or in places where they can be overheard, such as taxis, elevators, or restaurants. Finally, Employees must secure documents, devices, and computer files that contain Confidential Information, whether in the office or outside the office.

B. Misuse of MNPI

Employees may not engage in any trade or recommend that a third party engage in a trade of a Security while in possession of MNPI about the Security or the Issuer of the Security. Employees also may not convey MNPI about an Issuer to unauthorized third parties.

C. Permitted Disclosure and Use of Confidential Information

Employees may disclose or use Confidential Information only in a manner consistent with LRGL’s Code of Conduct and other applicable policies.

Electronic Communications Monitoring Policy

All LRGL's emails are subject to monitoring for the following reasons:

- a. to detect possible violations of relevant policies, procedures, codes, laws and/or regulations (together "Rules");
- b. where it is necessary due to impending or threatened litigation, government or regulatory investigations, proceedings or requests, or internal investigations; and
- c. where there is a concern that employees are engaging, or employees or former employees have engaged, in illegal, improper, or unethical activity.

Emails monitored will be selected by a Compliance:

- a. on the basis of random sampling;
- b. on the basis of the presence of certain "Hot List" words or phrases. The Hot List is a list of words and phrases which, when contained in an email, may indicate a potential violation of one or more Rules; and/or
- c. following a specific request by a Compliance for a "for cause" monitoring of certain emails.

Emails selected for monitoring will be reviewed under the direction of the Compliance Department.

Monitoring pursuant to this Policy may result in the processing of employees' personal communications. Such communications will be processed in accordance with Hong Kong law.

If a reviewed email is suspected of reflecting inappropriate communication or behaviour in violation of any of the Rules, the email will be escalated for further Compliance action.

Post - Employment Policy

For purposes of this Policy, the phrase “participated in determining a Rating” shall mean those Employees who participated in the rating committee, assisted in drafting the materials specifically produced for the rating committee package for the Rating Action, or worked with a rating team or Analyst on a model specific to the Rating Action.

Look-back reviews must be conducted in those cases where LRGL knows or reasonably can be expected to know that:

- a. Departed Employee has taken a position as an employee of an obligor, issuer, underwriter or sponsor of a security or money market instrument for which LRGL issued a Rating;
- b. Such Departed Employee (i) participated in determining such Rating during the 12-month period from the last Rating Action; and (ii) within 24 months prior to the date of termination from LRGL.

Departed Employees are prohibited from taking key management positions at a Rated Entity for which the Departed Employee participated in the Rating process for at least six months after the last Rating in which the Departed Employee participated. For purposes of this Policy, a key management position is any position at the Rated Entity that involves the responsibility for fundamental management decisions at the rated entity (e.g., CEO, CFO or Treasurer). Human Resources will ask where the Departed Employee will be employed next.

Policy on Communication of Public Rating Actions

This policy is intended to safeguard Ratings-related confidential information intended for public release prior to it being published on LRGL's website and to help ensure consistent and complete communication of such information.

Employees can communicate a public Rating or a public Rating Action, or distribute a public Rating Announcement, to individuals outside of LRGL only after it has been published on ratings, and the Employee has confirmed that the information is available on the website. This is necessary to ensure that no one outside of the Company learns of such information before it has been made available to the public via publication.

How To Communicate Public Ratings, or Public Rating Actions and Distribute Public Rating Announcements

For Communications with External Parties That Are Not Rated Entities and/or Agents

- a. When communicating via email with external parties that are not a Rated Entity or Agent, Employees must include in the email either a link to the public Rating Announcement or to the Rated Entity landing page on the Company's website.
- b. Employees may not attach or distribute a PDF or other hard copy of a Rating Announcement downloaded from the Company's website. All requests for exceptions should state clearly the reason for the need for an exception.
- c. Rated Entities and/or Agents Nothing in this Policy prohibits or restricts Analysts from communicating to the Rated Entity or its Agent a Rating Action prior to its public issuance.

Policy for Public Point-In-Time Ratings

Issuance of Public Point-In-Time Ratings

LRGL may assign a public Rating on a “point-in-time” basis (“Public PIT Rating”) that is subsequently withdrawn as soon as practicable. LRGL will note in the relevant Rating Announcement that the rating is assigned on a point-in-time basis and will be withdrawn as soon as practicable, before which it is subject to monitoring.

Policy for the Issuance of Private Ratings

From time to time, LRGL receives requests for private Ratings. These may be issued in circumstances where LRGL receives what it considers to be, in its sole discretion, adequate assurances about how the party requesting the private Rating intends to use it.

Policy for Rated Entity Notification

This Policy applies to all Rating Actions accompanied by a public Rating Announcement and published on LRGL's website. This does not apply to unpublished, private or internal Ratings.

Prior to dissemination of a public Rating Announcement, the Lead Analyst, or his/her designee, must notify the Rated Entity or its Agent of the public Rating Announcement and principal grounds on which the public Rating Action is based. When doing so, the Lead Analyst, or his/her designee, must communicate only with those persons who he/she is aware are the appropriate contacts within the Rated Entity or its Agent for the purposes of receiving such communications.

After being notified, the Rated Entity or its Agent shall have the opportunity to review the draft communication of the public Rating Announcement and draw attention to any factual errors or confidential information that should not be included.

Notification Delivery:

The notification to the Rated Entity or its Agent is deemed to be delivered during Working Hours.

Notification Period

If a response is received stating changes are required, LRGL will evaluate the Rated Entity's or the Agent's response and take reasonable efforts to clarify or to correct any factual errors, and to remove any information identified by the Rated Entity or its Agent as confidential. In certain circumstances, LRGL may refrain from informing the Rated Entity or their Agents prior to publication of the Rating Announcement.

LRGL may decide at its own discretion to publish the Rating Announcement after the receipt of the Relevant Notification Response before the relevant Notification Period has elapsed.

Bulk Actions / Leakage

For certain Bulk Actions or Leakage, LRGL may refrain from informing the Affected Rated Entities or their Agents before publication of the public Rating Action.

Policy for Withdrawal of Ratings

LRGL may withdraw a Rating under different circumstances, including but not limited to, nonexistence of the rated entity due to merger and acquisition, amalgamation or bankruptcy, inadequate information provided by the rated issuer, cancellation of the rating mandate with LRGL etc.

When a Rating is withdrawn, LRGL will issue an indication on the company website that the Rating has been withdrawn and depending on the reason for the withdrawal, may also issue a Rating Announcement.

Policy on Eligibility to Serve as a Rating Committee Chair (“the Chair”)

The Role of the Chair

The role of the Chair is to be the moderator of the rating committee. In assuming the role of the moderator, the Chair encourages broad-based participation from all rating committee members, regardless of seniority, and the expression of dissenting views. The Chair should encourage the appropriate discussion of issues known to be relevant to the creditworthiness of the Issuer. In cases where there is little or no dissent from the Lead Analyst’s rating recommendation, it may be appropriate for the Chair or another participant to take the contrary position so that both sides of an issue are fully discussed.

The Chair has the authority to call for a recess and reconvene a rating committee if he or she believes that the rating conclusion requires broader participation, or that additional information is required before the rating committee reaches a conclusion.

Eligibility for Serving as Chair

Rating team managers who are Responsible Officers are authorized to serve as Rating Committee Chair. In addition to rating group-specific requirements for approval of such nominations as outlined in the Best Practices Guidance for Ratings.

Policy on the Circulation of Rating Committee Materials

For all Ratings, it is assigned by the rating committee and not by any individual analyst.

For all Ratings, LRGL will provide the rating committee materials in advance of the rating committee, subject to certain exceptions. Rating Committee Chair must require each member of the rating committee to confirm, prior to participation in the rating committee, that he/she had sufficient time to review the rating committee materials regardless of when the materials were provided to the rating committee members.

Rating Methodology Development

When assessing an Issuer's or obligation's creditworthiness or the assessment of an instrument, analysts use LRGL's published rating methodologies, where appropriate, and apply a given methodology in a consistent manner, as determined by LRGL. The rating methodologies should be rigorous, systematic and where possible, result in ratings that can be subjected to some form of objective validation.

LRGL's Analytical Team is responsible for the developments of rating methodologies, rating scorecards and rating models as well as quantitative models and analytical tools used in the rating process. Rating committees must document explicit rationale when overriding model outputs, including dissenting views (if any).

The Analytical Team organizes a committee comprising appropriate participants to approve new and revised rating methodologies, review rating scorecards and models for consistency with published methodologies, review the appropriateness of existing methodologies on an annual basis, and review rating actions, on a sampled basis, to evaluate the application of published methodologies. The committee should be chaired by the Responsible Officer who is not the primary/secondary analyst of the reviewed rating methodologies and the Credit Policy Officer may also participate in the discussions to ensure the objectiveness. In addition, LRGL publishes new and revised rating methodologies for "request for comments" and publishes the final versions of the methodologies after taking into considerations of the comments and feedback from market participants (if any).

LRGL's methodological approaches in determining ratings encompass an evaluation of both qualitative and quantitative factors. These rating methodologies may include references to quantitative tools and models, which usually include sets of assumptions. As these tools may contain simplified assumptions and may not consider certain relevant factors, individual rating committees rely on these tools to varying degrees, depending on the facts and circumstances in the sector and of the particular Issuer. In addition, given that these tools are relatively quantitative in nature, these quantitative metrics, scores and judgments indicated by scorecards serve as guides for discussions in rating committees and may bear a somewhat imprecise relationship to ultimate rating outcomes.

LRGL's rating methodologies are reviewed periodically with the latest versions (along with descriptions of scorecards/models employed, if any) published on the company's website.

The following paragraphs provide a high-level description of the qualitative and quantitative factors that are, in general, broadly considered relevant in the sectors for which LRGL provides Rating Services. These descriptions should not be considered exhaustive or mandatory for each rating published in the individual sectors. Furthermore, not all of the factors will be deemed relevant by an individual rating committee, and within individual sub-sectors, additional factors may also be considered. Rating methodologies include additional factors that might be considered relevant by a rating committee when issuing a rating in a given sector.

Relevant qualitative factors may include:

- i. industry sector(s);
- ii. key markets;

- iii. market position(s);
- iv. business mix;
- v. geographical diversity;
- vi. business strategy;
- vii. size of company;
- viii. barriers to entry;
- ix. competitive advantages;
- x. growth opportunities;
- xi. financial policy;
- xii. management quality;
- xiii. risk management;
- xiv. capital structure and structural considerations;
- xv. liquidity and debt maturity analysis;
- xvi. analysis of salient features of the security;
- xvii. legal structure;
- xviii. ownership considerations;
- xix. corporate governance; and
- xx. the sovereign and regulatory environment.

Relevant quantitative factors may include:

- i. level of sales or assets;
- ii. growth rates;
- iii. profitability ratios;
- iv. leverage ratios;
- v. coverage ratios;
- vi. capitalization ratios;
- vii. cash flow ratios;
- viii. liquidity measures;
- ix. industry specific key indicators;
- x. off balance sheet adjustments;
- xi. working capital management indicators;
- xii. capital expenditure levels (both maintenance and development);
- xiii. extraordinary/exceptional items; and/or financing flows, including dividends, foreign currency exposure and accounting effects.

LRGL will not assign a rating, and ensure that any existing rating is withdrawn, if it does not have sufficient quality information to support a credible rating.