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# S&P Global Ratings

Policy: Corporate Governance

Date: 01 September 2019

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## **Policy Statement**

S&P Global Ratings shall maintain a Board of Managers, including independent members and members who possess expertise with respect to financial services, and specifically structured products, free from the influence of any conflict of interest when participating in Board Activities.

## **Standard & Poor's Financial Services LLC Policy Regarding Corporate Governance, Organization, and Management of Conflicts of Interest**

As provided by Article IV of the Amended and Restated Limited Liability Company Agreement of Standard & Poor's Financial Services LLC, Standard & Poor's Financial Services LLC ("S&P FS") shall maintain at all times a Board of Managers comprised of no less than (4) and no more than six (6) persons (the "Board of Managers"), at least half but no fewer than (2) of whom shall be Independent Managers (including an Independent Manager who shall be a user of ratings from a nationally recognized statistical rating organization). In addition to the overall responsibilities outlined by S&P FS' Amended and Restated Limited Liability Company Agreement and prescribed by federal, state and local law, the Board of Managers shall oversee: (i) the establishment, maintenance, and enforcement of policies and procedures for determining Credit Ratings; (ii) the establishment, maintenance, and enforcement of policies and procedures to address, manage, and disclose any conflicts of interest; (iii) the effectiveness of the internal control system with respect to policies and procedures for determining Credit Ratings; and (iv) the compensation and promotion policies and practices of the nationally recognized statistical rating organization.

## **Disclosures and Conflicts of Interest**

The members of the Board of Managers have a duty to be free from the influence of any conflicting interest when they participate in Board of Managers or committee deliberations or voting. In order to ensure that no such conflicts will arise, all Managers shall complete a Managers' Questionnaire for review and approval by S&P FS prior to commencement of their term as a Manager. Each Manager shall update the Questionnaire annually during his or her term. A copy of the Managers' Questionnaire is attached hereto as Appendix A. Changes to the information provided in the Managers' Questionnaire during a Manager's term on the Board of Managers shall be promptly reported to the Chairman of the Board of Managers for review.

A Manager's acceptance of his or her appointment as a member of the Board of Managers shall be construed as express acknowledgement that he or she has sufficient time to carry out the duties of the position in accordance with the terms of this policy and that he or she has fully disclosed to S&P FS: (i) any existing or potential conflict of interest that he or she may have; (ii) the details of all other significant business and other interests that he or she is involved with; and (iii) the amount of time devoted to such other commitments. Changes to any of the foregoing during the Manager's term shall be reported to the Chairman of the Board of Managers. At no time during his or her appointment shall any Manager permit duties to any other person, firm or company to conflict with his or her duties to S&P FS.

*Nothing herein or in our policies prohibits or restricts an Employee from initiating Communications directly with, or responding to an inquiry from, or providing information to, any self-regulatory organization or any other state or federal regulatory authority acting in a regulatory capacity, including the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA). All provisions of our policies and this Code should be construed in a manner consistent with the preceding sentence.*

No Manager may disclose any information obtained in his or her capacity as a member of the Board of Managers concerning the organization, business dealings, finances, transactions or affairs of S&P FS or its affiliates to any company or person other than as may be required by a court of competent jurisdiction. Managers shall use their best efforts throughout the term of their appointment and at all times thereafter to prevent the unauthorized publication or misuse of any confidential information, provided that such restrictions shall cease to apply to confidential information which may enter the public domain other than through the Manager's personal default. All Managers shall pre-clear personal securities transactions that involve securities issued by S&P Global Inc.

While the Board of Managers has oversight responsibility for the establishment, maintenance, and enforcement of policies and procedures used for determining Credit Ratings and exercises approval authority for Criteria, models and policies and procedures used for determining Credit Ratings, no Manager may participate in any analytical deliberations regarding a specific Credit Rating or other product issued by S&P FS. In connection with the Board of Managers' procedures for approving Criteria, models and policies and procedures used for determining Credit Ratings, Managers with responsibility for, or oversight of, commercial matters at S&P FS or any of its affiliates shall not be eligible to participate in any vote of the Board of Managers regarding whether to approve Criteria or models.

All Managers shall obtain prior consent from the Chairman and President of S&P FS before accepting any appointment with: (i) any company or firm either engaged in a business competing with, or similar to, that of S&P FS; or (ii) any issuer or obligor rated by S&P FS.

#### Independent Managers

In order to be considered independent for purposes of membership on the Board of Managers, a Manager may not, other than in his or her capacity as a member of the Board of Managers or any committee thereof:

- (i) accept any consulting, advisory, or other compensatory fee from S&P FS; or
- (ii) be a person employed by or associated with S&P FS or with any affiliated company thereof.

The compensation of Independent Managers shall not be linked to the business performance of S&P FS and shall be arranged so as to ensure the independence of their judgment. The term of office for all Independent Managers shall be for a pre-agreed fixed period, not to exceed five (5) years, and shall not be renewable.

S&P Global Ratings Employees are prohibited from providing Material Non-Public Information regarding Issuers and Issues that S&P Global Ratings rates to an Independent Manager. If, in his or her capacity as a member of the Board of Managers, an Independent Manager nonetheless comes into possession of such information, the Manager shall notify the Designated Compliance Officer of S&P Global Ratings ("DCO") and comply with any directions issued by the DCO, including restrictions and/or disclosure requirements concerning the Manager's securities trading activities. Any discussions between an Independent Manager and an S&P Global Ratings Analyst relation to analytical matters will be attended by a chaperone from Compliance and S&P FS will maintain appropriate documentation of all such communications.

#### Other Managers – Personal Securities Transactions

Non-Independent members of the Board of Managers shall: (i) pre-clear all of their personal securities transactions with the Chairman and President of S&P FS (with duplicate pre-clearance requests and approvals sent to S&P Global Employee Compliance Services); and (ii) name S&P FS as an interested party for purposes of receiving copies of their monthly brokerage statements showing all of their personal securities holdings.

### Access to the Designated Compliance Officer

The DCO is also authorized to contact the members of the Board of Managers directly for any matter falling within the exercise of his/her authority.

### Compliance Standards

Any suspected violation of this policy should be promptly reported to the Chairman and President of S&P FS. Reported violations will be investigated by S&P FS and appropriate action will be taken in the event a violation has occurred.

### Annual Review of Board of Managers Composition Requirements

The Board of Managers will annually conduct a review as to how the Board of Managers continues to meet the board composition requirements set out in Canada's National Instrument 25-101 and under the relevant provisions of SEC rules applicable to NRSROs. The results of this annual review are to be recorded in the minutes of the relevant Board of Managers meeting.