

## **POLICY FOR MAINTAINING QUALITY AND INTEGRITY OF THE RATING PROCESS**

VIS endeavors to provide forward-looking opinions on the relative creditworthiness of the rated entities, issuers and debt instruments.

### **Quality of the Rating Process**

- Since Credit Ratings are probabilistic opinions about future creditworthiness, the performance of an individual Credit Rating opinion is not judged on the basis of the individual outcome, but on whether the individual Credit Rating was formed pursuant to VIS's established methodologies and processes.
- VIS develops and maintains rigorous and systematic rating methodologies. Where possible, resulting Credit Ratings is periodically subjected to objective validation based on historical experience. The Criteria Group is responsible for monitoring the appropriateness and completeness of rating methodologies and procedures, and for approving any significant changes to VIS's rating methodologies and procedures.
- In assessing ratee's creditworthiness, Analysts use VIS's methodologies and apply a given methodology in a consistent manner, as determined by VIS.
- All ratings are determined by rating committees and not by any individual analyst. In producing a rating, VIS considers all information known and believed to be relevant about a ratee, including information received from a source other than the rate that is deemed credible and potentially significant to a rating decision in a manner generally consistent with VIS's published methodologies. In formulating credit ratings, VIS employs analysts who, individually or collectively (for rating committees), have appropriate knowledge and experience in developing a rating opinion for the type of rating being conducted.
- VIS complies with its record retention policies when maintaining records used to support its ratings.
- VIS and its analysts take steps to avoid issuing any credit analyses, ratings or reports that contain misrepresentations or are otherwise misleading as to the general creditworthiness of a ratee.
- VIS invests resources sufficient to carry out high-quality credit assessments. When deciding whether to rate or continue rating an issue or issuer, VIS assesses whether it is able to devote sufficient personnel with appropriate skills to make a proper rating assessment, and whether its personnel have access to sufficient information needed in order to make such an assessment. In its Rating Announcements for ratings that present limited historical data, VIS makes such limitation clear in a prominent place. VIS adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources VIS considers to be reliable including, when appropriate, independent third-party sources.
- In cases involving new types of financial products, VIS refrains from providing a rating unless it believes that it has sufficient information and the appropriate analytical skills to do so.
- VIS requires its Criteria Group to:
  - o review the feasibility of providing a Rating for a type of structure that is materially different from the structures VIS has rated;
  - o at least once every twelve months, review the methodologies and models and significant changes to the methodologies and models VIS uses; and
  - o assess whether existing methodologies and models for determining ratings of structured products are appropriate when VIS determines that the risk characteristics of the assets underlying a structured product have materially changed.
- VIS adopts and maintains an appropriate training program for its analysts that includes in-house training sessions, training workshops conducted at the platform of ACRAA or any other relevant training opportunity.
- VIS organizes its rating committees to promote continuity and avoid bias in the rating process.

### **Integrity of the Rating Process**

- VIS and its employees comply with all applicable laws and regulations governing their activities.
- VIS and its employees deal fairly and honestly with Issuers, investors, other market participants, and the public.
- VIS holds its employees to high standards of integrity. VIS does not knowingly employ any individuals with demonstrably compromised integrity.
- VIS and its analysts do not, either implicitly or explicitly, give any assurance or guarantee of a particular rating

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prior to a rating committee. This does not preclude VIS from developing provisional assessments used in structured financings or similar transactions.

- VIS employees are prohibited from making proposals or recommendations to an obligor or Issuer, underwriter or sponsor of a security about the corporate or legal structure, assets, liabilities or activities of an obligor or Issuer. Consistent with this prohibition, in assessing credit risk VIS employees may properly hold a series of discussions with an Issuer or its agents in order to:
  - o understand and incorporate into their analysis the particular facts and features and any modification thereof, as proposed by the Issuer or its agents; and
  - o explain to the Issuer or its agents the rating implications of VIS's methodologies as applied to the Issuers proposed facts and features.
- While employees are not expected to be experts in the law, they are expected to report activities of which they are aware that a reasonable person would question as a potential violation of the law or this Code. All VIS employees are obligated to report these issues promptly to the Compliance Officer, which will take appropriate action, as determined by the laws and regulations of the jurisdiction and the rules and guide-lines set forth by VIS.
- Management prohibits retaliation by any employee or by VIS itself against any employee who, in good faith, reports a possible violation of the law or this Code.
- VIS does not:
  - o provide rating advisory services;
  - o act as a broker or dealer engaged in the business of underwriting securities or money market instruments; or
  - o have a financial or controlling interest in an entity rated by VIS or any of its affiliates.