



Standard & Poor's Ratings Services EU Group of Credit Rating Agencies

Transparency Report 2013

EU Group of Credit Rating Agencies consisting of:

Standard & Poor's Credit Market Services Europe Limited

Standard & Poor's Credit Market Services France SAS and

Standard & Poor's Credit Market Services Italy SRL

This Transparency Report is in respect of the financial year ended 31 December 2013.

Standard & Poor's Ratings Services EU Group of Credit Rating Agencies – Transparency Report

This Transparency Report is made available pursuant to Article 12 and Part III of Annex I, Section E of Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the “Regulation”). The Transparency Report provides information on the operations of Standard & Poor's Ratings Services (“S&P Ratings Services”) in the European Union (the “EU”) for the financial year ending 31 December 2013. S&P Ratings Services operates as a “Group of Credit Rating Agencies” in the EU as defined by article 3(m) of the Regulation. The Credit Rating Activities of S&P Ratings Services are conducted globally through various affiliated entities¹ (“Affiliated Entities”) that operate in accordance with policies and procedures and Criteria that generally are globally applicable. S&P Ratings Services shares a globally integrated operating structure.

A glossary of the capitalised terms used but not defined in this Transparency Report is provided in the Annex hereto.

The EU Group of Credit Rating Agencies consists of the following three legal entities (collectively, the “Entities”):

Standard & Poor's Credit Market Services Europe Limited² (“CMS Europe”);
Standard & Poor's Credit Market Services France SAS (“CMS France”); and
Standard & Poor's Credit Market Services Italy SRL (“CMS Italy”).

Each of the Entities was registered in accordance with the Regulation on 31 October 2011.

S&P Ratings Services operations in the EU were first established in:

- the United Kingdom in 1984;
- Sweden in 1988;
- France in 1990;
- Germany in 1992;
- Spain in 1992;
- Italy in 1999; and
- Poland in 2014.

This Transparency Report contains information with respect to all three Entities. Information specific to each of the three Entities is separately presented in this Transparency Report. This Transparency Report describes, to the extent relevant, certain functions established by S&P Ratings Services on a global level, but does not address S&P Ratings Services' global operations in any Affiliated Entities outside the EU through which S&P Ratings Services may conduct its Credit Rating Activities.

Information provided in this Transparency Report is current as at 31 December 2013.

¹ The affiliated entities are all direct or indirect subsidiaries, branches or divisions of McGraw Hill Financial, Inc., a company incorporated in the State of New York, USA and publicly listed on the New York Stock Exchange (“MHFI”).

² CMS Europe is a company incorporated in England & Wales and has branches in Germany, Spain, Sweden, Russia, the Republic of South Africa and Dubai (United Arab Emirates). CMS Europe also has representative offices in Poland and in Turkey.

Further information on S&P Ratings Services can be found at <http://www.standardandpoors.com/home/en/eu> as well as on "Understanding Ratings", an information and education resource for investors that can be found at <http://www.understandingratings.com>.

Further information disclosed in accordance with the Regulation can be found at <http://www.standardandpoors.com/ratings/european-union-regulatory-disclosures/en/eu>.

Table of contents:

Item number		page
1	Information on legal structure and ownership	4
2	A description of the internal control mechanisms	6
3	Statistics on staff allocation	10
4	Record-keeping policy	11
5	The outcome of the annual internal review of the independent compliance function	12
6	A description of management and analyst rotation policy	13
7	Financial information	15
8	Governance statements	16
Annex	Glossary of terms used	28

1. INFORMATION ON LEGAL STRUCTURE AND OWNERSHIP

CMS Europe

CMS Europe was incorporated³ under the laws of England & Wales on 31 December 2009 and houses the Credit Rating Activities conducted in the UK, and, through its branches in those countries, the Credit Rating Activities in Germany, Spain, Sweden and, since 2012, Russia, the Republic of South Africa and Dubai (United Arab Emirates), which were previously owned by other Affiliated Entities. CMS Europe is one of several wholly-owned subsidiaries of McGraw Hill Financial European Holdings (Luxembourg) Sarl ("MHEH" formerly called McGraw-Hill European Holdings (Luxembourg) Sarl until December 2013), which is in turn indirectly wholly-owned by MHFI.

The share capital of CMS Europe is £1,000, made up of 1,000 shares with a par value of £1 each, all held by MHEH.

CMS Europe has no subsidiaries or holdings in any other entity in the UK or elsewhere.

Other than as set out above, no acquisitions, disposals or events changing the breakdown of voting rights have taken place since CMS Europe was incorporated. No natural person or legal entity is entitled to acquire, dispose of or exercise voting rights in CMS Europe in the circumstances set out in Article 10 of Directive 2004/109/EC.

CMS France

CMS France was incorporated⁴ under the laws of France on 5 May 2010 and houses the Credit Rating Activities previously conducted in France, through a demerger from The McGraw-Hill Companies SAS ("TMHC"). CMS France is one of several wholly-owned subsidiaries of MHEH, which is indirectly wholly-owned by MHFI.

The share capital of CMS France is €17,354,000, made up of 21,692,500 shares with a par value of €0.80 all held by MHEH save for the 1,000 shares held by CMS France.

CMS France has no subsidiaries or holdings in any other entity in France or elsewhere.

Other than as set out above, no acquisitions, disposals or events changing the breakdown of voting rights have taken place since CMS France was incorporated. No natural person or legal entity is entitled to acquire, dispose of or exercise voting rights in CMS France in the circumstances set out in Article 10 of Directive 2004/109/EC.

CMS Italy

CMS Italy was incorporated⁵ under the laws of Italy on 12 May 2010 and houses the Credit Rating Activities previously conducted by The McGraw-Hill Companies Srl ("MHS").

³ Registered office: 20 Canada Square, Canary Wharf, London, United Kingdom, E14 5LH. Company number: 07114748

⁴ Registered office: 40 rue de Courcelles, 75008 Paris, France. Numéro d'identification : 522 211 549 R.C.S. Paris

⁵ Registered office: Vicolo San Giovanni sul Muro 1/3/5, Milan, Italy 20121. Numero Repertorio Economico Amministrativo (REA): MI- 1930813

MHS is the sole quota holder, holding one quota of €10,000 of CMS Italy since the latter's incorporation. MHS, incorporated under the laws of Italy, whose capital is €1,315,250, is wholly-owned by MHEH, which is indirectly wholly-owned by MHFI.

CMS Italy has no subsidiaries or holdings in any other entity in Italy or elsewhere.

No acquisitions, disposals or events changing the breakdown of voting rights have taken place since CMS Italy was incorporated. No natural person or legal entity is entitled to acquire, dispose of or exercise voting rights in CMS Italy in the circumstances set out in Article 10 of Directive 2004/109/EC.

2. A DESCRIPTION OF THE INTERNAL CONTROL MECHANISMS
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S&P Ratings Services is committed to the highest standards of analytical excellence and, to help achieve these standards, has established a governance hierarchy and committee framework that implements policies, procedures and methodologies for determining Credit Ratings as well as an independent governance and control structure aimed at fully adhering to policies, procedures, and methodologies for determining Credit Ratings. S&P Ratings Services evaluates the effectiveness of its internal control structure and makes changes to its organisational structure and processes as and when it deems appropriate.

S&P Ratings Services' Internal Control Structure – Global Risk Management

S&P Ratings Services has established a Global Risk Management (“GRM”) organisation, headed by a Chief Risk Officer (“CRO”), to implement and govern its internal control framework. Organisationally, GRM is independent of the Practice Areas and includes the Quality, Criteria, Compliance, and Model Validation functions.

Individually, these functions and groups have the following specific responsibilities with respect to S&P Ratings Services' internal control structure:

- The Quality function is responsible for monitoring, testing and reporting on the quality of Credit Ratings and other S&P Ratings Services' activities. This includes reviews of: (i) Credit Ratings, (ii) the methodology on which the Credit Ratings are based, (iii) evidence of the Credit Rating analysis and (iv) the published rationales for Credit Ratings, with a view to identifying areas of risk.
- The Criteria function is responsible for overseeing and approving the development of Criteria and Criteria changes across products, sectors and geographic regions for analytical rigour, relevance, consistency, timeliness and transparency.
- The Compliance function is responsible for monitoring adherence to global and local regulatory requirements as well as to S&P Ratings Services' policies and procedures.
- The Model Validation group is responsible for independently validating the quantitative models either developed by S&P Ratings Services or provided by third parties used in the Credit Ratings process. Model approval has transitioned from the Head of Model Validation to the new Standard & Poor's Ratings Services Model Oversight Committee effective December 19, 2013. The Model Oversight Committee is composed of senior risk, compliance, legal and business executives and is designed to further enhance Ratings Services' model approval process.

S&P Ratings Services has established the Policy Governance Group (“PGG”), which is responsible for leading the development, approval and maintenance of analytical and non-analytical policies relating to prudent, ethical business practices, and compliance and regulatory matters associated with S&P Ratings Services' activities globally and to oversee the communication of such policies. PGG voting membership consists of representatives from: Analytics, Compliance, Criteria, Global Regulatory Affairs, Legal, Ratings Operations, Quality and Risk Operations. Each representative has one vote.

The Practice Areas are ultimately responsible for the quality of Credit Ratings and Credit Rating Activities and for adherence to policies and procedures. This responsibility is discharged through managerial supervision and oversight as well as a variety of operational controls.

MHFI Internal Audit

Independent of S&P Ratings Services' management and GRM functions, McGraw-Hill Financial (MHFI) Internal Audit function ("IA") incorporates S&P Ratings Services in their annual risk-based internal audit plan and has a team dedicated to conducting regulatory compliance audits and operational audits on MHFI business units including S&P Ratings Services. IA prepares and executes its internal audit plan using a comprehensive risk assessment process to identify all significant risks associated with S&P Ratings Services (including those that are regulatory in nature) and to conduct audits which are scoped to assess the effectiveness of the processes and internal control environment in relation to those risks. IA issues reports in relation to these audits and tracks the status and completion of management's action plans to address IA's findings. Internal Audit reports to the Audit Committee of the Board of Directors of MHFI.

Internal Review

The Quality and Criteria functions perform the tasks of the "review function" set out in the Regulation as described below.

Quality Function

Quality Officers are assigned to specific sectors and/or regions. Among other activities, Quality Officers perform sector reviews and evaluate Credit Rating files for substantive analytical issues, including adherence to analytical methodologies, quality of publishing and committee deliberations. Credit Rating and sector performance is also monitored via Credit Ratings transition and default data, Credit Rating timeliness, Rating Committees and published article assessments as appropriate. Reports are provided to management regarding the quality of Credit Ratings and the Credit Rating process. Quality Officers generally identify areas for improvement in the Credit Ratings process, criteria application and other aspects of assigning Credit Ratings, and present them to senior management and applicable Boards.

The Quality function oversees the Quality Review Boards which are organised by either Practice Area or region. Each Quality Review Board is chaired by a Quality Officer and its membership includes representatives from senior analytical staff and Criteria. The role of the Quality Review Board is to review:

- Results of sector and targeted reviews and monitoring activities.
- Business level comments, assessments and trends by control point and practice.
- Status of management action plans
- Focus points for the next period.
- Best practices observed.
- Status of reviews against the review plan.
- The review plan for the next period.

Criteria Function

S&P Ratings Services' Criteria provides the analytical framework for assessing creditworthiness and assigning credit ratings that adequately differentiate credit risk. The Criteria function is responsible for overseeing and approving the development of Criteria and Criteria changes across products, sectors and geographic regions for analytical rigour, relevance, consistency, timeliness and transparency. The role of Criteria Officers involves:

- Direct involvement in the development, update, and approval of Criteria – Criteria Officers' primary job responsibility is to participate actively in the research, drafting and approval of Criteria;
- Criteria training, a shared responsibility with Practice Areas;
- Ultimate approval of Criteria is the exclusive responsibility of the Criteria function;
- Criteria Officers chair the Criteria committees for the Practice Area to which they are assigned. The Criteria committees are responsible for ongoing reviews of Criteria and act as either a recommending or approving body for proposed new and amended Criteria; and
- Periodic reviews of Criteria – During the Criteria review process, each Criteria article is reviewed at least once annually. Following review, the article is republished bearing an editorial note that it has been reviewed.

Criteria Officers report independently of the Practice Areas to the Chief Credit Officer, who also chairs the Analytics Policy Board (the "APB"), which has oversight of all Criteria across different sectors, regions and asset classes. The APB also provides periodic briefings to the analytical staff on major Criteria changes. The APB consists of representatives from Legal, Risk Operations, Quality and Criteria, including each of the regional Chief Credit Officers (the Americas; Europe, Middle East and Africa; and Asia Pacific). The mission of the APB is to:

- Oversee S&P Ratings Services' development and approval of Criteria and Criteria changes across products, sectors, and regions for analytical rigour, relevance, consistency, timeliness and transparency;
- Oversee the dissemination of Criteria across products, sectors, and regions and maintain an inventory of Criteria;
- Oversee the periodic review of Criteria across products, sectors, and regions;
- Oversee the activities of Criteria committees;
- Oversee the monitoring of actual and potential franchise and reputational risk related to Criteria and Criteria processes and products, and make recommendations to senior management to manage or mitigate such risk; and
- Decide appeals on Criteria when convened for such purposes by the Chief Credit Officer.

Compliance Structure, Approach and Reporting

The global Compliance function is managed by the Global Chief Compliance Officer ("Global CCO") who reports to the CRO. The Chief Compliance Officer for EMEA ("CCO EMEA") is based in London and reports to the Global CCO. The CCO EMEA manages a team of six Compliance officers for EMEA. At least one Compliance officer is employed by each of the Entities. EMEA Compliance officers receive additional global Compliance support. Furthermore the Control Office, located within the Compliance department in EMEA, is responsible for managing internal and external insider lists. In December 2013, the Control office consisted of one manager reporting to the CCO EMEA and three employees.

Compliance Responsibilities

The primary responsibilities of the Compliance function are the following:

- Advise and assist employees of S&P Ratings Services with respect to meeting regulatory obligations;
- Development and communication of policies and procedures to promote compliance with regulatory obligations by employees;
- Monitoring of adherence to policies and processes to assess compliance with regulatory obligations;
- Perform investigatory work, particularly with respect to policy breaches;
- Track activities of S&P Rating Services employees by maintaining records and log files insofar as related to compliance matters; and
- Conduct annual training based on the compliance plan and on-going training on policies and regulatory matters (by local and global Compliance training staff).

The Compliance Examination Group (“CEG”) is established and operates globally. At least on an annual basis, the CEG, with support from relevant senior business managers, assesses the compliance and reputational risk of the Practice Areas, and of S&P Ratings Services, for the purpose of prioritising business groups and policy areas for examination. An annual risk assessment is undertaken which lists different business profiles, key regulatory and business risk indicators, and the controls which mitigate risks. The primary function of the CEG is to conduct compliance examination reviews in accordance with the annual risk assessment.

3. STATISTICS ON STAFF ALLOCATION

Table 1 – total number of Analysts

	Corporate	Financial Services	Sovereign / IPF	Structured Finance	Total
CMS Europe	111	96	47	93	347 ⁶
CMS France	29	22	7	5	63
CMS Italy	6	6	3	8	23
Total	146	124	57	106	433

Corporate, Financial Services and Sovereign/International Public Finance Analysts perform analysis of both new issuance and surveillance for rated Issuers and issuances. Within Structured Finance, Analysts are not exclusively involved either in analysis of new issuance or in surveillance analysis but may be involved in analysis of both new issuance and surveillance.

Table 2 - Criteria and Quality staff

	Criteria	Quality ⁷	Total
CMS Europe	3	6	9
CMS France	3	4	7
CMS Italy	-	-	
Total	6	10	16

There may not be Quality and/or Criteria Officers directly employed by each of the Entities, although all Entities are served by such Officers.

Table 3 – Analytical management and general management of S&P Ratings Services and the Entities

	Analytical Managers	General Management	Total
CMS Europe	34	8	42
CMS France	8	3	11
CMS Italy	3	1	4
Total	45	12	57

Please see section 6 below for a description of senior management.

⁶ This excludes two analytical staff that are part of the Quantitative Analytics Research Group, which is not part of the Practice Areas and reporting to the Chief Global Economist.

⁷ In addition to Quality Officers this column includes two quality staff members in London and one quality staff member in Paris.

4. RECORD-KEEPING POLICY

Each of the Entities applies policies and procedures in relation to documentation⁸ covering all aspects of its business, in particular, all information created, received or in the possession or control of anyone working at or for any of the Entities. This includes internal and external communications; records of Credit Rating actions; research notes; and Issuer materials. The policies and procedures in relation to documentation establish a framework for classifying records and documents in one of three categories: official business records, transient records and working records. There are specific retention guidelines in respect of each category.

Records in relation to Credit Ratings held by the Entities subject to applicable retention periods include, but are not limited to:

- a. For each Rating Decision, the identity of the Analysts participating in the determination of the Credit Rating and of the identity of the persons who have approved the Credit Rating, information as to whether the Credit Rating was solicited or unsolicited, and the date on which the Credit Rating action was taken;
- b. An account record for each rated entity, related third party or other user that has paid for the issuance or maintenance of a Credit Rating. In accordance with applicable policies, Analysts do not have access to such account records;
- c. The records documenting the established procedures and methodologies used by the Entity to determine its Credit Ratings;
- d. The final version of internal records, including non-public information and work papers, used to form the basis of the Rating Decision taken;
- e. Records of the procedures and measures implemented to comply with the Regulation; and
- f. Copies of internal and external communications, including electronic communications, received and sent by the Entity and its employees that relate to Credit Rating Activities.

The Primary Analyst for a Credit Rating is responsible for the retention of the records associated with the Credit Rating action, although a Practice Area may delegate this responsibility to someone other than the Primary Analyst, as necessary and appropriate. All other personnel are responsible for the retention of any record that they generate or receive that is required to be retained pursuant to the document retention policy and guidelines.

Each Entity's personnel retains designated records for at least five years after the records are made or received in relation to Credit Rating Activities, Ancillary Services and Other Services.

The heads of each Practice Area, as well as the heads of certain departments and functions, are responsible for their respective group's compliance with record-keeping policy and guidelines.

⁸ These policies are maintained by S&P Ratings Services. This section particularly addresses the documentation requirements applicable in the EU.

5.	THE OUTCOME OF THE ANNUAL INTERNAL REVIEW OF THE INDEPENDENT COMPLIANCE FUNCTION
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The MHFI Internal Audit department conducted a review of the Compliance function for the Entities. The scope of this review included an assessment of the independence, resources, authority and reporting of the Compliance function, as well as its overall effectiveness in ensuring compliance with the Regulation.

The results of this audit demonstrated that the Compliance function is effective overall by reference to the criteria noted above and in meeting its responsibilities in supporting employee adherence to the Regulation.

6 A DESCRIPTION OF MANAGEMENT AND ANALYST ROTATION POLICY

Description of Management

Information on the board of directors of each of the Entities is provided below in the governance statements in Section 8.

S&P Ratings Services has a global operating structure with staff reporting along functional lines. Accordingly, some staff performing Credit Rating Activities, Ancillary Services or Other Services may not have formal reporting lines within the Entities, and instead report on a global basis.

In particular, Yann Le Pallec, Executive Managing Director and Head of S&P Ratings Services, EMEA (based in Paris) reports to Neeraj Sahai⁹, President of S&P Ratings Services (based in New York). Reporting to Yann Le Pallec are Blaise Ganguin, Managing Director and Regional Practice Leader, EMEA Corporate Ratings (based in Paris), Dominic Crawley, Senior Managing Director and Global and EMEA Practice Leader, Financial Services Ratings (based in London), Myriam Fernandez De Heredia, Managing Director and Lead Analytical Manager of Sovereign and International Public Finance Ratings, EMEA (based in Madrid), and Michelle Weston, Managing Director and Regional Practice Leader, Structured Finance, EMEA (based in London). Dominic Crawley also reports to Neeraj Sahai in relation to his global responsibilities. The Regional Practice Leaders, Myriam Fernandez De Heredia, Blaise Ganguin and Michelle Weston also have accountabilities to the Global Practice Leaders, Curtis Moulton, Jayan Dhru and James Wiemken respectively (all based in New York).

The Entities' office network consists of offices in France (Paris), Germany (Frankfurt), Italy (Milan), Spain (Madrid), Sweden (Stockholm), Poland (Warsaw), Russia (Moscow), South Africa (Johannesburg), Turkey (Istanbul), the United Arab Emirates (Dubai) and the United Kingdom (London). Carol Sirou, Managing Director and Regional Head of EMEA Developed Markets, reports to Yann Le Pallec. Carol Sirou is also Regional Head for French-speaking Europe and Africa as well as Nordic countries. She is based in Paris. Reporting to Carol Sirou are Maria Pierdicchi, Managing Director and Regional Head of Southern Europe (based in Milan); and the Regional Head for German-speaking Europe¹⁰ (based in Frankfurt). Zeynep Holmes, based in London is Managing Director and Regional Head of Eastern Europe, Middle East & Africa, reports to Yann Le Pallec. Reporting to Zeynep Holmes are Marcin Petrykowski, Managing Director and Regional Head for Central and Eastern Europe (based in Warsaw, appointed on 2 January 2014); Konrad Reuss, Regional Head for Sub-Saharan Africa (based in Johannesburg); Stuart Anderson, Regional for the Head Middle East (based in Dubai); and Sergey Nazarov, Regional Head for Russia/CIS (based in Moscow). Also reporting to Zeynep Holmes is Ronit Harel Ben Zeev, based in Tel Aviv, Israel and Chief Executive Officer of Standard & Poor's Maalot which is an Affiliated Entity. The regional heads are not involved in Credit Rating Activities and, in such capacity, report independently of the Practice Areas.

The Global Risk Management functions, including Compliance, Criteria, Quality, Model Validation, Global Risk Operations report up through to Donald Howard, CRO, based in New York, and are separate from the Practice Areas.

Also reporting to Neeraj Sahai is Christian Dinwoodie, Executive Managing Director, Market Development (based in London). This global role brings together the market development groups, which

⁹ Neeraj Sahai became President of Standard & Poor's on 6 January 2014. He reports to Douglas Peterson, President and CEO of MHFI since 1 November 2013 and previously President of Standard & Poor's.

¹⁰ The position was open as of 28 March 2014.

includes outreach to investors and other market participants, client business management and strategic planning.

Analyst Rotation Policy

The Entities apply the Analyst Rotation Policy which sets out the standards applicable in EMEA and elsewhere on the rotation of Analysts.

To meet EU regulatory requirements and in order to implement required periodic rotation and cooling-off periods, the following approaches have been established:

- Primary Analysts (a) must not be involved in Credit Rating Activities for an Issuer for a period exceeding four years and (b) must wait for at least two years before being involved again in any Credit Rating Activities for that Issuer.
- Employees in an Analytical Role who are involved in making Rating Decisions with respect to an Issuer (a) must not be involved in “Rating Activities”¹¹ for that Issuer for a period exceeding five years and (b) must wait for at least two years before being involved again in any Credit Rating Activities for that Issuer. For these purposes, being involved in making Rating Decisions requires voting in relevant Rating Committees and regularly attending routine management meetings.
- Rating Committee chairpersons – the individuals who approve the Rating Decision or determination of the Rating Committee with respect to an Issuer (a) must not be involved in Credit Rating Activities for that Issuer for a period exceeding seven years and (b) must wait for at least two years before being involved again in any Credit Rating Activities for that Issuer.

The rotation requirement extends to related third parties to the Issuer’s transactions with whom the Primary Analyst or Rating Committee chairperson has had an analytical interaction. Analysts are rotated on an individual basis so that the composition of the analytical teams and the composition of the Rating Committee changes gradually over time. This approach is designed to maintain consistency in Credit Rating Activities over time.

Each Practice Area is responsible for assigning Analysts to perform Credit Ratings Activities in a manner that adheres to the Analyst Rotation Policy, its related guidelines and the regulatory requirements set out in Article 7(4) and point 8 of Section C of Annex I of the Regulation.

¹¹ Rating Activities has the meaning of “credit rating activities” as defined in Article 3(1)(o) of the Regulation.

7. FINANCIAL INFORMATION

REVENUE RESULTS FOR 2013 (UNAUDITED) (local currency in thousands)

	Credit Rating Activity	Non-Credit Rating Activity ¹²	Total Revenue
CMS Europe (in GBP)	260,211	6,029	266,240
CMS France (in EUR)	77,404	228	77,632
CMS Italy (in EUR)	25,024	385	25,409

Corporates	Credit Rating Activity	Non-Credit Rating Activity	Total Revenue
CMS Europe (in GBP)	127,480	4,476	131,955
CMS France (in EUR)	44,912	207	45,119
CMS Italy (in EUR)	12,494	0	12,494

Financial Services	Credit Rating Activity	Non-Credit Rating Activity	Total Revenue
CMS Europe (in GBP)	67,362	304	67,667
CMS France (in EUR)	17,489	0	17,489
CMS Italy (in EUR)	7,005	0	7,005

Sovereign	Credit Rating Activity	Non-Credit Rating Activity	Total Revenue
CMS Europe (in GBP)	21,642	309	21,952
CMS France (in EUR)	7,212	21	7,233
CMS Italy (in EUR)	1,243	0	1,243

Structured Finance	Credit Rating Activity	Non-Credit Rating Activity	Total Revenue
CMS Europe (in GBP)	43,727	939	44,666
CMS France (in EUR)	7,790	0	7,790
CMS Italy (in EUR)	4,282	385	4,667

Geographical Allocation	EU	Rest of World	Total Revenue
CMS Europe (in GBP)	232,109	34,131	266,240
CMS France (in EUR)	75,347	2,285	77,632
CMS Italy (in EUR)	25,409	0	25,409

¹² Please see "Standard & Poor's Ratings Services Product Descriptions" for a description of Ancillary Services and Other Services comprising "Non-Credit Rating Activity". This document, together with any additional financial disclosures the Entities are required to make, is available from <http://www.standardandpoors.com/ratings/european-union-regulatory-disclosures/en/eu> (Category "Ancillary Services").

8. GOVERNANCE STATEMENTS

Reference to a corporate governance code

CMS Europe

CMS Europe is not subject to any corporate governance code in the UK as it is a private limited company and does not have any issued shares admitted to trading on a regulated market. CMS Europe was incorporated under, and is governed by, the UK Companies Act 2006 (the "UK Act") which imposes, amongst other things, statutory duties on its directors. CMS Europe is required to comply generally with the Regulation with regard to board composition and the board of directors and has adopted Terms of Reference which govern its board conduct, as do CMS Europe's articles of association.

CMS France

CMS France is not subject to any corporate governance code in France as it is a société par actions simplifiée and does not have any issued shares admitted to trading on a regulated market. CMS France is required to comply generally with the Regulation with regard to board composition and the board of directors and has adopted Terms of Reference which govern its board conduct, as do CMS France's articles of association.

CMS Italy

CMS Italy is not subject to any governance code in Italy as it is a società a responsabilità limitata and does not have any shares admitted to trading on a regulated market. CMS Italy was incorporated under, and is governed by, the Italian Civil Code, which imposes obligations relating to società a responsabilità limitata and the organisation, management, accounting and control of società a responsabilità limitata. CMS Italy is required to comply generally with the Regulation with regard to its board composition and the board of directors and has adopted Terms of Reference which govern its board conduct, as do CMS Italy's by-laws.

Information about the corporate governance practices applied beyond the requirements under national law.

CMS Europe

The broad objective and duties of the board of directors of CMS Europe is to ensure through sound administration and process (among other measures) the proper, lawful, ethical, professional and sustainable management of CMS Europe and all its activities (including those of its branches in Germany, Sweden and Spain and since early 2012 Russia, the Republic of South Africa and Dubai (United Arab Emirates)) consistent with the requirements of the UK Act and (to the extent they do not conflict with applicable laws and regulations), the McGraw Hill Financial Code of Business Ethics and applicable McGraw Hill Financial corporate policies, and S&P Ratings Services policies as amended from time to time.

The composition of the board of directors as presented below is determined in accordance with the Terms of Reference of CMS Europe which provide that the board of directors should usually comprise (a) two senior global executives of Standard & Poor's in New York with extensive knowledge of Standard

& Poor's Credit Rating Activities, who will not be employees of CMS Europe; (b) a senior executive of CMS Europe; (c) a senior executive from one of the Entities with experience in structured finance markets, who may be an employee of CMS Europe; and (d) (in accordance with the requirements of the Regulation) two independent directors with expertise in the financial markets, one of whom will have senior level expertise in structured finance markets.

The chairperson is appointed by the board of directors from time to time.

It is anticipated that the board of directors will meet at least once per calendar quarter. Directors may attend each meeting of the board of directors by telephone or in person. At least one meeting of the board of directors per year should be held with all six directors in attendance.

The board of directors (in conjunction with senior management of CMS Europe) is tasked by Annex I Section A of the Regulation to ensure that CMS Europe and its activities are managed so that:

- a. Credit Rating Activities are independent, including from all political and economic influences or constraints;
- b. conflicts of interest are properly identified, managed and disclosed; and
- c. they comply with the remaining requirements of the Regulation.

Further, the board of directors must ensure that CMS Europe implements and maintains decision-making procedures and organisation structures which clearly and in a documented manner specify reporting lines and allocate functions and responsibilities.

In addition to the overall responsibility of the board of directors, the independent directors have the specific task (under the Regulation) of monitoring:

- a. the development of the Credit Rating policy and of the methodologies used by CMS Europe in its Credit Ratings Activities;
- b. the effectiveness of the internal quality control system in relation to Credit Rating Activities;
- c. the effectiveness of measures and procedures instituted to ensure that any conflicts of interest are identified, eliminated or managed and disclosed; and
- d. the compliance and governance processes.

A company secretary of CMS Europe (regardless whether such role is required by law) co-ordinates the meetings of the board of directors. The company secretary is responsible for developing and maintaining the information flows and communication and meeting processes that enable the board of directors to fulfil its role and assists the independent directors in the discharge of their obligations.

CMS France

The broad objective and duties of the board of directors of CMS France is to ensure through sound administration and process (among other measures) the proper, lawful, ethical, professional and sustainable management of CMS France and all its activities consistent with the requirements of the French Commercial Code and (to the extent they do not conflict with applicable laws and regulations), the McGraw Hill Financial Code of Business Ethics and applicable McGraw Hill Financial corporate policies, and S&P Ratings Services policies as amended from time to time.

The board of directors (in conjunction with senior management of CMS France) is tasked by Annex I Section A of the Regulation to ensure that CMS France and its activities are managed so that:

- a. Credit Rating Activities are independent, including from all political and economic influences or constraints;
- b. conflicts of interest are properly identified, managed and disclosed; and
- c. they comply with the remaining requirements of the Regulation.

Further, the board of directors must ensure that CMS France implements and maintains decision-making procedures and organisation structures which clearly and in a documented manner specify reporting lines and allocate functions and responsibilities.

The composition of the board of directors as presented below is determined in accordance with the Terms of Reference of CMS France which provide that the board of directors should usually comprise (a) two senior global executives of Standard & Poor's in New York with extensive knowledge of Standard & Poor's Credit Rating Activities, who will not be employees of CMS France; (b) a senior executive of CMS France; (c) a senior executive from one of the Entities with experience in structured finance markets, who may be an employee of CMS France; and (d) (in accordance with the requirements of the Regulation) two independent directors with expertise in the financial markets, one of whom will have senior level expertise in structured finance markets.

The chairperson is appointed by the board of directors.

It is anticipated that the board of directors will meet at least once per calendar quarter. Directors may attend each meeting of the board of directors by telephone or in person. At least one meeting of the board of directors per year should be held with all six directors in attendance.

In addition to the overall responsibility of the board of directors, the independent directors have the specific task (under the Regulation) of monitoring:

- a. the development of the Credit Rating policies and methodologies used by CMS France in its Credit Rating Activities;
- b. the effectiveness of the internal quality control system in relation to Credit Rating Activities;
- c. the effectiveness of measures and procedures instituted to ensure that any conflicts of interest are identified, eliminated or managed and disclosed; and
- d. the compliance and governance processes.

A company secretary of CMS France (regardless whether such role is required by law) co-ordinates the meetings of the board of directors. The company secretary is responsible for developing and maintaining the information flows and communication and meeting processes that enable the board of directors to fulfil its role and assists the independent directors in the discharge of their obligations.

CMS Italy

The broad objective and duties of the board of directors of CMS Italy is to ensure through sound administration and process (among other measures) the proper, lawful, ethical, professional and sustainable management of CMS Italy and all its activities consistent with the requirements of the Italian Civil Code and (to the extent they do not conflict with applicable laws and regulations), the McGraw Hill Financial Code of Business Ethics and applicable McGraw Hill Financial corporate policies, and S&P Ratings Services policies as amended from time to time.

The board of directors (in conjunction with senior management of CMS Italy) is tasked by Annex I Section A of the Regulation to ensure that CMS Italy and its activities are managed so that:-

- a. Credit Rating Activities are independent, including from all political and economic influences or constraints;
- b. conflicts of interest are properly identified, managed and disclosed; and
- c. it complies with the remaining requirements of the Regulation.

Further, the board of directors must ensure that CMS Italy implements and maintains decision-making procedures and organisation structures which clearly and in a documented manner specify reporting lines and allocate functions and responsibilities.

The composition of the board of directors as presented below is determined in accordance with the Terms of Reference of CMS Italy which provide that the board of directors should usually comprise (a) a senior global executive of Standard & Poor's in New York with extensive knowledge of Standard & Poor's Credit Rating Activities, who will not be an employee of CMS Italy; (b) a senior executive of CMS Italy; (c) a senior executive from one of the Entities who may be an employee of CMS Italy; and (d) a director with senior level expertise in structured finance markets who may be an employee of one of the Entities.

The chairperson is appointed by the board of directors.

It is anticipated that the board of directors will meet at least once per calendar quarter. Directors may attend each meeting of the board of directors by telephone or in person. At least one meeting of the board of directors per year should be held with all four directors in attendance.

A company secretary of CMS Italy (regardless whether such role is required by law) co-ordinates the meetings of the board of directors. The company secretary is responsible for developing and maintaining the information flows and communication and meeting processes that enable the board of directors to fulfil its role.

To the extent that a company departs from, or does not apply, an applicable corporate governance code, an explanation of its reasons for doing so.

CMS Europe

CMS Europe is not subject to a corporate governance code in the UK. The voluntary codes in the UK are designed for listed companies with a wide range of shareholders to provide them with comfort in the governance structures of such a company. Since CMS Europe has a single shareholder, such a requirement is unnecessary.

CMS France

CMS France is not subject to a corporate governance code in France. The voluntary codes in France are designed for listed companies with a wide range of shareholders to provide them with comfort in the governance structures of such a company. Since CMS France has a single shareholder, such a requirement is unnecessary.

CMS Italy

CMS Italy is not subject to a corporate governance code in Italy. The voluntary codes in Italy are designed for listed companies with a wide range of shareholders to provide them with comfort in the governance structures of such a company. Since CMS Italy has a single quota holder, such a requirement is unnecessary.

A description of the main features of the company's internal control and risk management systems in relation to the financial reporting process.

CMS Europe

As an indirect subsidiary of MHFI, CMS Europe complies with the provisions of the U.S. Sarbanes-Oxley Act of 2002, Section 404 ("Section 404") with regard to internal controls over financial reporting. Risk assessments and control metrics are in place at CMS Europe and are completed and reviewed on a quarterly basis. The effectiveness of controls is tested annually.

CMS France

As an indirect subsidiary of MHFI, CMS France complies with the provisions of Section 404 with regard to internal controls over financial reporting. Risk assessments and control metrics are in place at CMS France and are completed and reviewed on a quarterly basis. The effectiveness of controls is tested annually.

CMS Italy

As an indirect subsidiary of MHFI, CMS Italy complies with the provisions of Section 404 with regard to internal controls over financial reporting. Risk assessments and control metrics are in place at CMS Italy and are completed and reviewed on a quarterly basis. The effectiveness of controls is tested annually.

Information on significant direct and indirect shareholdings.

CMS Europe

CMS Europe is a wholly-owned subsidiary of MHEH, a Luxembourg-incorporated company which is a wholly-owned subsidiary of McGraw-Hill Global Holdings (Luxembourg) Sarl ("MHGH"), which is also a Luxembourg-incorporated company. MHGH is a wholly-owned subsidiary of McGraw-Hill International Holdings LLC (formerly known as McGraw-Hill Iberia LLC) ("MHIH"), a company incorporated under the laws of Delaware (United States) which is a wholly-owned subsidiary of MHFI.

CMS France

CMS France is a wholly-owned subsidiary of MHEH, which is a wholly-owned subsidiary of MHGH. MHGH is a wholly-owned subsidiary of MHIH, which is a wholly-owned subsidiary of MHFI.

CMS Italy

CMS Italy is a wholly-owned subsidiary of MHS, an Italian-incorporated company. MHS is a wholly-owned subsidiary of MHEH, which is a wholly-owned subsidiary of MHGH. MHGH is a wholly-owned subsidiary of MHIH, which is a wholly-owned subsidiary of MHFI.

Information on the holders of any securities with special control rights and a description of those rights.

CMS Europe

MHEH holds (and MHFI indirectly holds) all of the issued and outstanding ordinary shares in the capital of CMS Europe. There are no other securities in issue. No special control rights attach to any of the ordinary shares in issue.

CMS France

MHEH holds (and MHFI indirectly holds) all of the ordinary shares in the capital of CMS France. There are no other securities in issue. No special control rights attach to any of the ordinary shares in issue.

CMS Italy

MHS holds (and MHFI indirectly holds) the only quota of capital in CMS Italy. There are no other securities in issue. No special control rights attach to the quota in issue.

Information on any restrictions on voting rights.

CMS Europe

The ordinary shares of CMS Europe carry the right to receive notice of and to attend, speak and vote at general meetings of CMS Europe. There are no restrictions on voting rights.

CMS France

The ordinary shares of CMS France carry the right to receive notice of and to attend, speak and vote at general meetings of CMS France. There are no restrictions on voting rights.

CMS Italy

The quota carries the right to receive notice of and to attend, speak and vote at general quota holders meetings of CMS Italy. There are no restrictions on voting rights.

Information on the rules governing the appointment and replacement of board members and the amendment of the articles of association.

CMS Europe

Unless otherwise determined by ordinary resolution (majority of over 50 per cent), the number of directors (other than alternate directors) is not subject to a maximum (other than that provided by the Terms of Reference of CMS Europe) and the minimum number is one – subject to any higher requirements of the Regulation. Any person who is willing to act as a director, and is permitted by law to do so, may be appointed as a director: (i) by ordinary resolution (majority of over 50 per cent); (ii) by a decision of the directors; or (iii) by notice of appointment given to CMS Europe in writing by the holder or holders of more than 50 per cent of the issued shares in the capital of CMS Europe.

A director may be removed from office: (i) by ordinary resolution (majority of over 50 per cent); (ii) by notice signed by all the other directors of CMS Europe; or (iii) by notice of removal given to CMS Europe in writing by the holder or holders of more than 50 per cent of the issued shares in the capital of CMS Europe.

CMS Europe is subject to (i) the UK Act (ii) its articles of association (iii) its Terms of Reference and (iv) the requirements of the Regulation regarding independent directors. The articles of association of CMS Europe may be amended by a special resolution (majority of not less than 75 per cent) of CMS Europe in accordance with section 21 of the UK Act. The Terms of Reference of CMS Europe may be amended by the board of directors.

CMS France

Unless otherwise determined by a shareholder resolution (majority of over 50 per cent of the votes cast), the number of directors of CMS France shall be at least three and no more than ten. Any person willing

to act as a director, and is permitted by law to do so, may be appointed as a director by a shareholder resolution (majority of over 50 per cent of the votes cast).

A director may be removed from office by a shareholder resolution (majority of over 50 per cent of the votes cast).

CMS France is subject to (i) its articles of association, (ii) its Terms of Reference, and (iii) the requirements of the Regulation with regard to independent directors. The articles of association of CMS France may be amended by a shareholder resolution (majority of over 50 per cent of the votes cast) of CMS France. The Terms of Reference of CMS France may be amended by the board of directors.

CMS Italy

The by-laws of CMS Italy provide for management by a board of directors composed of between one managing director and no fewer than two and no more than six members for a term of office not longer than five years to be elected by the quota holders. The vote of the majority of the quota holders, provided at least one half of the capital is represented, is required to remove or replace board members.

The present term of office of the current board will expire at the date of approval of the financial statement for the year ending 31 December 2015.

The supervisory body for CMS Italy established in response to Italian Legislative Decree No. 231, currently composed of three members, is appointed by the board of directors by majority vote for three year terms of office¹³ and members may be re-elected a maximum of five times. The board may remove members of the supervisory body.

The present term of office of the supervisory body will expire on 28 July 2015. The by-laws of CMS Italy may be amended by the vote of the majority of the quota holders of CMS Italy provided at least one half of the capital is represented.

Information on the powers of the board members and in particular the power to issue or buy-back shares.

CMS Europe

Subject to the UK Act and to the articles of association of CMS Europe, the directors are responsible for the management of CMS Europe's business, for which purpose they may exercise all the powers of CMS Europe. The members of CMS Europe may by special resolution (majority of not less than 75 per cent) direct the directors to take, or refrain from taking, a specified action.

Subject to the UK Act and the articles of association of CMS Europe, but without prejudice to the rights attached to any existing share, CMS Europe may issue a further class or classes of shares, including redeemable shares, with such rights or restrictions as may be determined by ordinary resolution (majority of over 50 per cent). In relation to redeemable shares, the directors may determine the terms, conditions and manner of redemption.

¹³ The term of office of the supervisory body was extended from two to three years by the CMSI board on 27 March 2013.

As there is no restriction provided in its articles of association, CMS Europe (as a private limited company) may buy-back shares by special resolution (majority of not less than 75 per cent) of CMS Europe, subject also to compliance with the requirements of the UK Act.

CMS France

The articles of association of CMS France set out the requirements of the Regulation with regard to the powers of the board members and specifically those of the independent directors.

Subject to the French Commercial Code, CMS France (as a société par actions simplifiée) may issue further shares or buy back shares by resolution of the shareholders (majority of over 50 per cent of the votes cast).

CMS Italy

The board of directors is vested with full powers to manage the business of CMS Italy with the sole exception of the powers reserved for the quota holders, which are:

- a. approval of financial statements and distribution of profits;
- b. election of the board of directors and determination of the term of office, provided that such term shall not be longer than five years;
- c. election, if necessary, of the chairman and the board of statutory auditors or the auditor;
- d. amendments to the by-laws;
- e. decisions on performance of operations which may substantially change all corporate purpose of CMS Italy or the rights of the quota holders;
- f. decisions regarding the winding-up in advance of CMS Italy and the revocation of the same, as well as the appointment, removal and replacement of liquidators;
- g. removal of the directors; and
- h. subject to its by-laws and the Italian Civil Code, CMS Italy may issue further quotas by resolution of the quota holders (majority of over 50 per cent of the capital). CMS Italy (as a società a responsabilità limitata) may not buy-back quotas. In circumstances where there are two or more quota holders, a quota holder may give up its holding of quotas. However, CMS Italy currently has a single quota holder.

Unless the information is already fully provided for in national laws or regulations, the operation of the shareholder meeting and its key powers, and a description of shareholders' rights and how they can be exercised.

CMS Europe

Information on the operation of the shareholder meeting and its key powers, shareholders' rights and how they can be exercised is sufficiently provided for a private company under English law and, therefore, no additional disclosure is made in relation to this.

CMS France

Information on the operation of the shareholder meeting and its key powers, shareholders' rights and how they can be exercised is sufficiently provided for a société par actions simplifiée form of company under French law and, therefore, no additional disclosure is made in relation to this.

CMS Italy

Information on the operation of the quota holder meeting and its key powers, quota holders' rights and how they can be exercised is sufficiently provided for a società a responsabilità limitata under Italian law and, therefore, no additional disclosure is made in relation to this.

Information on the composition and operation of the administrative, management and supervisory bodies and their committees.

CMS Europe

The administrative and management function of CMS Europe is carried out by the board of directors.

The board of directors comprises six directors:

(1) Dr. Edgar Meister; (2) Yann Le Pallec; (3) Richard Moore; (4) James Penrose; (5) Douglas Peterson; and (6) Adam Schuman, and the company secretaries are Antony Montague and Catherine Shelley.

Under the Terms of Reference of CMS Europe the board meets not less than four times per year. No alternate directors have been appointed to date and such appointments are not anticipated. There are currently no sub-committees of the board. A brief résumé for each director is set out below:

Dr. Edgar Meister – non-executive independent board member. Formerly Member of the Executive Board of the Deutsche Bundesbank and currently Senior Consultant to General Capital Group.

Yann Le Pallec – executive board member. Executive Managing Director, Standard & Poor's Ratings Services EMEA.

Richard Moore – non-executive independent board member. Working as Head of Sales & Trading, Wholesale Banking and Markets, Lloyds Banking Group Plc. Formerly head of fixed income division in EMEA at Citigroup. Experienced in structured finance activities.

James Penrose – executive board member. Senior European Ratings Counsel, S&P Ratings Services. Experienced in structured finance activities.

¹⁴**Douglas Peterson – executive board member.** Chief Executive Officer and President of MHFI.

Adam Schuman – executive board member. Executive Managing Director and Chief Legal Officer of S&P Ratings Services.

CMS France

The administrative and management function of CMS France is carried out by the board of directors. The managing director position in CMS France is that of président which is currently held by Carol Sirou.

The board of directors comprises six directors:

(1) Carol Sirou; (2) Gérard de la Martinière; (3) Donald Howard; (4) Richard Moore; (5) James Penrose; and (6) Douglas Peterson.

¹⁴ Mr Douglas Peterson ceased to be a director of CMS Europe in the first quarter of 2014 and was replaced by Neeraj Sahai following the appointment of Mr Sahai as President of Standard & Poor's effective 6 January 2014. Mr Peterson was promoted from President of Standard & Poor's on 1 November 2013 to become Chief Executive Officer and President of MHFI.

Under the Terms of Reference of CMS France the board meets not less than four times per year. No alternate directors have been appointed to date and such appointments are not anticipated. There are currently no sub-committees of the board. A brief résumé for each director is set out below:

Carol Sirou – chairman of the board. Managing Director (Président) and head of S&P Ratings Services in France and Regional head French speaking Europe and Africa.

Gérard de la Martinière – independent board member. Formerly CFO of AXA. Currently President of the Comité de la Charte.

Donald Howard – executive board member. Chief Risk Officer, S&P Ratings Services.

Richard Moore – non-executive independent board member. Working as Head of Sales & Trading, Wholesale Banking and Markets, Lloyds Banking Group Plc. Formerly head of fixed- income division in EMEA at Citigroup. Experienced in structured finance activities.

James Penrose – executive board member. Senior European Ratings Counsel, S&P Ratings Services. Experienced in structured finance activities.

¹⁵**Douglas Peterson – executive board member.** Chief Executive Officer and President of MHFI.

CMS Italy

The administrative and management function of CMS Italy is carried out by its board of directors. To address potential issues arising out of Italian Legislative Decree No. 231, CMS Italy has also established a “supervisory body” (“Organismo di Vigilanza”) that reports to the board of directors. In addition, CMS Italy has established a “Collegio Sindacale”, a separate board of statutory auditors. The Collegio Sindacale is comprised of three independent chartered accountants and attends all meetings of the board of directors of CMS Italy and all meetings of its quota holders.

The board of directors is comprised of:

(1) Donald Howard; (2) David Pearce; (3) James Penrose; and (4) Maria Pierdicchi. Under the Italian Terms of Reference the board of directors meets not less than four times per year.

No alternate directors have been appointed to date and such appointments are not anticipated. There are currently no sub-committees of the board.

CMS Italy has applied under article 6(3) of the Regulation to be exempted from the requirement to appoint independent board members.

A brief résumé for each director is set out below:

¹⁵ Mr Peterson ceased to be a director of CMS France in the first quarter of 2014 and was replaced by Neeraj Sahai following the appointment of Mr Sahai as President of Standard & Poor's effective 6 January 2014. Mr Peterson was promoted from President of Standard & Poor's on 1 November 2013 to become Chief Executive Officer and President of MHFI. [as above]

Maria Pierdicchi – chairwoman of the board and executive board member. Managing Director and Head of Standard & Poor's Ratings Services for Southern Europe.

Donald Howard – executive board member. Chief Risk Officer, S&P Ratings Services.

James Penrose – executive board member. Managing Director and Senior European Ratings Counsel, S&P Ratings Services. Experienced in structured finance transactions.

David Pearce executive board member. Senior Vice President – Finance, S&P Ratings Services for EMEA and the Asia Pacific region

Maria Pierdicchi, as chairwoman of the board of directors (“Presidente”) has all powers (except those reserved to the quota holders) of the board of directors to manage CMS Italy.

Maria Pierdicchi, as Managing Director of CMS Italy, has been granted detailed operating powers to be the “Employer” regarding accident prevention and hygiene and security matters, and powers under the Italian Privacy Law.

Donald Howard and James Penrose have not been granted operating powers.

The supervisory body established under Italian Legislative Decree No. 231 is comprised of:

(1) Mario Di Giulio; (2) Giacomo De Laurentis; and (3) Lapo Guadagnuolo.

A brief résumé for each member of the supervisory body is set out below:

Mario Di Giulio – chairman and independent member of the supervisory body. Attorney, partner in an Italian law firm, specialises in financial and banking matters.

Giacomo De Laurentis – independent member of the supervisory body. Professor at Bocconi University in Milan, specialises in finance and the study of credit ratings with several publications in the areas of his specialisation.

Lapo Guadagnuolo – member of the supervisory body –Chief Credit Officer, EMEA, S&P Ratings Services.

The supervisory body monitors the observance of the “Model of Organisation, Management and Control”, as amended, adopted by CMS Italy as a compliance policy under Italian Legislative Decree No. 231. The supervisory body meets at least once every four months and reports to the board of directors.

CMS Italy's compliance with its general legal obligations, its by-laws and principles of proper management, in particular, the adequacy of CMS Italy's organisational, administrative and accounting structure as well as the activities of CMS Italy, is further monitored by the Collegio Sindacale.

Eugenio Bottino, an employee of MHS, as attorney-in-fact (Procuratore), has been granted the power to represent CMS Italy in respect of the tax authorities and to exercise joint banking powers with certain individuals, including Maria Pierdicchi, as Managing Director.

Annex – Glossary of terms used

“Analyst” means any S&P Ratings Services employee who is directly involved in Credit Rating Activities, but not part of S&P Ratings Services’ Criteria or Quality organisations or its legal department.

“Analytical Role” means, regardless of title, an S&P Ratings Services employee who is directly involved in Credit Rating Activities, but not part of S&P Ratings Services’ Criteria organisation. Examples include Analysts and Analytical Managers.

“Analytical Manager” means a supervisor who oversees the day-to-day work of Analysts or other Analytical Managers, but who is not in a general management role.

“Ancillary Service” means a product or service that S&P Ratings Services provides or sells that is not a Credit Rating or Credit Rating Activity and is either a market forecast, an estimate of economic trends, a pricing analysis, other general data analysis, or distribution services related to a Credit Rating, a market forecast, an estimate of economic trends, a pricing analysis or general data analysis.

“Credit Rating” means a forward looking opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument (including a money market instrument), or of an Issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using Rating Services’ established and defined Credit Rating symbology.

“Credit Rating Activities” means:

- data and information analysis related to Credit Ratings;
- the evaluation, approval, issuance, and review of Credit Ratings; and
- the development or approval of Criteria, including the development or approval of qualitative and quantitative models.

Examples include:

- Participating and/or voting in Rating Committees;
- Attending management meetings that are for the purpose of gathering information and for determining the basis of a rating action;
- Communicating with rated entities and related third parties to determine a rating action;
- Managing Analysts in their analytical work;
- Developing Criteria (including attending Criteria committees);
- Conducting surveillance of a Credit Rating;
- Developing analytical models to support Criteria in which the results are used by a Rating Committee as part of determining a Credit Rating.

Any other activity engaged in by S&P Ratings Services, such as data analysis that does not lead to, or directly support the issuance or surveillance of, a Credit Rating is either an Ancillary Service or Other Services.

“Criteria” means analytical procedures or methodologies used for determining Credit Ratings, including all fundamental quantitative and qualitative elements, analytical principles, methodologies and assumptions used to produce Credit Ratings.

“Issuer” means an entity that issues debt or equity securities, as well as a bank or insurance company, and their employees and agents acting on its behalf. An Issuer includes the rated entity and its related third parties.

“Other Service” means a product or service that S&P Ratings Services provides or sells that is neither an Ancillary Service nor part of its Credit Rating Activities.

“Practice Area” means a unit within S&P Ratings Services that is responsible for a particular type of Credit Rating or geographic area.

“Primary Analyst” means the Analyst who has primary responsibility for (a) determining a Credit Rating recommendation and/or presenting that Credit Rating recommendation to a Rating Committee and (b) communicating with an Issuer with respect to a specific Credit Rating Action. A Primary Analyst means the “lead rating analyst” pursuant to Article 3(1)(e) of the Regulation.

“Rating Committee” means the committee that determines a Credit Rating.

“Rating Decision” means a Credit Rating that is determined by a Rating Committee prior to its public release or prior to its communication to the requesting party for a private Credit Rating.