



Code of Professional Conduct

December 2016

Table of Contents

Preamble	3
I. Defined Terms	4
II. What Are Credit Ratings?	8
III. The Provisions	9
1. Quality and Integrity of the Rating Process	9
A. Quality of the Rating Process	9
B. Monitoring and Updating	11
C. Integrity of the Rating Process	12
2. Independence and Avoidance and/or Management of Conflicts of Interest	14
A. General	14
B. Procedures and Policies	15
C. Analyst and Employee Independence	15
3. Responsibilities to the Investing Public and Issuers	18
A. Transparency and Timeliness of Ratings Disclosure	18
B. Treatment of Confidential Information and Non-Public Information	21
4. Enforcement and Disclosure of the MERIS Code and Communication with Market Participants	24

Preamble

Financial markets should be efficient and fair to all market participants. Credit rating agencies play an important role in these markets. **Middle East Rating & Investors Service (MERIS)** provides information and opinions in the form of credit ratings and related research about the creditworthiness of issuers of debt and their financial obligations. Our credit ratings are forward-looking opinions that seek to measure relative credit loss. That is to say, they forecast the likelihood of default on a debt instrument and the estimated severity of loss in the event of that instrument's default.

This Code is accessible on **MERIS's** website, www.merisratings.com. The Code is organized into four sections:

- The Quality and Integrity of the Rating Process;
- Independence and Avoidance and/or Management of Conflicts of Interest;
- Responsibilities to the Investing Public and Issuers; and
- Enforcement and Disclosure of the **MERIS** Code and Communication with Market Participants.

I. Defined Terms

For the purposes of this document, the terms below, organized by category, are defined as follows:

- The **Middle East Rating & Investors Service (MERIS) Code of Professional Conduct** (“**MERIS Code**” or the “**Code**”) is this code of conduct for **MERIS**.
- **Rating Symbols and Definitions** is a reference guide that sets out definitions of the rating symbols and rating scales used by **MERIS**.

Employee Types

- An **Analyst** is an Employee whose primary function is participation in the Credit Rating analysis process.
- An **Employee** is any individual who works for **MERIS** in any capacity. **MERIS Management** or **Managers** are those Employees who have personnel management responsibilities.

Services and Products

1. A **Credit Rating** is an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.
2. A **Credit Rating Action** is any one of the items below. **MERIS** publishes Credit Rating Actions via one or more Credit Rating Announcements or on www.merisratings.com with a clear and prominent reference on the relevant webpage to the place on www.merisratings.com where disclosure specified in the applicable laws for Credit Ratings or Credit Rating Announcements is required.
 - i. the assignment of a Credit Rating to a Rated Entity or obligation, including Anticipated/ Subsequent Credit Ratings;

- ii. a change in a Credit Rating (i.e., upgrade or downgrade);
 - iii. placing a Credit Rating on Review, changing the direction of an existing Review or taking a Credit Rating off Review (i.e., Credit Rating Confirmation);
 - iv. the assignment or change in an Outlook associated with a Rated Entity or one or more Credit Ratings;
 - v. an Affirmation of a Credit Rating; and
 - vi. a Withdrawal of a Credit Rating.
3. **Credit Rating Announcements** is a written communication that may be used to announce the publication of a Credit Rating Action related to public Credit Ratings, Unpublished Monitored Loan Ratings or Unpublished Monitored Private Placement Ratings. **MERIS** may also publish a Credit Rating Action related to public Credit Ratings on its public websites that is not accompanied by a Credit Rating Announcement.
 4. **Credit Rating Services** are those products and services that are offered by **MERIS**, that are derived from the credit rating process and that provide an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.
 5. **Other Permissible Services** are those products and services that **MERIS** may offer that are not Credit Rating Services.
 6. **Rating Services** means any or all of the following: Credit Rating Services, and/or Other Permissible Services.

Other

1. An **Agent** is any party working on behalf of a Rated Entity, or working on behalf of an agent of the Rated Entity.

2. **Confidential Information** is any information received by **MERIS** from an Issuer or its affiliates or its Agents in connection with the rating process or in connection with providing Other Permissible Services in respect of which **MERIS** has received written notice specifically indicating the proprietary and confidential nature of the information. However, the term "Confidential Information" shall not include:
 - a. information that is or later becomes publicly known;
 - b. information available to **MERIS** on a non-confidential basis prior to disclosure by the Issuer or its Agents;
 - c. information that becomes available to **MERIS** on a non-confidential basis from a third party not reasonably known by **MERIS** to be bound by a confidentiality agreement with the Issuer or otherwise prohibited from making available such information;
 - d. information developed independently by **MERIS** without reference to the Confidential Information; or
 - e. information that has been aggregated or transformed in such a way that it is no longer identified as relating to any individual Issuer.

3. **Non-Public Information** is information that has not been publicly disseminated (for example, through public filing with a securities regulatory authority; issuance of a press release; disclosure of the information in a national or broadly disseminated news service; or the issuance of a proxy statement or prospectus).

4. The term **Family Members** refers to the following persons:
 - a. an Employee's spouse or domestic partner (or any other person with whom an Employee cohabits and shares financial responsibilities);
 - b. an Employee's minor or dependent children;
 - c. any other relative sharing the same household as an Employee;

- d. any persons who do not live in the same household as an Employee but whose Trades in Securities are directed by or are subject to the Employee's influence or control (either direct or Indirect) (such as parents or children living in separate households who consult with the Employee before they Trade); and
 - e. any other natural or legal person, trust, entity or partnership:
 - (i) whose managerial responsibilities are discharged by,
 - (ii) that is set up for the benefit of,
 - (iii) that is directly or indirectly controlled by, or
 - (iv) whose economic interests are substantially equivalent to, the Employee or any Family Member.
5. **Fee Discussions** are any negotiations about fees for Rating Services and any discussions or correspondence (whether internal or external) relating to those negotiations.
6. An **Issuer** is any entity that issues debt, a credit commitment, or debt-like securities.
7. The term **Security** means any non-deposit financial instrument that is, or is derived from, any equity or fixed income security. This includes, but is not limited to: stocks, bonds, debentures, options, equity securities, convertible securities, warrants, derivative instruments, notes, collective investment schemes, open- or closed-end mutual funds, exchange traded funds (ETFs) and unit investment trusts (UITs).
8. **Rated Entity(ies)** means any entity rated by **MERIS** or any entity that issues securities rated by **MERIS** or any entity that is seeking a Credit Rating from **MERIS**.
9. **Restricted List** is a list of Securities by industry, geography or regulation, which an Employee and any Family Members of that Employee may not Own or Trade.

II. What Are Credit Ratings?

A Credit Rating is an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.

Credit Ratings are based on information obtained by **MERIS** from sources believed by **MERIS** to be accurate and reliable, including but not limited to Issuers and their Agents, as well as sources independent of the Issuer. **MERIS** relies on Issuers and their Agents to provide information that is true, accurate, timely, complete and not misleading.

MERIS adopts all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources **MERIS** considers to be reliable including, when appropriate, independent third-party sources. However, **MERIS** is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Thus, in assigning a Credit Rating, **MERIS** is in no way providing a guarantee with regard to the accuracy, timeliness, or completeness of factual information reflected, or contained, in the Credit Rating or any related **MERIS** publication.

In the rating process, **MERIS** maintains independence in its relationships with Issuers, investors, and other interested entities. **MERIS** does not have a fiduciary relationship with the Issuer whose security is being rated (or any other party). Nor does **MERIS** act as an advisor to the Issuers it rates. **MERIS** may comment on the potential credit implications of proposed structural elements of a security, but **MERIS** does not participate in the actual structuring of any security under consideration for a Credit Rating.

As a matter of policy, and in keeping with its role as an independent and objective publisher of opinions, **MERIS** retains complete editorial control over the content of its Credit Ratings, credit opinions, commentary, and all related publications. **MERIS** reserves the right at any time to suspend, modify, lower, raise or withdraw a Credit Rating, or place a rating on review in accordance with **MERIS** policies and procedures. **MERIS** editorial control includes its right to decide whether, and when, to issue a Credit Rating or publish any information or commentary, except in those rare instances where the public disclosure of a Credit Rating has been contractually limited (See Provision 3.4 below) or limited by applicable laws and regulations.

III. The Provisions

1. Quality and Integrity of the Rating Process

MERIS will endeavor to provide forward-looking opinions on the relative creditworthiness of Issuers of debt and debt instruments in order to help reduce the information asymmetry that exists between those Issuers and potential purchasers of their debt.

A. QUALITY OF THE RATING PROCESS

- 1.1 Since Credit Ratings are probabilistic opinions about future creditworthiness, the performance of an individual Credit Rating will not be judged on the basis of the individual outcome, but on whether the individual Credit Rating was formed pursuant to **MERIS's** established processes. Where possible, the performance of Credit Ratings collectively will be evaluated on the basis of how they perform on a statistical basis ex post (e.g., default studies, accuracy ratios, and stability measures).
- 1.2 **MERIS** will develop and maintain rigorous and systematic rating methodologies and will be responsible for monitoring the appropriateness and completeness of rating methodologies and procedures. Where possible, resulting Credit Ratings will be periodically subjected to objective validation based on historical experience.
- 1.3 In assessing an Issuer's or obligation's creditworthiness, Analysts will use **MERIS's** methodologies. Analysts will apply a given methodology in a consistent manner.
- 1.4 Credit Ratings will be determined by rating committees and not by any individual Analyst. Once a rating committee has determined the appropriate Credit Ratings to be assigned to a Rated Entity's debt classes (e.g., senior unsecured), or to debt issued under certain specific program documents, **MERIS** will assign such Credit Ratings to such classes unless and until a subsequent rating committee determines otherwise.
 - a. Debt issuance by a Rated Entity or under specific program documents may be routine (e.g., refinance), or may be material

to the Rated Entity's creditworthiness or the program structure (e.g., a material change in the Rated Entity's leverage). It is the responsibility of the Analyst to monitor the Issuer's debt issuance and leverage and changes to program documents, and to bring material changes to the rating committee's attention.

- b. In producing a Credit Rating, **MERIS** will consider all information known and believed to be relevant by the applicable Analyst and rating committee about an Issuer, including information received from a source other than the Issuer or underwriter that the applicable Analyst and rating committee find credible and potentially significant to a rating decision in a manner generally consistent with **MERIS's** methodologies. **MERIS** will establish, maintain and enforce policies and controls to assure that the Credit Ratings it disseminates are based on a thorough analysis of all such information. In formulating Credit Ratings, **MERIS** will employ Analysts who, individually or collectively (for rating committees), have appropriate knowledge and experience in developing a rating opinion for the type of Issuer or credit being analyzed, in accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 1.5 In compliance with applicable laws and as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will maintain records and documents used to support its Credit Ratings and research processes for a minimum of 5 years from the date of the initial rating certificate.
- 1.6 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** and its Analysts will establish, maintain and enforce policies and controls to avoid issuing any Credit Ratings or reports that contain misrepresentations or are otherwise misleading as to the general creditworthiness of an Issuer or obligation.
- 1.7 **MERIS** will invest resources sufficient to carry out high-quality credit assessments of Issuers or obligations. When deciding whether to rate or continue rating an obligation or Issuer, **MERIS** will assess whether it is able to devote sufficient personnel with appropriate skills to make a proper rating assessment, and

whether its personnel likely will have access to sufficient information needed in order to make such an assessment. In its Credit Rating Reports for Credit Ratings that present limited historical data, **MERIS** will make such limitation clear in a prominent place, as required in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations. **MERIS** will adopt all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources **MERIS** considers to be reliable including, when appropriate, independent third-party sources.

In cases involving new types of financial products, **MERIS** will refrain from providing a Credit Rating unless it believes that it has sufficient information and the appropriate analytical skills to do so, as required in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.

MERIS shall ensure that the methodologies and models used by the company are appropriate, and shall from time to time review its methodologies and models to reflect any necessary changes.

- 1.8 In line with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will adopt and maintain an appropriate continuing education program for Analysts.
- 1.9 **MERIS** will organize its rating committees to promote continuity and avoid bias in the rating process.

B. MONITORING AND UPDATING

- 1.10 **MERIS** will allocate adequate personnel and financial resources to monitoring and updating its Credit Ratings. Once a Credit Rating is published, and unless it is withdrawn, **MERIS**, in accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, will monitor the Credit Rating and update it by:
 - a. at least once in any twelve month period, reviewing the creditworthiness of the Issuer or other relevant entity or obligation;

- b. initiating a review of the status of the Credit Rating upon becoming aware of any information that might reasonably be expected to result in a Credit Rating Action (including withdrawing a Credit Rating) consistent with the applicable rating methodology; and
- c. updating on a timely basis the Credit Rating, as appropriate, based on the results of any such review referred to in a or b above. In addition, upon adoption of a new or revised rating methodology, **MERIS** will review the impact of the new or revised methodology to outstanding Credit Ratings and take any necessary Credit Rating Action, within a reasonable period of time.

Where practicable, subsequent monitoring will incorporate all cumulative experience obtained. **MERIS** will apply changes in relevant key rating assumptions both to current and subsequent Credit Ratings.

- 1.11 **MERIS** will establish, maintain and enforce policies and controls relating to the publication of Credit Rating Announcements that announce Credit Rating Actions, including the withdrawal of a public Credit Rating on an Issuer or obligation, (except for routine debt maturities, calls, or redemptions).

C. INTEGRITY OF THE RATING PROCESS

- 1.12 **MERIS** and its Employees will comply with all applicable laws and regulations governing their activities in the jurisdictions in which **MERIS** operates. For greater certainty, to the extent that a provision in the **MERIS** Code is inconsistent with applicable laws and regulations in a jurisdiction in which **MERIS** operates, then that provision in the **MERIS** Code will not apply in that jurisdiction to the extent of the inconsistency.
- 1.13 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** and its Employees will deal fairly and honestly with Issuers, investors, other market participants, and the public.

- 1.14 **MERIS** will hold its Employees to high standards of integrity. **MERIS** will not knowingly employ any individuals with demonstrably compromised integrity, subject to applicable law and as per the Egyptian Financial Supervisory Authority's (EFSA) regulations.
- 1.15 **MERIS** and its Employees will not, either implicitly or explicitly, give any assurance or guarantee of a particular Credit Rating prior to a rating committee. This does not preclude **MERIS** from developing preliminary feedback in structured finance transactions or similar transactions, as stated in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations. In addition, **MERIS** and its Employees will not make a promise or threat about potential Credit Rating Actions to influence Rated Entities, investors, or other market participants to pay for Credit Ratings or other services.
- 1.16 **MERIS** will not:
- a. provide rating advisory services;
 - b. act as a broker or dealer engaged in the business of underwriting securities or money market instruments; or
 - c. have a financial or controlling interest in an entity rated by **MERIS** or any of its affiliates.
- 1.17 **MERIS** Employees are prohibited from making proposals or recommendations to an obligor or Issuer, underwriter or sponsor of an obligation about the corporate or legal structure, assets, liabilities or activities of an obligor or Issuer, as required in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations. Consistent with this prohibition, in assessing credit risk **MERIS** Employees may properly hold a series of discussions with an Issuer or its Agents in order to:
- (1) understand and incorporate into their analysis the particular facts and features and any modification thereof, as proposed by the Issuer or its Agents; and
 - (2) explain to the Issuer or its agents the Credit Rating implications of **MERIS's** methodologies as applied to the Issuer or obligation.

- 1.18 While Employees are not expected to be experts in the applicable laws and regulations, they are expected (and in some cases required by applicable laws and regulations) to report activities of which they are aware that a reasonable person would question as a potential violation of the law or this Code.
- 1.19 Management prohibits retaliation by any Employee or by **MERIS** itself against any Employee who, in good faith, reports a possible violation of the law, regulation or this Code.

2. Independence and Avoidance and/or Management of Conflicts of Interest

A. GENERAL

- 2.1 **MERIS** will not forbear or refrain from taking a Credit Rating Action, or from initiating or concluding a review of a Credit Rating, based on the potential effect (economic, political, or otherwise) of the action on **MERIS**, an Issuer, Rated Entity, investor or other market participant, as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 2.2 **MERIS** and its Employees will use care and professional judgment to maintain both the substance and appearance of independence and objectivity as required by the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 2.3 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, the determination of a Credit Rating will be influenced only by factors relevant to the credit assessment.
- 2.4 The Credit Rating **MERIS** assigns to an Issuer or obligation will not be affected by the existence of, or potential for, a business relationship between **MERIS** and the Issuer (or its affiliates), or any other party, or the non-existence of any such relationship, as stipulated by the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.

B. PROCEDURES AND POLICIES

- 2.5 In line with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will establish, maintain and enforce policies and controls to:
- a. identify; and
 - b. eliminate, or manage and disclose, as appropriate, actual or potential conflicts of interest that may influence the determination of Employees who have an influence on Credit Ratings decisions, or the approval of new or revised Credit Rating.
- 2.6 **MERIS**'s disclosures of known actual and potential conflicts of interest will be complete, timely, clear, concise, and specific.
- 2.7 **MERIS** will disclose in its annual report the general nature of its compensation arrangements with rated entities as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 2.8 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** and its Employees will not engage in any Securities (including derivatives) trading that presents conflicts of interest with **MERIS**'s or its Employees' rating activities.

C. ANALYST AND EMPLOYEE INDEPENDENCE

- 2.9 Reporting lines for Employees and their compensation arrangements will be organized to eliminate or effectively manage actual and potential conflicts of interest, as stated in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- a. Analysts will not be compensated or evaluated on the basis of the amount of revenue that **MERIS** derives from Rated Entities:
 - i. that the Analyst rates; or
 - ii. with which the Analyst regularly interacts; or

iii. over which the Analyst has approval or oversight responsibility.

b. **MERIS** will conduct formal and periodic reviews of compensation policies and practices for its Employees who participate in, or who might otherwise have an effect on, the Credit Rating process to determine that these policies and practices do not compromise the objectivity of the Credit Rating process or Employees.

2.10 **MERIS** has implemented a separation of its rating and commercial activities. Rating Personnel will not participate in Fee Discussions, or sales and marketing activities, or be influenced by sales and marketing considerations, as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.

2.11 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, employees will not approve, participate in or otherwise influence the determination of the Credit Rating of any particular Issuer, Rated Entity or obligation if 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 a Family Member who owns Securities (including derivatives of Securities) issued, guaranteed or otherwise supported by the Rated Entity, its affiliates or any of the identified third parties;
- c. has had a recent employment or other significant business relationship with the rated entity that either constitutes a conflict of interest or creates the impression of a conflict of interest that **MERIS** deems to be unacceptable;
- d. has an immediate relation (i.e., a spouse, partner, parent, child, or sibling) who works for the Rated Entity, its affiliates or any of the 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 **MERIS** deems to be unacceptable; or
- e. has, or had, any other relationship with the rated entity or any related entity thereof that either constitutes a conflict of interest or creates the impression of a conflict of interest that **MERIS** deems to be unacceptable.
 - f. has, or had initiated, or participated in Fee Discussions with the Rated Entity, its affiliates or any of the identified third parties, (excluding accidental receipt of fee information); or
 - g. has received gifts or entertainment or cash from the Rated Entity, its affiliates or any of the identified third parties, that either constitutes a conflict of interest or creates the impression of a conflict of interest that **MERIS** deems unacceptable in accordance with the Policy for Solicitation or Acceptance of Money, Gifts, Favors or Entertainment.
- 2.12 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, employees who are involved in the rating process and their Family Members are prohibited from buying, selling or engaging in any transaction in any Security (including a derivative of any Security) issued, guaranteed, or otherwise supported by any Issuer or entity within such Employee's Restricted List(s).
- 2.13 In accordance with the Policy for Solicitation or Acceptance of Money, Gifts, Favors or Entertainment, **MERIS** maintains prohibitions on soliciting or accepting money, gifts, favors, services or entertainment from any Rated Entity or any third party with whom **MERIS** has a business relationship that relates to Credit sponsor of any Rated Entity or its Agents, in line with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations. All Rating Personnel are required to obey these prohibitions.
- 2.14 Any Analyst or Manager who becomes involved in any personal relationship that may create an actual or potential conflict of interest (including, for example, any personal relationship with an employee of a rated entity or Agent of such entity within his or

her area of analytic responsibility), will be required, subject to applicable law, to disclose such relationship to his or her immediate manager, or the company's managing director, as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations. Based on the assessment of this information, **MERIS** will take appropriate steps to mitigate an actual or potential conflict.

2.15 Where an Analyst or any other Employee who participates in determining or monitoring Credit Ratings leaves the employment of **MERIS** and becomes an employee of an Issuer, underwriter, or sponsor of obligations the Analyst or other Employee was involved in rating or of a financial firm with which he or she had dealings as part of his or her duties at **MERIS**, **MERIS** will conduct a look back review of such Analyst's or Employee's work in accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations to ensure its independence and objectivity.

3. Responsibilities to the Investing Public and Issuers

A. TRANSPARENCY AND TIMELINESS OF RATINGS DISCLOSURE

- 3.1 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will disclose as soon as practicable its Credit Rating Actions regarding the Issuers, debt and debt-like obligations it rates.
- 3.2 **MERIS** will make its public Credit Ratings and public Credit Rating Announcements available to the public on a non-selective basis without cost, and provide transparency on how the relevant entity or obligation is rated. Such public Credit Ratings and public Credit Rating Announcements will be posted on **MERIS's** public website.
- 3.3 **MERIS** will encourage structured finance Issuers and originators of structured finance products to publicly disclose all relevant information regarding these products, in line with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.

- 3.4 Upon the request of an Issuer, and at **MERIS's** sole discretion, **MERIS** may agree to keep an entity Credit Rating confidential as stipulated in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations. However, if an Issuer or obligation — including a tranche of a structured finance security — already carries a public Credit Rating from **MERIS**, all subsequent decisions to change or discontinue such Credit Rating will be made available to the public on a non-selective basis without cost.
- 3.5 **MERIS** will publicly disclose its policies for distributing and withdrawing Credit Ratings and will keep such policies current, as stipulated in the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 3.6 For each Credit Rating Action, when announced, and as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will disclose certain information, including but not limited to:
- a. a reference to the last associated Credit Rating Announcement, if any;
 - b. a summary of the key elements of the rationale underlying the Credit Rating;
 - c. a summary of the key rating assumptions/factors and sensitivity analysis of the relevant key rating assumptions/factors;
 - d. language to indicate which substantially material sources of information were used to prepare the Credit Rating;
 - e. a description of the attributes and limitations of the Credit Rating so as to indicate whether **MERIS** considers satisfactory the quality of information available on the Rated Entity and/or debt; and
 - f. a reference to the principal methodology(ies) used to determine the Credit Rating.

3.7 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will publicly disclose sufficient information about its rating committee process, procedures, methodologies, and any assumptions about the published financial statements that deviate materially from information contained in the Issuer's published financial statements so that investors and other users of Credit Ratings can understand how a Credit Rating was determined. The rating symbols and rating scales used by **MERIS** are publicly disclosed in its Rating Scale and Definitions available on **MERIS's** public website..

a. **MERIS** will publish sufficient information about its loss expectations and cash flow analysis relating to a structured finance Credit Rating so that a financial market professional can understand the basis for the Credit Rating.

b. **MERIS** will insert "(sf)" into all of its new and existing Credit Ratings of structured finance instruments. The insertion of "(sf)" will appear following the Credit Rating in all of **MERIS's** Credit Rating Announcements and research reports -- e.g., "AA(sf)" when referring to a specific Credit Rating.

c. **MERIS** will clearly indicate the attributes and limitations of Credit Ratings, the risk of unduly relying on them to make investment or other financial decisions and generally the extent to which **MERIS** verifies the information provided to it by the Issuer or originator of a rated security. This information should assist investors and other users of Credit Ratings in developing a greater understanding of what a Credit Rating is.

3.8 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, where feasible and appropriate, prior to issuing or revising a Credit Rating, **MERIS** will inform the Issuer of the critical information and principal considerations upon which the Credit Rating is based and afford the Issuer an opportunity to submit additional factual information not previously available to the Issuer, or to clarify any likely factual misperceptions in order to produce a well-

informed Credit Rating. **MERIS** will duly evaluate the Issuer's response. Where in particular circumstances **MERIS** has not informed the Issuer prior to issuing or revising a Credit Rating, **MERIS** will inform the Issuer as soon as practicable thereafter and, generally, will explain the reason for the delay.

3.9 Where not precluded by specific circumstances, **MERIS** will allow the Issuer a brief period of time, which may vary depending on the circumstances and jurisdictional requirements, to notify **MERIS** of the Issuer's desire to appeal the Credit Rating decision. Appeals may be granted where **MERIS** is provided new or additional information that was not available to or considered by the rating committee.

3.10 In order to promote transparency and to enable the market to best judge the aggregate performance of Credit Ratings on debt instruments, where possible, **MERIS** will publish information about the types of ratings carried out by it historically, and shall disclose any changes in the credit ratings assigned previously so that financial market professionals can understand the historical performance of securities assigned to different rating categories, in accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.

B. TREATMENT OF CONFIDENTIAL INFORMATION AND NON-PUBLIC INFORMATION

3.11 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, **MERIS** will:

3.11.1 Establish, maintain and enforce policies and controls to:

- a. Preserve the confidentiality of Issuer Confidential Information;
- b. Prevent disclosure of Non-Public Information related to Credit Ratings, including pending Credit Rating Actions; and

- c. Prevent violations of applicable laws and regulations governing the treatment and use of Issuer Confidential Information and/or material Non-Public Information.
 - 3.11.2 Refrain from publicly disclosing Confidential Information in Credit Rating Announcements, or through research, conferences, or conversations with investors, other Issuers, or any other persons unless **MERIS** has received permission from the Issuer, its affiliates or its Agents.
 - 3.11.3 Notwithstanding the foregoing, **MERIS** shall not be restricted from:
 - a. publishing any Credit Rating or other opinion regarding a particular security or transaction which incorporates Confidential Information as long as: (i) the Confidential Information is not specifically disclosed and (ii) the disclosure is made publicly so that the opinion is available to investors generally;
 - b. using third party contractors or Agents bound by appropriate confidentiality obligations to assist in any aspect of the ratings process or related business activities;
 - c. disclosing information as required by any applicable law, rule, or regulation, or at the request of any governmental agency or authority; or
 - d. disclosing information to third parties with an independent legal right to receive it.
- 3.12 **MERIS** and its Employees will use Confidential Information only for purposes related to its Rating Services and will maintain and enforce policies and controls to this effect.
- 3.13 **MERIS** will maintain and enforce policies and controls that require its Employees to take all reasonable measures to protect all property and records belonging to or in possession of **MERIS** from fraud, theft, and misuse, as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.

- 3.14 In accordance with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, employees and their Family Members will be prohibited from engaging in transactions in Securities (including derivatives) when the Employee possesses Non-Public Information related to the Issuer of such Securities, or information relating to pending Credit Rating Actions affecting either the Securities or the Issuer of such Securities.
- 3.15 Employees will familiarize themselves with the Securities Trading Policy, and periodically certify their compliance as required by such policy.
- 3.16 Employees will not disclose any Non-Public information regarding pending Credit Ratings, except to the relevant Issuer or its Agents, as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 3.17 **MERIS** Employees will not share Issuer Confidential Information or Non-Public Information within **MERIS** except as necessary in connection with its business. **MERIS** Employees will not share Issuer Confidential Information with employees of any affiliated entities except to the extent such employees are acting as Agents or contractors of **MERIS** with respect to Rating Services, and require such information in order to carry out those duties, and are bound by appropriate confidentiality obligations, as per the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations.
- 3.18 In line with the Egyptian Financial Supervisory Authority's (EFSA) laws and regulations, employees will not share Confidential Information for the purpose of trading Securities (including derivatives) or for any other purpose.
- 3.19 Except as required under any applicable law, rule, regulation, or at the proper request of any governmental agency or authority, Non-Public Information relating to a Credit Rating, including **MERIS**'s internal deliberations and the composition of the rating committee will be kept strictly confidential and will not be disclosed to persons outside of **MERIS** except on a "need-

to-know” basis and where such persons are bound by appropriate confidentiality provisions.

4. Enforcement and Disclosure of the **MERIS** Code and Communication with Market Participants

- 4.1 Management will be responsible for the implementation and the enforcement of the **MERIS** Code.
- 4.2 The provisions of this Code are derived primarily from the IOSCO Principles and the IOSCO Code, as well as the Egyptian Financial Supervisory Authority’s (EFSA) laws and regulations. However, **MERIS** has made certain modifications to more closely align this Code with **MERIS’s** business mode and practices.
- 4.3 With respect to the subjective standards that are incorporated in this Code, **MERIS** will use its good faith efforts in implementing such standards.
- 4.4 **MERIS** will publish in a prominent position on **MERIS** public website links to (1) the **MERIS** Code; (2) a general description of the methodologies **MERIS** uses in assigning Credit Ratings; (3) information about **MERIS’s** historic Credit Rating(s); and (4) any other such disclosures required under this Code.
- 4.5 **MERIS** will require, on an annual basis, an appropriate independent auditor to review **MERIS’s** policies and procedures that relate to ratings-related activities and conflicts of interest, its internal control systems for such policies and procedures, and its compensation and promotion policies and practices, and report to the Chairman of **MERIS’s** Board of Directors (or head of the relevant subcommittee of the Board) on **MERIS’s** compliance with the policies, procedures, systems and practices referred to in this provision, and recommend any changes that are necessary.