

S&P Capital IQ Equity Research

RESEARCH OBJECTIVITY POLICY

Issued by:
Compliance
Department

Applies to:
S&P Capital IQ
Equity Research
Covered Employees

Effective Date:
December 29, 2011

**Related Policies and
Guidelines:**
This policy and
procedures should be
read in conjunction
with The McGraw-
Hill Code of Business
Ethics and Standard
& Poor's Investment
Advisory Services
LLC Code of Ethics
(U.S. Covered
Employees)

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1 Introduction

S&P Capital IQ (“SPCIQ”) is a global leader and provider of financial information, including the provision of independent equity research¹ to the global markets. In connection with its equity research operations, SPCIQ expects its employees to adhere to the highest ethical standards in performing their duties, including avoiding conflicts of interest or the appearance thereof. SPCIQ’s

S&P Capital IQ Equity Research and its Covered Employees are required to comply with this policy and guidelines. Failure to comply may result in disciplinary action up to and including termination of employment.

longstanding goal has been to conduct its operations in a manner that seeks to ensure its employees act in accordance with all relevant laws and regulations.

SPCIQ's equity research reports are produced by SPCIQ's Equity Research (hereinafter referred to as "Equity Research" or the "Firm"). The individual offices that comprise the Firm's global research operations as of December 29, 2011 include: Standard & Poor's Investment Advisory Services LLC (US), McGraw-Hill Financial Research Europe Limited (United Kingdom), Standard & Poor's LLC (Singapore & Tokyo), Standard & Poor's Investment Advisory Services (HK) Limited and Standard & Poor's Malaysia Sdn Bhd. SPCIQ's reputation and goodwill are of paramount importance, and in part reflect the strength of its franchise. This reputation and goodwill are sustained by opinions that are formed according to the highest professional standards, that are fair and accurate and that are not affected by conflicts of interest. To further this goal, the Firm has adopted this Research Objectivity Policy (the "Policy"), in accordance with the standards and guidelines set forth in the CFA Institute Research Objectivity Standards (hereinafter referred to as the "CFA Institute ROS") and Chapter 12 of the UK Financial Services Authority's Conduct of Business Sourcebook (hereinafter referred to as "Chapter 12 of the FSA-COBS"). The terms of this Policy are applicable to all of the Firm's Covered Employees (see below.)

The Firm is committed to assuring that its activities are conducted properly. It is the policy of SPCIQ to comply with all relevant laws and regulations relating to the conduct of its business as a provider of independent equity research. In this regard, and in addition to this Policy, The McGraw-Hill Companies, Inc. and SPCIQ have also implemented separate compliance policies and operating procedures designed to assist SPCIQ in identifying possible conflicts of interest, or the appearance thereof, that might raise questions about the impartiality of the Firm's research. In the event of a conflict between any law, regulation or policy, Covered Employees shall comply with the more strict law, regulation or policy.

Research Management, in consultation with Compliance, will review the Policy annually, including its implementation and compliance globally.

The procedures contained in this Policy are applicable to all of the Firm's affiliated companies that produce and distribute equity research.

This Policy, which is designed to conform to The CFA Institute ROS and Chapter 12 of the FSA-COBS, will be applied to our equity research business on

a global basis. A copy of this Policy is available from usⁱⁱ on request and is also made available on our public website at:

<http://www.standardandpoors.com/products-services/equity-research-main/en/us/>

The Firm reserves the right to amend or supplement this Policy at any time, without prior written notice.

By making a copy of this Policy available to the public, SPCIQ does not assume any responsibility or liability to any third party arising out of or relating to this Policy. This Policy shall not form a part of any contract with any third party and no third party shall have any right (contractual or otherwise) to enforce any of this Policy's provisions, either directly or indirectly. The Firm in its sole discretion may revise this Policy to reflect changes in market, legal and regulatory circumstances and changes to its controls, policies and procedures.

2 SPCIQ RESEARCH OBJECTIVITY POLICY

Definitions

- **“Compliance”** The department (i) responsible for implementing and enforcing the Firm’s policies and procedures; and (ii) ascertaining that the Firm and its employees are in compliance with applicable laws, rules and regulations.
- **“Covered Company”** a Covered Company is a company that Equity Research provides research coverage and for which an Equity Analyst is assigned to cover as the primary research analyst.
- **“Covered Employee”** A Covered Employee is a Firm employee who is (i) an Equity Analyst; (ii) the Global Head; (iii) a Region Head; (iv) a Sector Head; (v) an Equity Strategist; (vi) a Market Technician; (vii) a Factual Writer; (viii) an Editor; (ix) a Quantitative Research Analyst or (x) a Supervisory Analyst.. A Covered Employee also includes a Firm employee who (i) directly supports or is involved in the production of equity research for Equity Research (including any person who comes into contact with Equity Analysts' recommendations or discussions before they are made available in the public domain); or (ii) may benefit, personally or professionally, from influencing Research Reports or recommendations.

- **“Editor”** An Editor creates original investment-oriented content. An Editor identifies news events and/or long-term themes with investment implications, interview sources, and write articles disseminated through various S&P Capital IQ platforms.
- **“Equity Analyst”** An Equity Analyst is an employee of the Firm who is primarily responsible for, contributes to, or is connected with, the preparation of the substance of a Research Report or the basis for a recommendation, whether or not any such person has the title of “Equity Analyst”. For ease of reference, Equity Analyst includes Editor, Equity Strategist, Market Technician, and Quantitative Research Analyst.
- **“Equity Strategist”** An Equity Strategist develops and communicates investment outlook and equity and sector strategies.
- **“Factual Writer”** A Factual Writer prepares issuer paid Research Reports.
- **“Firm”** The Firm, otherwise known as Equity Research, is comprised of the following entities and their respective employees who produce SPCIQ equity research reports and other related research materials: Standard & Poor’s Investment Advisory Services (U.S.) LLC; McGraw-Hill Financial Research Europe Limited (United Kingdom), Standard & Poor’s LLC’s branch offices in Singapore and Tokyo; Standard & Poor’s Investment Advisory Services (HK) Limited; and Standard & Poor’s Sdn Bhd (Malaysia).
- **“Global Head of Research”** Global Head of Research or Global Head is the person designated by the Firm’s Research Management to oversee Equity Research operations globally.
- **“Immediate Family”** Immediate Family includes (a) a Covered Employee’s spouse, domestic partner, or equivalent, regardless of residence; (b) a Covered Employee’s relative (e.g., child or stepchild, grandchild, parent, stepparent, grandparent, sibling, mother- or father-in-law, sister- or brother-in-law, and son- or daughter-in-law, including adoptive or guardian relationships) that has shared the same household as the Covered Employee; (c) Any legal person, trust, or partnership whose managerial responsibilities are discharged by, directly or indirectly controlled by, established for the benefit of, or whose economic interests are substantially equivalent to a Covered Employee or a person listed at

(a) – (c) above; or (d) a person for whom a Covered Employee or a person listed at (a) – (c) above has investment discretion or trading authorization, even if that person is not related to or living with the Covered Employee. For purposes of this definition, the terms “dependent”, “domestic partner”, and “adoptive or guardian relationship” are defined by the national law where the Covered Employee works.

- **“Investment Banking”** Investment banking activities include, corporate finance activities, such as acting as an underwriter in an offering for a Subject Company, acting as a financial adviser in a merger, acquisition or restructuring, providing venture capital, lines of credit or other similar products, making a market in a security, or serving as a placement agent for Issuers.
- **“Issuer”** Company or corporation obtaining funding from public capital markets.
- **“Market Technician”** A Market Technician identifies price patterns of individual securities, as well as industry, sector, and market indices.
- **“Material Non-Public Information”** shall mean all non-public information that a reasonable investor would likely consider important in making an investment decision or non-public information that is reasonably likely to affect the market price of a security when it is publicly disclosed. Information is non-public if it has not been disseminated to the public in a manner reasonably designed to provide broad distribution, such as a required or voluntary filing with a government agency or regulatory body, a publication of general circulation, or a press release issued by an issuer or client. Material Non-Public Information can be positive or negative and may involve events with contingencies.
- **“Public Appearance”** A public appearance includes participation in a seminar; forum (including an interactive electronic forum); radio, television, internet, or other media interview; message boards, blogs, web casts, or other public speaking activity in which an Equity Analyst makes a buy/hold/sell recommendation or offers an opinion or comments with respect to one or more identifiable stocks or investments, on a Covered Company.

- **“Quantitative Research Analyst”** – A Quantitative Research Analyst develops quantitative models that are included in Research Reports.
- **“Region Head”** A Region Head is the representative of the Firm who is in charge of Equity Research operations in a particular country or geographic region.
- **“Research Management”** Research Management is comprised of the Global Head of Research, Region Heads and Sector Heads. Research Management is responsible for supervising Equity Analysts.
- **“Research Report”** A Research Report is a written or electronic communication that the Firm sells or distributes to clients or the general public, which presents information about an Issuer and may express an opinion or make a recommendation about the investment potential of the Issuer’s equity securities (which may include a target price), fixed income securities, real estate investment trust schemes, or derivatives of such securities. Pre-deal or pre-IPO reports, and paid for valuation reports are also considered Research Reports.
- **“Sector Head”** A Sector Head is a senior Equity Analyst who has supervision and oversight of certain or particular industries and who also supervises the work of other Equity Analysts coverage of Covered Companies.
- **“STARS”** Acronym for S**T**ock A**P**preciation R**A**nding S**Y**stem, the ranking system used by Equity Research for fundamental analysis. See Section 8 for further detail.
- **“Subject Company or Issuer”** A Subject Company or Issuer means a corporate issuer whose securities are the subject of a Research Report or recommendation
- **“Supervisory Analyst”** A Supervisory Analyst is a designated person responsible for reviewing and approving Research Reports, prior to publication, to assess and maintain the quality and integrity of Research Reports.

Statement of Policy

Equity Research provides independent equity research coverage on a global basis and is committed to maintaining the high ethical standards necessary to maintain

and further SPCIQ's worldwide reputation for integrity and objectivity. This Policy seeks to ensure that all Covered Employees adhere to the highest professional standards.

Research Personnel

Equity Research operates independently of all other businesses of SPCIQ and Standard & Poor's Financial Services LLC. All of the Firm's Covered Employees, who are subject to this Policy are also subject to The McGraw-Hill Companies, Inc. Code of Business Ethics, and other relevant policies and guidelines, including, but not limited to the Standard & Poor's Confidentiality, Conflicts and Firewall Policy.

Supervision of Equity Analysts and Reporting Lines

All Covered Employees report to and are supervised by the Firm's Research Management, and are not directly supervised or controlled by personnel from other areas of Standard & Poor's (i.e., non-research personnel or other internal SPCIQ business units). In addition, the appraisal of Equity Analysts for purposes of evaluation, career advancement, compensation and promotion is structured so that Standard & Poor's non-ER personnel do not exert inappropriate influence over Equity Analysts (see Section 4 (C), Identification of Conflicts – Equity Analyst Compensation). The Firm is required to use reasonable efforts to detect and prevent violations of relevant laws, regulations and policies by any Covered Employee under its supervision.

Evaluation and Compensation

All Equity Analysts are evaluated at least annually. In addition to research quality, evaluations also take into account an Equity Analyst's compliance with Firm policies and procedures, including this Policy, as well as attendance at Firm training sessions. Equity Analyst compensation is discussed in more detail at Section 4 (C) "Identification of Conflicts—Equity Analyst Compensation".

3 RESEARCH PROCESS

(A) Introduction

Equity Research approaches equity research with a fundamental based methodology coupled with analytical collaboration. Our methodology is based on disciplined fundamental analysis conducted by trained, experienced Equity Analysts with an overlay of top-down economic and sector analysis. Set forth

below is a summary of some of the factors Equity Research reviews when evaluating a Covered Company.

Equity Analysts perform fundamental research that includes the close examination of relevant economic, political, and regulatory trends, as well as relevant industry and company-specific issues that may influence a company's ability to generate revenue and profits. From a company-specific standpoint, Equity Analysts are trained and expected to perform fundamental security analysis on the equity securities of the companies that the Equity Analysts cover. This process includes the examination of data and statistics that are relevant to the company and security being examined, as well as an understanding and interpretation of numerous intangible elements, such as the quality and depth of management, corporate governance practices, new product potential, and the competitive landscape.

Equity Research uses a "bottom-up" approach in analyzing a company for inclusion in its STARS ranking (a detailed discussion of Equity Research's STARS ranking system is discussed in Section 8 at "Equity Ranking System"). Our bottom-up approach consists principally of three fundamental valuation techniques:

- Intrinsic Value Analysis – Assessing a security's appropriate value based principally on discounted "free" cash flow ("DCF") analysis. Estimates of future cash flows are discounted back to current dollars or local currency equivalent, incorporating such variables as risk assessment and a company's capital structure.
- Relative Valuation – Assessing a security's relative value by comparing appropriate financial ratios across peer groups.
- Sum-of-The-Parts – Assessing an appropriate value of a stock by estimating the private market values for a company's identifiable, separate units.

Standard & Poor's Equity Analysts have access to a Market Technician who is trained to identify price patterns of individual securities, as well as industry, sector, and market indices. This information and analysis assists an Equity Analyst to understand how the market is interpreting the financial results of individual companies and various markets. The Market Technician provides the Equity Analyst with his/her interpretations of historical price patterns in an attempt to predict future action.

(B) Equity Research Methodology

1. Benchmark

The S&P 500 Index is the benchmark used for STARS coverage in North America. The S&P Europe 350 is the benchmark used for Europe STARS and the S&P Asia 50 is the benchmark used for Asia STARS.

2. Target Price

Equity Research uses a twelve-month (12) target price to convey to investors the price level at which a stock is projected to reach, in the next twelve (12) months, in the opinion of the Equity Analyst, on the basis of a fundamental analysis of relevant facts and reasonable macro- and micro-forecasts. A twelve-month (12) target price takes into consideration the prospective risk (e.g. beta) of each stock as well as the analysts qualitative risk assessment. For example, a higher-beta stock will often have a higher percentage gain target price than a lower-beta stock. Twelve-month (12) target prices are reviewed on an ongoing basis by our Equity Analysts and Sector Heads to seek to ensure that they are re-evaluated following significant movements in the stock's market price and/or significant corporate events that may change the company's fundamental outlook.

3. Financial Statement Analysis

Financial statement analysis is central to Equity Research in evaluating a Covered Company's financial condition, and is incorporated into models developed for each covered company. Equity Analysts are trained to identify key trends in financial rates that may construe consistent financial health, and also future prospects.

4. Balance Sheet Condition

Balance sheet condition is also a key element in our Equity Analysts' qualitative assessment of a Covered Company. SPCIQ believes securities analysis is not complete without careful consideration of a company's balance sheet. Our Equity Analysts are trained to analyze a company's assets, liabilities and shareholder equity to seek to determine if it has the sufficient resources to generate income and cash flow, and has sufficient liquidity to ensure continuity as a going concern.

5. Cash Flow Assessment

Our Equity Analysts' assessment of cash flow statements is an integral element to their holistic evaluation of a company's financial strength.

Equity Research believes that an understanding of how a company generates cash flows is one of the most important determinants of a company's financial health and its ability to grow. In analyzing a company's statement of cash flows, Equity Analysts seek to identify trends that will enable them to understand how a company is generating cash flow, how it is investing it, and how it is funding the enterprise. Additionally, our Equity Analysts seek to forecast the level of annual "free" cash flows (defined generally as net income plus depreciation/amortization expenses minus capital expenditures, dividends, and sale of plant, property and equipment) that the company can generate. Equity Analysts also use this derived calculation to determine an intrinsic value of a security by then discounting the future levels of free cash flow into perpetuity back at a rate that is reflective of the company's determined weighted average cost of capital.

6. Historical Analysis of Key Financial Ratios

A substantial history of income statement, balance sheet and cash flow data (up to 10 years, if available) is incorporated into our Equity Analysts' assessment of a company. Qualitative analysis, commentary and projections on key financial ratios are often included in Research Reports produced by Equity Research.

7. Corporate Governance Review

Equity Analysts review proxy statements (if available), and other corporate filings in an effort to gauge a company's corporate governance practices, and to convey their assessment of such in their analysis of risk.

8. Qualitative Commentary on Management Quality

Management quality is a key element of an Equity Analyst's overview. Our Equity Analysts are trained to review and incorporate in their analysis qualitative assessments of a company's management skills, depth and reported record of compliance with applicable regulations. In making overall assessments of management quality, Equity Analysts are also responsible for evaluating the level of financial statement transparency, the consistency of earnings growth, and a company's overall record of corporate governance. SPCIQ currently provides investors and analysts with tools to make such assessments, both qualitatively in the body of the Research Report, and quantitatively through the Standard & Poor's Quality Rankings.

9. Process for Coverage Selection

The principal criteria for coverage selection include companies that comprise leading market indices, market capitalization, trading activity and general investor interest.

In certain circumstances, coverage may also be initiated as a result of a contractual relationship with an Issuer or unaffiliated financial intermediary under whom Equity Research agrees to provide Research Reports for use by the Issuer or the unaffiliated financial intermediary and for distribution to the unaffiliated financial intermediary's clients. Equity Research reserves the right in its discretion to decline coverage of a particular company.

Since Equity Research employs a team approach to analyzing sectors, Equity Research normally continues to maintain coverage on a company if an Equity Analyst leaves the Firm. In those instances, coverage is generally reassigned to other Equity Analysts on staff, or covered by the Sector Head, for continuity until a new Equity Analyst is assigned. Coverage may also be suspended or terminated if analytic resources are not available. For more information on the suspension or termination of research coverage of a particular company, see "Timeliness of Research Reports and Recommendations at Section 5.

10. Reasonable and Adequate Basis

Equity Analysts undergo training and exercise independence in their analysis. Equity Analysts' work is monitored regularly by Sector Heads and Supervisory Analysts. Supervisory Analysts are responsible for reviewing and approving Research Reports prior to publication, and are responsible for identifying research and analysis that is inconsistent with Equity Research's analytical methodology, editorial style and language standards. All analysis is required to be substantiated by relevant data or statistics, and investment rationales must contain logical integrity, realistic assumptions and an assessment of risks. All recommendations must have a reasonable and adequate basis and must be based on the data, statistics, securities' market prices, and projections provided in the analysis.

All Equity Analysts' analyses and recommendations must have a reasonable basis, and in support of this, all Equity Analysts have access to industry data, statistics and other supporting statistics upon which to base their analysis and recommendations. Equity Analysts also have access to economists, statisticians, equity strategists and market technicians.

11. Performance Information

When presenting the historical performance of its STARS recommendations, Equity Research uses reasonable efforts to seek to ensure that any performance information is presented in a fair, accurate and complete manner.

4 IDENTIFICATION OF CONFLICTS

Equity Research has adopted internal policies and procedures that are designed to assist us in identifying and managing possible conflicts of interest, or the appearance thereof, that might raise questions about the impartiality of our equity research, including the use of firewalls and other information barriers where appropriate. Set forth below is a summary of some of the policies and guidelines that Equity Research has implemented to manage possible conflicts of interest or the appearance thereof:

Policies and Guidelines

(A) Investment Banking Activities

Our policy is that neither Equity Research nor any affiliate is permitted to engage in Investment Banking activities (such as sales pitches and road shows, etc.), as defined in the CFA Institute ROS, or business activities designed to solicit Investment Banking activities.

(B) Public Appearances

Equity Analysts are encouraged to participate in Public Appearances. A Public Appearance includes participation in a seminar; forum (including an interactive electronic forum); radio, television, internet, or other media interview; message boards, blogs, web casts, or other public speaking activity in which an Equity Analyst makes a buy/hold/sell recommendation or offers an opinion or comments with respect to one or more identifiable stocks or investments, on a Covered Company. Equity Analysts and Research Management may only comment (including oral and written comments) on a Covered Company during their participation in a Public Appearance.

An Equity Analyst has access to the Firm's databases and intellectual property, and may have access to management representatives of a Subject Company and other types of proprietary information that results from the Equity Analyst's employment with Equity Research. This information, including the Equity

Analyst's views on a Covered Company, is the property of SPCIQ, and is to be used only in the furtherance of the Firm's business. Participation in a seminar, meeting, forum (including an interactive forum), Internet chat room, message board or posting to a blog, is considered to be a Public Appearance if the subject matter of the discussion involves the Equity Analyst's views, opinions or work product derived from his/her employment at Equity Research. An Equity Analyst's participation in any of the above activities is considered to be a Public Appearance, even if the Equity Analyst fails to identify him/herself as a SPCIQ Equity Analyst and regardless of where the Equity Analyst participates from (i.e., participation from the Firm's premises through the firm's equipment (including computers, PDA's, telephones, etc.) or from a remote location, including a personal computer or telephone located in the Equity Analyst's home). Equity Analysts must refrain from discussing their views about a Covered Company in any public forum unless specifically approved by a designated Supervisory Analyst as described below. For purposes of the ROP, the term "Public Appearance" may be construed more broadly than it would be for purposes of SEC's Regulation AC, other SRO rules or other regulatory provisions. Research Management is also subject to the above procedures and restrictions when they participate in a Public Appearance.

Equity Research has had a long-standing relationship with the media, and this relationship is built on a commitment to deliver a high quality of information to the public. In furtherance of this policy, the Firm has adopted the following policies and guidelines to assist its Equity Analysts when they participate in Public Appearances, including seminars, public speaking activities or media interviews:

- Equity Analysts are required to obtain approval from a designated Supervisory Analyst prior to agreeing to participate in Public Appearances, including media interviews.
- Participation on panel discussions and in other events must be pre-approved by the Region Head.
- Whether asked or not, Equity Analysts are required to disclose that they are SPCIQ Equity Analysts (or Equity Strategists or Market Technicians) during the course of any Public Appearance, including media interviews, wherever conducted and wherever broadcast. Whether asked or not, Equity Analysts are required to disclose personal and Firm material conflicts of interest to the host or interviewer and, whenever possible, to the audience during a Public Appearance. Such disclosures include but are not necessarily limited to:

- If the Equity Analyst or Immediate Family has a financial interest (e.g., stock ownership) in the securities of the Subject Company;
- If Firm management, the Equity Analyst or Immediate Family is an officer, director or advisory board member of the Subject Company; and
- If SPCIQ and/or one of its affiliates has performed services for and received compensation from the Subject Company during the past 12 months. In addition to specific Subject Company disclosure, the following disclosure should be made: SPCIQ and/or one of its affiliates may have performed services for and received compensation from the Subject Companies during the past 12 months.

(C) Equity Analyst Compensation

Analysts are not directly or indirectly supervised or controlled by personnel from other areas of the Firm whose interests or functions may conflict with those of the Equity Analysts. The evaluation and appraisal of Equity Analysts for purposes of career advancement is structured so that non-Firm personnel do not exert inappropriate influence over the Firm's Equity Analysts.

Each Equity Analyst's performance is determined on the basis of a number of factors which may include, among other things, (i) the overall quality of the published research; (ii) the Equity Analyst's production; (iii) accuracy and performance of stock recommendations; (iv) managerial effectiveness; and (v) adherence to internal compliance policies and procedures. Equity Analysts' compensation is not linked to any one particular factor, including the profitability of any one single department or division within SPCIQ.

Equity Analysts are prohibited from accepting any financial incentives (e.g., referral fees, finders' fees, or commissions) in exchange for referring a client to any area of SPCIQ, an affiliate or to an unaffiliated firm.

(D) Relationships With Subject Companies and Other Third Parties

Equity Research has adopted internal compliance policies and operating procedures that govern its Equity Analysts' communications and interactions with Subject Companies and other third parties.

1. Review of Draft Research Reports by Subject Companies and Third Parties for Factual Verification

Equity Research, as an independent equity research provider, maintains full analytical and editorial control over the contents of its Research Reports. In furtherance of this policy, draft Research Reports should not be forwarded to anyone outside of Equity Research, including the Subject Company or any third party, for pre-publication review. The one exception to this policy permits sections of draft Research Reports to be forwarded to the Subject Company, but only for pre-publication factual review. Certain sections of draft Research Reports, such as sections containing the proposed recommendation, ranking, valuation range, financial models, earnings estimate or target price must never be submitted to a Subject Company for pre-publication review.

Requests to submit sections of a draft Research Report to a Subject Company or any other third party for pre-publication factual review may be made only on a case-by-case basis, and must be approved by the Global Head or Region Head.

If such a request is granted, then a complete copy of the draft Research Report must be sent to a Supervisory Analyst who will forward certain portions of the report to the Subject Company or third party for pre-publication factual review. The draft Research Report that is forwarded to the Subject Company and any other third party must not include the Equity Analyst's proposed recommendation, ranking, target price or earnings estimate, and in the case of a pre-deal report, the valuation range and financial models.

All comments received from the Subject Company or any other third party must be forwarded to the Supervisory Analyst, who will then forward all factual comments to the Equity Analyst. The Supervisory Analyst will forward all non-factual comments to the appropriate Region Head (or designee) or Sector Head. The Region Head (or designee) or Sector Head, in consultation with another senior member of the research staff, will determine which changes or corrections should be accepted.

Any post-review changes proposed by the Equity Analyst to the ranking or target price or the report as a consequence of the Subject Company or other third party review, must be justified in writing by the Equity Analyst and approved by the Region Head (or designee), Sector Head or Global Head of Equity Research and the Supervisory Analyst prior to issuing the report. Equity Research will not publish a Research Report until such time as such determination is made.

2. Equity Analysts' Activities

(A) Communications With the Public

Equity Analysts are generally permitted to communicate with the public and give their views on individual companies that they cover, sectors or other relevant markets news, provided they do not disclose the timing or content of forthcoming Research Reports, unpublished research or provide other Material Non-Public Information in the course of their conversations, subject to the provisions as described in Section 4 (B) “Public Appearances”. Examples of Material Non-Public Information might include: (1) changes to an Equity Analyst’s view or opinion about a security or company including changes in earnings estimates and target prices or any other Material Non-Public Information that has not been previously published in research and disseminated to clients; (2) a material reiteration of a view or opinion; (3) coverage information (initiations or terminations); (4) dissemination of certain financial estimates or other information that has not been previously disseminated by a Subject Company to the public; and (5) any other potentially market-moving comment regarding the stocks an Equity Analyst covers. Policies are in place to seek to ensure that our Equity Analysts do not state or intimate to anyone that any opinion or comment may be embodied in a forthcoming publication or other release (including selective disclosure by an Equity Analyst to a client). No Equity Analyst shall give any person a preference in obtaining information that is not available to the public. In addition, an Equity Analyst shall not appear to be providing personalized investment advice.

The following restrictions are designed to reinforce our Equity Analysts' independence.

(B) Communications With Subject Companies

In order to undertake quality research and develop a reasonable and adequate basis for recommendations, Equity Analysts are required to maintain an appropriate working relationship with the companies they cover. Equity Analysts rely primarily on publicly available company financial reports and other documents as the basis for their analysis and recommendations, and need the ability to communicate with the Subject Company’s management, participate in conference calls and other investor relation activities.

Equity Analysts are prohibited from promising a Subject Company, either directly or indirectly, a favorable Research Report on the Subject Company. Equity Analysts are prohibited from directly or indirectly threatening to change a report, recommendation or target price, or promising a Subject Company or other

Issuer a favorable report or a specific target price. Conversely, Equity Analysts are required to notify a member of Research Management if they believe a Subject Company or third party is attempting to influence or pressure them to alter an unfavorable view on a company or to write a favorable report.

(C) Prohibition on Selective Disclosure

Equity Analysts are prohibited from commenting on non-public news, market moving or otherwise, and/or price sensitive information selectively to clients or the public. SPCIQ's general policy is to disseminate any material information about a Subject Company to clients at the same time, and in a fair and equitable manner. Equity Analysts need to be careful when responding to questions from clients, especially if the Equity Analyst knows that new research is pending on a Subject Company. Equity Analysts are permitted to speak to clients after new information has been published in written research and fairly disseminated to clients.

(D) Prohibition on Soliciting Investment Banking Business

No Equity Analyst may participate in any solicitation of Investment Banking services, including participating in sales pitches or otherwise participating in "road shows" or other activities that could reasonably be considered a solicitation of Investment Banking business. Similarly, Equity Analysts are not permitted to act in any way that reasonably appears to be representing a Subject Company or representing a financial intermediary advising the Subject Company in a corporate or Investment Banking transaction. Equity Analysts are not permitted to be involved in promotional or marketing activities of a Subject Company that would reasonably be construed as representing the Subject Company or the financial intermediary advising the Subject Company.

The prohibition covers marketing and/or sales activities relating to pre-deal marketing activities, secondary offerings and listed companies.

(G) Accepting Gifts and Incentives From Subject Companies

Covered Employees may not solicit, accept, or receive, directly or indirectly, any gifts and may only accept certain types of entertainment from any Subject Company or those acting on behalf of a Subject Company. To this end, Covered Employees subject to the Standard & Poor's Investment Advisory Services LLC ("SPIAS") Code of Ethics and related policies and procedures must comply with the SPIAS Gifts and Entertainment Policy and Guidelines. All other Covered

Employees should refer to their local Compliance Officers with any questions regarding any local Gifts and Entertainment requirements.

(H) Equity Analyst Personal Investments, Trading and Sharing of Information

1. Personal Investments and Trading

SPCIQ neither encourages nor discourages its Equity Analysts from investing in stocks, bonds or other investments. However, if they choose to do so, they must abide by certain policies and procedures that, place restrictions on not only their personal securities trading, but also on Immediate Family members' personal securities trading.

Equity Analysts and their Immediate Family are prohibited from trading in securities or related derivatives of any Issuer, which is in the Equity Analyst's covered sub-industry or mutual funds and exchange-traded funds in associated sectors.

Members of the Research Management team are prohibited from trading in any securities that are in sectors covered by any Equity Analyst that reports to the Research Management team member.

Where personal account trading is permitted, Equity Analysts (including Immediate Family members) are required to comply with the Standard & Poor's Securities Disclosure Policy on personal account dealing, including pre-clearing their trades with Standard & Poor's Securities Disclosure Department. Equity Analysts (including Immediate Family members) are prohibited from purchasing or receiving an Issuer's securities prior to its initial public offering (e.g. so called pre-IPO shares) if the Issuer is principally engaged in the same type of business as companies (or in the same sub-industry classification) that the Equity Analyst usually covers.

2. Prohibition on Trading on Material Non-Public Information

Consistent with other policies, guidelines, and codes of ethics, Covered Employees are prohibited from trading or recommending trades in the securities of companies or related derivatives (including entering into contracts for derivatives) while they are in possession of Material, Non-Public Information relating to those securities or to transmit that information to others who trade or cause someone to trade in those securities. If a Covered Employee comes into possession of Material, Non-Public Information, the Covered Employee must immediately bring this matter to the attention of Research Management.

Research Management must bring the matter to the immediate attention of the Global Head of Research. The Global Head of Research is responsible for informing internal legal counsel and/or Compliance before taking any further action. Except as permitted by Compliance, the Equity Analyst is prohibited from participating in any purchase or sale decision regarding the relevant securities, recommending the relevant securities, issuing research regarding the relevant company or securities, and further disclosing the Material Non-Public Information.

5 TIMELINESS OF RESEARCH REPORTS AND RECOMMENDATIONS

The timing of the publication of a Research Report is determined primarily by the Equity Analyst on the basis of events affecting the Issuer and development of the Equity Analyst's opinion. In this regard, SPCIQ is committed to producing research that is current by updating company reports on a timely and regular basis (with an emphasis on prompt responsiveness following earnings reports), with additional updates upon an announcement of significant news or events by, or that might impact, the Subject Company. At a minimum, a Research Report or an update thereto, should be issued at least quarterly.

Equity Analysts are not permitted to communicate the timing of the dissemination of upcoming research to clients or the Firm's decision to initiate or terminate coverage of a particular company. As noted above, in certain circumstances, coverage may also be initiated as a result of a contractual relationship with an Issuer or unaffiliated financial intermediary. In such a situation, Research Management may advise the contracting party if Equity Research will pick up coverage.

Terminated Coverage

Upon terminating coverage of a company, Equity Research issues a "final" Research Report which includes a notice that coverage has been terminated and provides the last recommendation.

6 COMPLIANCE AND ENFORCEMENT

Equity Research maintains a number of policies and procedures designed to assist in identifying possible conflicts of interest or the appearance thereof that might affect or raise questions about the impartiality of its equity research.

Equity Research provides training to Equity Analysts and other Covered Employees with whom Equity Analysts interact. Research Management and Compliance provide guidance to Covered Employees as issues arise. Covered Employees are responsible for raising identified conflicts or potential conflicts with their immediate supervisors or Region Heads and Compliance to seek to ensure that all conflict questions are referred to and considered, at the appropriate level within the Firm. Consistent with Standard & Poor's Global Records Management Policy and Guideline, Equity Analysts are expected to retain records of all relevant materials that were used to support a recommendation for the relevant required time periods.

Failure of Covered Employees to adhere to the requirements of our policies may result in disciplinary action, up to and including termination of employment.

Review of Research

Prior to publication, all written Research Reports are reviewed and approved by a Supervisory Analyst. The purpose of these reviews is to confirm compliance with the Firm's editorial guidelines, disclosure requirements and any regulatory requirements. The Firm's Supervisory Analysts are primarily responsible for seeking to ensure that the appropriate disclosures are included in the Research Reports, facts are differentiated from opinions and estimates, and target prices and recommendations are based on reasonable assumptions.

7 DISCLOSURE OF CONFLICTS OF INTEREST

Equity Research requires that certain disclosures be included in written Research Reports. Such disclosures, which can be found at <http://www.standardandpoors.com/regulatory-affairs/equity-research/en/us>, include certain particulars that Equity Analysts and the Firm consider to be material in the context of the relevant written Research Reports. These same procedures also require Equity Analysts to provide similar disclosures when they participate in Public Appearances, including media interviews. The latter is discussed in more detail in Section 4 (C) "Identification of Conflicts-Public Appearances".

Equity Research's written Research Reports adhere to the following disclosures standards (if applicable):

- Whether the Equity Analyst or an Immediate Family member has a financial interest (e.g., stock ownership) in the securities of the Subject Company;
- Whether a member of the Firm, the Equity Analyst or an Immediate Family member is an officer, director or advisory board member of the Subject Company;
- Whether the Equity Analyst received compensation from the Subject Company during the 12 months prior to the publication of the Research Report;
- Whether the Subject Company was a client of SPCIQ (or its affiliates) and if SPCIQ (or its affiliates) received compensation during the past 12 months;
- Whether the Equity Analyst knows or has reason to know of any other actual, material conflict of interest at the time of the publication of the Research Report;
- The percentage of all securities that Standard & Poor's recommended as "buy," "hold," or "sell, current as to the most recent calendar quarter end.
- A chart that depicts the price of the Subject Company's stock over time and indicates points at which Equity Research assigned or changed a ranking or target price. This provision applies only to securities that have been assigned a ranking for at least one (1) year, and need not extend more than three (3) years prior to the date of the Research Report. This information must be current as of the end of the most recent calendar quarter; and
- Disclosure of the valuation method used to determine target prices and provide a description of the risks that may impede achieving those target prices.

In the case of Issuer or third party paid research, Equity Research adheres to the following additional disclosure standards:

- Disclosure of the maximum fee that may be paid by the Issuer or a third party.

Also, the primary Equity Analyst who is responsible for a Research Report is required to include the following statements in each written Research Report:

- A statement attesting that all of the views expressed in the Research Report accurately reflect the Equity Analyst's personal views about any and all of the subject securities and Issuers; and
- A statement attesting that no part of the Equity Analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the Equity Analyst in the Research Report.

This Policy is designed to conform to EU disclosure standards if applicable, for reports prepared or distributed in an EU member State. Such disclosures are:

- The identity of the person responsible for the production of the Research Report, in particular, the name and job title of the individual who prepared the Research Report and the name of the legal person responsible for its production (must be disclosed clearly and prominently).
- An indication of all substantially material sources, as appropriate, including the relevant issuer.
- Whether the Research Report has been disclosed to the issuer and amended following disclosure to the issuer.
- A summary of any basis of valuation or methodology used to evaluate a financial instrument or an issuer of a financial instrument, or to set a price target for a financial instrument.
- An explanation of the meaning of any recommendation made in a Research Report, which may include the horizon of the investment to which the recommendation relates, and any appropriate risk warning.
- Reference to: (i) the planned frequency of any updates to the Research Report; (ii) the date on which the Research Report was first released; and (iii) the change and date of the previous Research Report if a recommendation within a Research Report differs from a previous Research Report concerning an investment or issuer during the previous 12 months.
- All relationships and circumstances that may reasonably be expected to impair the objectivity of a Research Report, in particular where SPCIQ has a significant financial interest in any one or more of the financial instruments which are the subject of the Research Report, or a significant conflict of interest with respect to an issuer to which the Research Report relates.
- Major shareholdings that exist between SPCIQ or any related legal person on the one hand and the issuer on the other (to be disclosed clearly and prominently). These major shareholdings include the following: (i) when

shareholdings exceeding 5% of the total issued share capital in the issuer are held by SPCIQ or any related legal person; or (ii) when shareholdings exceeding 5% of the total issued share capital of SPCIQ or any related legal person are held by the issuer.

- Any other significant financial interests held by SPCIQ or any related legal person in respect of an issuer.
- A statement if SPCIQ or any related legal person is party to any other agreement with the issuer relating to the provision of investment banking services, provided that the agreement has been in place over the previous 12 months or has given rise during the same period to the payment or promise of compensation.
- A statement if SPCIQ or any related legal person is a party to an agreement with the issuer relating to the production of the Research Report.
- The proportion of all recommendations in Research Reports that SPCIQ has individually made which are "buy", "hold" or "sell" (to be made quarterly). In addition, SPCIQ must also disclose the proportion of issuers corresponding to the categories of "buy", "hold" or "sell" to which it has supplied investment-banking services over the previous 12 months.

In addition, facts must be distinguished from interpretations, estimates, opinions and other types of non-factual information. Any doubt as to reliability of sources must be indicated, and all projections, forecasts and price targets must be clearly labeled as such and the material assumptions made in producing or using them indicated. Equity Analysts must cite sources of information used in Research Reports.

8 EQUITY RANKING SYSTEM

Equity Research's fundamental analysis, which equity covers securities globally, is expressed in its STARS ranking system (STock Appreciation Ranking System). There are five categories to this ranking system:

5-STARS: Strong Buy – Total return is expected to outperform the total return of the appropriate benchmark by a wide margin over the next 12 months, with the shares rising in price on an absolute basis.

4-STARS: Buy – Total return is expected to outperform the total return of the appropriate benchmark over the next 12 months, with the shares rising in price on an absolute basis.

3-STARs: Hold – Total return is expected to closely approximate that of the total return of the appropriate benchmark over the next 12 months, with the shares generally rising in price on an absolute basis.

2-STARs: Sell – Total return is expected to under perform the total return of the appropriate benchmark over the next 12 months, and the share price is not anticipated to show a gain.

1-STARs: Strong Sell – Total return is expected to under perform the total return of the appropriate benchmark over the next 12 months by a wide margin, with the shares falling in price on an absolute basis.

ⁱ Issuer paid research, such as factual stock reports are not independent equity research.

ⁱⁱ Contact: Chief Compliance Officer, McGraw-Hill Financial, at 212-438-2000.