

FORM NRSRO

OMB APPROVAL
OMB Number: 3235-0625
Expires: Dec. 31, 2026
Estimated average burden hours per response: 36

APPLICATION FOR REGISTRATION AS A NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO)

SEC 1541 (1-24)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**APPLICATION FOR REGISTRATION AS A
NATIONALLY RECOGNIZED
STATISTICAL RATING ORGANIZATION (NRSRO)**

- | | |
|---|--|
| <input type="checkbox"/> INITIAL APPLICATION | <input checked="" type="checkbox"/> ANNUAL CERTIFICATION |
| <input type="checkbox"/> APPLICATION TO ADD CLASS
OF CREDIT RATINGS | <input type="checkbox"/> UPDATE OF REGISTRATION
Items and/or Exhibits Amended:
_____ |
| <input type="checkbox"/> APPLICATION SUPPLEMENT
Items and/or Exhibits Supplemented:
_____ | <input type="checkbox"/> WITHDRAWAL FROM REGISTRATION |

Important: Refer to Form NRSRO Instructions for General Instructions, Item-by-Item Instructions, an Explanation of Terms, and the Disclosure Reporting Page (NRSRO). “You” and “your” mean the person filing or furnishing, as applicable, this Form NRSRO. “Applicant” and “NRSRO” mean the person filing or furnishing, as applicable, this Form NRSRO and any credit rating affiliate identified in Item 3.

1. A. Your full name:

HR Ratings LLC

B. (i) Name under which your credit rating business is primarily conducted, if different from Item 1A:

HR Ratings

(ii) Any other name under which your credit rating business is conducted and where it is used (other than the name of a credit rating affiliate identified in Item 3):

NA

C. Address of your principal office (do not use a P.O. Box):

2990 Ponce de Leon Blvd., Suite 401	Coral Gables	Florida	33134
(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

D. Mailing address, if different:

NA

(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)
---------------------	--------	-----------------	-------------------

E. Contact person (See Instructions):

Alejandra Medina Diaz	Head Compliance Officer
-----------------------	-------------------------

(Name and Title)

Guillermo Gonzalez Camarena 1200, Floor 10.	Mexico City	Mexico	01210
(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

CERTIFICATION:

The undersigned has executed this Form NRSRO on behalf of, and on the authority of, the Applicant/NRSRO. The undersigned, on behalf of the Applicant/NRSRO, represents that the information and statements contained in this Form, including Exhibits and attachments, all of which are part of this Form, are accurate in all significant respects. If

this is an ANNUAL CERTIFICATION, the undersigned, on behalf of the NRSRO, represents that the NRSRO's application on Form NRSRO, as amended, is accurate in all significant respects.

3/26/2026

(Date)

HR Ratings LLC

(Name of the Applicant/NRSRO)

By:



(Signature)

Pedro Latapi Angelini, Chief Executive Officer

(Print Name and Title)

2. A. Your legal status:

Corporation Limited Liability Company Partnership Other (specify) _____

B. Month and day of your fiscal year end: 12/31

C. Place and date of your formation (i.e., state or country where you were incorporated, where your partnership agreement was filed, or where you otherwise were formed):

State/Country of formation: Delaware Date of formation: 6/16/14

3. Your credit rating affiliates (See Instructions):

HR Ratings de México, S.A. de C.V. Guillermo Gonzalez Camarena 1200, Floor 10, Santa Fe, Mexico City, ZC 01210

(Name) (Address)

(Name) (Address)

(Name) (Address)

(Name) (Address)

(Name) (Address)

4. The designated compliance officer of the Applicant/NRSRO (See Instructions):

Alejandra Medina Diaz Head Compliance Officer

(Name and Title)

Guillermo Gonzalez Camarena 1200, Floor 10. Mexico City Mexico 01210

(Number and Street) (City) (State/Country) (Postal Code)

5. Describe in detail how this Form NRSRO and Exhibits 1 through 9 to this Form NRSRO will be made publicly and freely available on an easily accessible portion of the corporate Internet website of the Applicant/NRSRO (See Instructions):

This NRSRO Form and Exhibits 1 through 9 are readily accessible for free at: https://www.hrratings.com/regulatory_disclosure/nrsro.xhtml

6. COMPLETE ITEM 6 ONLY IF THIS IS AN INITIAL APPLICATION, APPLICATION SUPPLEMENT, OR APPLICATION TO ADD A CLASS OF CREDIT RATINGS.

A. Indicate below the classes of credit ratings for which the Applicant/NRSRO is applying to be registered. For each class, indicate the approximate number of obligors, securities, and money market instruments in that class as of the date of this application for which the Applicant/NRSRO has an outstanding credit rating and the approximate date the Applicant/NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit ratings	Applying for registration	Approximate number currently outstanding	Approximate date issuance commenced
financial institutions as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), brokers as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and dealers as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	<input type="checkbox"/>		
insurance companies as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	<input type="checkbox"/>		
corporate issuers	<input type="checkbox"/>		
issuers of asset-backed securities as that term is defined in 17 CFR 229.1101(c)	<input type="checkbox"/>		
issuers of government securities as that term is defined in section 3(a)(42) of the Exchange Act (15 U.S.C. 78c(a)(42)), municipal securities as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and foreign government securities	<input type="checkbox"/>		

B. Briefly describe how the Applicant/NRSRO makes the credit ratings in the classes indicated in Item 6A readily accessible for free or for a reasonable fee (See Instructions):

C. Check the applicable box and attach certifications from qualified institutional buyers, if required (See Instructions):

- The Applicant/NRSRO is attaching _____ certifications from qualified institutional buyers to this application. Each is marked "Certification from Qualified Institutional Buyer."
- The Applicant/NRSRO is exempt from the requirement to file certifications from qualified institutional buyers pursuant to section 15E(a)(1)(D) of the Exchange Act.

Note: You are not required to make a Certification from a Qualified Institutional Buyer filed with this Form NRSRO publicly available on your corporate Internet website pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep these certifications confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the certifications confidential upon request to the extent permitted by law.

7. DO NOT COMPLETE ITEM 7 IF THIS IS AN INITIAL APPLICATION.

A. Indicate below the classes of credit ratings for which the NRSRO is currently registered. For each class, indicate the approximate number of obligors, securities, and money market instruments in that class for which the NRSRO had an outstanding credit rating as of the most recent calendar year end and the approximate date the NRSRO began issuing credit ratings as a “credit rating agency” in that class on a continuous basis through the present (See Instructions):

Class of credit rating	Currently registered	Approximate number outstanding as of the most recent calendar year end	Approximate date issuance commenced
financial institutions as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), brokers as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and dealers as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	<input checked="" type="checkbox"/>	867	2009
insurance companies as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	<input type="checkbox"/>		
corporate issuers	<input checked="" type="checkbox"/>	971	2010
issuers of asset-backed securities as that term is defined in 17 CFR 229.1101(c)	<input type="checkbox"/>		
issuers of government securities as that term is defined in section 3(a)(42) of the Act (15 U.S.C. 78c(a)(42)), municipal securities as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and foreign government securities	<input checked="" type="checkbox"/>	470	2008

B. Briefly describe how the NRSRO makes the credit ratings in the classes indicated in Item 7A readily accessible for free or for a reasonable fee (See Instructions):

This NRSRO Form and Exhibits 1 through 9 are readily accessible for free at: https://www.hrratings.com/regulatory_disclosure/nrsro.xhtml

<p>8. Answer each question. Provide information that relates to a “Yes” answer on a Disclosure Reporting Page (NRSRO) and submit the Disclosure Reporting Page with this Form NRSRO (See Instructions). You are not required to make any disclosure reporting pages submitted with this Form publicly available on your corporate Internet website pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep any disclosure reporting pages confidential by marking each page “Confidential Treatment” and complying with Commission rules governing confidential treatment. The Commission will keep the disclosure reporting pages confidential upon request to the extent permitted by law.</p>	
--	--

	YES	NO
A. Has the Applicant/NRSRO or any person within the Applicant/NRSRO committed or omitted any act, or been subject to an order or finding, enumerated in subparagraphs (A), (D), (E), (G), or (H) of section 15(b)(4) of the Securities Exchange Act of 1934, been convicted of any offense specified in section 15(b)(4)(B) of the Securities Exchange Act of 1934, or been enjoined from any action, conduct, or practice specified in section 15(b)(4)(C) of the Securities Exchange Act of 1934 in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. Has the Applicant/NRSRO or any person within the Applicant/NRSRO been convicted of any crime that is punishable by imprisonment for 1 or more years, and that is not described in section 15(b)(4) of the Securities Exchange Act of 1934, or been convicted of a substantially equivalent crime by a foreign court of competent jurisdiction in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C. Is any person within the Applicant/NRSRO subject to any order of the Commission barring or suspending the right of the person to be associated with an NRSRO?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

9. Exhibits (See Instructions).

<p>Exhibit 1. Credit ratings performance measurement statistics.</p> <p><input checked="" type="checkbox"/> Exhibit 1 is attached and made a part of this Form NRSRO.</p>
<p>Exhibit 2. A description of the procedures and methodologies used in determining credit ratings.</p> <p><input checked="" type="checkbox"/> Exhibit 2 is attached and made a part of Form NRSRO.</p>
<p>Exhibit 3. Policies or procedures adopted and implemented to prevent the misuse of material, nonpublic information.</p> <p><input checked="" type="checkbox"/> Exhibit 3 is attached and made a part of this Form NRSRO.</p>
<p>Exhibit 4. Organizational structure.</p> <p><input checked="" type="checkbox"/> Exhibit 4 is attached to and made a part of this Form NRSRO.</p>
<p>Exhibit 5. The code of ethics or a statement of the reasons why a code of ethics is not in effect.</p> <p><input checked="" type="checkbox"/> Exhibit 5 is attached to and made a part of this Form NRSRO.</p>
<p>Exhibit 6. Identification of conflicts of interests relating to the issuance of credit ratings.</p> <p><input checked="" type="checkbox"/> Exhibit 6 is attached to and made a part of this Form NRSRO.</p>
<p>Exhibit 7. Policies and procedures to address and manage conflicts of interest.</p> <p><input checked="" type="checkbox"/> Exhibit 7 is attached to and made a part of this Form NRSRO.</p>

Exhibit 8. Certain information regarding the credit rating agency's credit analysts and credit analyst supervisors.

Exhibit 8 is attached to and made a part of this Form NRSRO.

Exhibit 9. Certain information regarding the credit rating agency's designated compliance officer.

Exhibit 9 is attached to and made a part of this Form NRSRO.

Exhibit 10. A list of the largest users of credit rating services by the amount of net revenue earned from the user during the fiscal year ending immediately before the date of the initial application.

Exhibit 10 is attached to and made a part of this Form NRSRO.

Note: You are not required to make this Exhibit publicly available on your corporate Internet website pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 11. Audited financial statements for each of the three fiscal or calendar years ending immediately before the date of the initial application.

Exhibit 11 is attached to and made a part of this Form NRSRO.

Note: You are not required to make this Exhibit publicly available on your corporate Internet website pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 12. Information regarding revenues for the fiscal or calendar year ending immediately before the date of the initial application.

Exhibit 12 is attached to and made a part of this Form NRSRO.

Note: You are not required to make this Exhibit publicly available on your corporate Internet website pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 13. The total and median annual compensation of credit analysts.

Exhibit 13 is attached and made a part of this Form NRSRO.

Note: You are not required to make this Exhibit publicly available on your corporate Internet website pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

DISCLOSURE REPORTING PAGE (NRSRO)

This Disclosure Reporting Page (DRP) is to be used to provide information concerning affirmative responses to **Item 8** of Form NRSRO.

Submit a separate DRP for each person that: (a) has committed or omitted any act, or been subject to an order or finding, enumerated in subparagraphs (A), (D), (E), (G), or (H) of section 15(b)(4) of the Securities Exchange Act of 1934, has been convicted of any offense specified in section 15(b)(4)(B) of the Securities Exchange Act of 1934, or has been enjoined from any action, conduct, or practice specified in section 15(b)(4)(C) of the Securities Exchange Act of 1934; (b) has been convicted of any crime that is punishable by imprisonment for 1 or more years, and that is not described in section 15(b)(4) of the Securities Exchange Act of 1934, or has been convicted of a substantially equivalent crime by a foreign court of competent jurisdiction; or (c) is subject to any order of the Commission barring or suspending the right of the person to be associated with an NRSRO.

Name of Applicant/NRSRO

Date

HR Ratings LLC

3/26/2026

Check Item being responded to:

- Item 8A
 Item 8B
 Item 8C

Full name of the person for whom this DRP is being submitted:

HR Ratings de México, S.A. de C.V.

If this DRP provides information relating to a "Yes" answer to Item 8A, describe the act(s) that was (were) committed or omitted; or the order(s) or finding(s); or the injunction(s) (provide the relevant statute(s) or regulation(s)) and provide jurisdiction(s) and date(s):

Please refer to Disclosure Reporting Page Appendix

If this DRP provides information relating to a "Yes" answer to Item 8B, describe the crime(s) and provide jurisdiction(s) and date(s):

NA

If this DRP provides information relating to a "Yes" answer to Item 8C, attach the relevant Commission order(s) and provide the date(s):

NA

**HR Ratings de México, S.A. de C.V. (“HR Ratings”)
Disclosure Reporting Page Appendix**

On September 3, 2024, through Order Release No. 100904, HR Ratings agreed to a settlement with the SEC arising from failures to maintain and preserve electronic communications. As stated in the Order, HR Ratings failed to maintain or preserve off-channel communications that employees sent and received concerning Credit Rating Activities as required by NRSRO recordkeeping rules.

HR Ratings agreed to pay a \$250,000 civil penalty and is required to retain an independent compliance Consultant. HR Ratings has begun implementing improvements to policies and procedures to address these violations.

List of material changes to the application for registration as an NRSRO

1. On February 2025, HR Ratings submitted an update to Form NRSRO, Exhibit 4 to include the appointment of Fernanda Huerta as Business Development Associate Director and the removal of Rogelio Arguelles as Deputy Chief Credit Officer.
2. On March 25, 2025, HR Ratings hired Gregory Groot as Business Development Executive Officer.
3. On February 17, 2026, HR Ratings submitted an update to Form NRSRO, to modify:
 - Exhibit 2 to include new policies and procedures regarding the annual review; monitoring process and the withdrawal of ratings due to lack of information.
 - Exhibit 3 to include new policies and procedures regarding securities transactions.
 - Exhibit 4 to include the appointment of Tania Quevedo as Human Resources and Material Resources Director.
 - Exhibit 5 to include new policies and procedures regarding annual review; monitoring process, the withdrawal of ratings due to lack of information and securities transactions.
4. On February 23, 2026, HR Ratings submitted an update to Form NRSRO, to modify the entity register as an NRSRO on item 1 from HR Ratings de México, S.A. de C.V. to HR Ratings LLC. Item 3 was also modified.



HR Ratings

Credit Ratings Performance Measurement Statistics

Transition/ Default Matrices of NRSRO ratings are composed in the following subclasses:

- I. Financial Institutions, Brokers, or Dealers.
 - a. Banks
 - b. Non-Bank Banks
 - c. Financial Groups
 - d. Brokerage Firms
 - e. Leasing Companies
 - f. Finance Companies
 - g. Mutual Funds
 - h. Decentralized Government Entities
 - i. Credits and securities issued by any of the entities previously mentioned with any additional credit enhancement or subordination to senior debt
- II. Corporate Issuers.
 - a. Corporations
 - b. Decentralized Government Entities
 - c. Credits and securities issued by any of the entities previously mentioned with any additional credit enhancement or subordination to senior debt
- III. Sovereign Issuers.
- IV. U.S. Public Finance.
- V. International Public Finance.

*Percentages may not add to exactly 100% due to rounding of decimal points.



Credit Ratings Performance Measurement Statistics

- One- Year Financial Institutions, Long Term Local Transition Matrix – 2024-2025

Financial Institutions Long Term Local Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)																			Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	79	97%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3%
HR AA +	12	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA	16	13%	-	69%	6%	-	-	-	-	-	-	-	-	-	-	-	-	-	13%	-	-	-	-
HR AA -	14	-	-	7%	93%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A +	22	-	-	-	9%	73%	5%	-	-	-	-	-	-	-	-	-	-	-	-	5%	5%	-	5%
HR A	14	-	-	-	-	-	93%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A -	14	-	-	-	-	-	-	79%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	14%
HR BBB +	22	-	-	-	-	-	-	-	14%	86%	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB	20	-	-	-	-	-	-	-	5%	70%	15%	-	-	-	-	-	-	-	-	-	-	-	10%
HR BBB -	14	-	-	-	-	-	-	-	-	79%	7%	-	-	-	-	-	-	-	-	-	7%	-	7%
HR BB +	16	-	-	-	-	-	-	-	13%	6%	44%	6%	-	-	-	-	-	-	-	-	13%	-	19%
HR BB	6	-	-	-	-	-	-	-	-	-	17%	67%	-	-	-	-	-	-	-	-	17%	-	-
HR BB -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR B -	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	251																						

Source: HR Ratings



- One- Year Financial Institutions, Short Term Local Transition Matrix – 2024-2025

**Financial Institutions Short Term Local Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)**

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1	HR1	HR2	HR3	HR4	HR5	Default	Paid Off	Withdrawn (Other)
HR+1	35	97%	-	-	-	-	-	-	-	3%
HR1	41	5%	90%	-	-	-	5%	-	-	-
HR2	41	-	2%	83%	2%	-	2%	2%	-	7%
HR3	55	-	-	5%	85%	2%	-	2%	-	5%
HR4	23	-	-	-	13%	57%	-	13%	-	17%
HR5	1	-	-	-	-	-	-	100%	-	-
TOTAL	196									

Source: HR Ratings



- One- Year Financial Institutions, Long Term Global Transition Matrix – 2024-2025

Financial Institutions Long Term Global Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	1	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	1	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	4	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	1	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	1	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	8																						

Source: HR Ratings



- One- Year Financial Institutions, Short Term Global Transition Matrix – 2024-2025

**Financial Institutions Short Term Global Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)**

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1 (G)	HR1 (G)	HR2 (G)	HR3 (G)	HR4 (G)	HR5 (G)	Default	Paid Off	Withdrawn (Other)
HR+1 (G)	-	-	-	-	-	-	-	-	-	-
HR1 (G)	1	-	100%	-	-	-	-	-	-	-
HR2 (G)	1	-	-	100%	-	-	-	-	-	-
HR3 (G)	3	-	-	-	100%	-	-	-	-	-
HR4 (G)	1	-	-	-	-	100%	-	-	-	-
HR5 (G)	-	-	-	-	-	-	-	-	-	-
TOTAL	6									

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Three- Year Financial Institutions, Long Term Local Transition Matrix – 2022-2025

Financial Institutions Long Term Local Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	68	96%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4%
HR AA +	10	10%	80%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10%
HR AA	21	38%	14%	33%	10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5%
HR AA -	13	-	-	8%	31%	38%	8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15%
HR A +	18	-	-	6%	39%	22%	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11%
HR A	24	4%	-	13%	-	29%	25%	4%	-	-	-	-	-	-	-	-	-	-	-	-	4%	4%	17%
HR A -	13	-	-	-	8%	-	8%	46%	23%	-	-	8%	-	-	-	-	-	-	-	-	-	-	8%
HR BBB +	23	-	-	-	-	-	9%	26%	30%	4%	-	-	-	-	-	-	-	-	-	-	-	-	13%
HR BBB	18	-	-	-	-	-	-	-	22%	44%	17%	-	-	-	-	-	-	-	-	-	-	-	17%
HR BBB -	21	-	-	-	-	-	-	-	14%	-	38%	10%	5%	-	-	-	-	-	-	-	-	-	19%
HR BB +	9	-	-	-	-	-	-	-	-	11%	-	22%	11%	-	-	-	-	-	-	-	-	-	33%
HR BB	3	-	-	-	-	-	-	-	-	-	-	-	33%	-	-	-	-	-	-	-	-	-	33%
HR BB -	5	-	-	-	-	-	-	-	-	-	20%	-	20%	-	-	-	-	-	-	-	-	-	40%
HR B +	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR B	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	249																						

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Three- Year Financial Institutions, Short Term Local Transition Matrix – 2022-2025

**Financial Institutions Short Term Local Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)**

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1	HR1	HR2	HR3	HR4	HR5	Default	Paid Off	Withdrawn (Other)
HR+1	31	94%	-	-	-	-	-	-	-	6%
HR1	37	8%	68%	5%	-	-	5%	-	-	14%
HR2	44	-	20%	52%	7%	2%	2%	2%	-	14%
HR3	62	-	-	13%	53%	5%	-	16%	-	13%
HR4	16	-	-	-	6%	31%	-	25%	-	38%
HR5	3	-	-	-	-	-	-	67%	-	33%
TOTAL	193									

Source: HR Ratings



- Three- Year Financial Institutions, Long Term Global Transition Matrix – 2022-2025

Financial Institutions Long Term Global Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	1	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	4	-	-	-	-	-	-	-	-	75%	-	-	-	-	-	-	-	-	-	-	-	25%	-
HR BBB (G)	1	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	6																						

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Three- Year Financial Institutions, Short Term Global Transition Matrix – 2022-2025

**Financial Institutions Short Term Global Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)**

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1 (G)	HR1 (G)	HR2 (G)	HR3 (G)	HR4 (G)	HR5 (G)	Default	Paid Off	Withdrawn (Other)
HR+1 (G)	-	-	-	-	-	-	-	-	-	-
HR1 (G)	1	-	100%	-	-	-	-	-	-	-
HR2 (G)	-	-	-	-	-	-	-	-	-	-
HR3 (G)	2	-	-	-	100%	-	-	-	-	-
HR4 (G)	-	-	-	-	-	-	-	-	-	-
HR5 (G)	-	-	-	-	-	-	-	-	-	-
TOTAL	3									

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Ten- Year Financial Institutions, Long Term Local Transition Matrix – 2015-2025

Financial Institutions Long Term Local Issuers - 10 Year Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	25	84%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4%	12%
HR AA +	4	50%	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA	13	62%	8%	31%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA -	5	-	-	-	40%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20%	-	40%
HR A +	11	18%	-	18%	27%	18%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9%	-	9%
HR A	7	-	-	-	14%	14%	14%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57%
HR A -	11	-	-	-	9%	27%	-	-	-	-	-	9%	-	-	-	-	-	-	-	-	18%	-	36%
HR BBB +	12	-	-	-	8%	-	-	25%	8%	8%	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR BBB	18	-	-	-	-	-	11%	11%	11%	-	6%	-	-	-	-	-	-	-	-	-	6%	-	56%
HR BBB -	23	-	-	-	4%	4%	4%	9%	4%	-	4%	4%	-	-	-	-	-	-	-	-	22%	-	43%
HR BB +	21	-	-	-	-	-	-	-	5%	10%	-	5%	-	-	-	-	-	-	-	-	14%	-	67%
HR BB	11	-	-	-	-	-	-	-	-	-	18%	-	-	-	-	-	-	-	-	-	27%	-	55%
HR BB -	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25%	-	75%
HR B +	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR B	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-
HR B -	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	169																						

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Ten- Year Financial Institutions, Short Term Local Transition Matrix – 2015-2025

**Financial Institutions Short Term Local Issuers - 10 Year Transition and Default Rates
(December 31, 2015 through December 31, 2025)**

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1	HR1	HR2	HR3	HR4	HR5	Default	Paid Off	Withdrawn (Other)
HR+1	18	94%	-	-	-	-	-	-	-	6%
HR1	11	9%	55%	-	-	-	-	9%	-	27%
HR2	24	4%	38%	13%	-	4%	-	13%	-	29%
HR3	53	-	2%	23%	11%	2%	-	11%	-	51%
HR4	38	-	-	-	13%	3%	-	18%	-	66%
HR5	2	-	-	-	-	-	-	50%	-	50%
TOTAL	146									

Source: HR Ratings



- Ten- Year Financial Institutions, Long Term Global Transition Matrix – 2015-2025

Financial Institutions Long Term Global Issuers - 10 Year Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	3	-	-	-	-	-	-	-	33%	-	-	-	-	-	-	-	-	-	-	-	-	33%	33%
HR BBB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-
HR BB + (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: HR Ratings



- Ten- Year Financial Institutions, Short Term Global Transition Matrix – 2015-2025

*The ten-year Financial Institutions Short Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings started issuing Short Term Global Financial Institutions ratings as of 2019.



Credit Ratings Performance Measurement Statistics

- One- Year Corporates, Long Term Local Transition Matrix – 2024-2025

Corporate Long Term Local Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)																			Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	36	89%	3%	-	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6%
HR AA +	11	-	64%	27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9%
HR AA	12	-	25%	58%	8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8%
HR AA -	10	-	-	10%	40%	10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40%
HR A +	11	-	-	-	27%	55%	9%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9%
HR A	7	-	-	-	-	-	57%	29%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14%
HR A -	3	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB +	2	-	-	-	-	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR BBB	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR BBB -	1	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-
HR BB +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C +	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	96																						

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- One- Year Corporates, Short Term Local Transition Matrix – 2024-2025

Corporate Short Term Local Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1	HR1	HR2	HR3	HR4	HR5	Default	Paid Off	Withdrawn (Other)
HR+1	37	89%	5%	-	-	-	-	-	-	5%
HR1	32	-	78%	3%	-	-	-	-	-	19%
HR2	21	-	19%	71%	-	-	-	-	-	10%
HR3	2	-	-	-	50%	-	-	-	-	50%
HR4	-	-	-	-	-	-	-	-	-	-
HR5	2	-	-	-	-	-	100%	-	-	-
TOTAL	94									

Source: HR Ratings



- One- Year Corporates, Long Term Global Transition Matrix – 2024-2025

Corporate Issuers Long Term Global Issuers- 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	1	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	3	-	-	-	33%	67%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	13	-	-	-	-	31%	38%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31%
HR A - (G)	18	-	-	-	-	6%	28%	39%	-	6%	-	-	-	-	-	-	-	-	-	-	6%	-	17%
HR BBB + (G)	29	-	3%	-	3%	-	-	3%	38%	14%	3%	-	-	-	-	-	-	-	-	-	-	-	34%
HR BBB (G)	23	-	-	-	-	-	-	-	30%	13%	13%	-	-	-	-	-	-	-	-	-	-	-	30%
HR BBB - (G)	22	-	-	-	-	-	-	-	5%	41%	-	32%	-	-	-	-	-	-	-	-	-	-	23%
HR BB + (G)	20	-	-	-	-	-	-	-	10%	5%	10%	5%	15%	5%	-	-	-	-	-	-	5%	-	45%
HR BB (G)	4	-	-	-	-	-	-	-	-	-	-	25%	50%	25%	-	-	-	-	-	-	-	-	-
HR BB - (G)	4	-	-	-	-	-	-	-	-	-	-	-	75%	25%	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-
HR B (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-
HR B - (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	139																						

Source: HR Ratings



- One- Year Corporates, Short Term Global Transition Matrix – 2024-2025

**Corporate Short Term Global Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)**

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1 (G)	HR1 (G)	HR2 (G)	HR3 (G)	HR4 (G)	HR5 (G)	Default	Paid Off	Withdrawn (Other)
HR+1 (G)	-	-	-	-	-	-	-	-	-	-
HR1 (G)	-	-	-	-	-	-	-	-	-	-
HR2 (G)	1	-	-	100%	-	-	-	-	-	-
HR3 (G)	-	-	-	-	-	-	-	-	-	-
HR4 (G)	-	-	-	-	-	-	-	-	-	-
HR5 (G)	-	-	-	-	-	-	-	-	-	-
TOTAL	1									

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Three- Year Corporates, Long Term Local Transition Matrix – 2022-2025

Corporate Long Term Local Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																			Other Outcomes During 12/31/2022- 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	23	78%	9%	-	4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9%
HR AA +	13	46%	15%	15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23%
HR AA	9	11%	33%	44%	-	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA -	11	-	18%	18%	9%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55%
HR A +	9	11%	-	11%	11%	33%	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22%
HR A	10	-	-	-	30%	-	20%	10%	-	-	-	-	-	-	-	-	-	-	-	-	10%	-	30%
HR A -	9	-	-	-	-	33%	11%	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44%
HR BBB +	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR BBB	2	-	-	-	-	-	-	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR BBB -	3	-	-	-	-	-	-	33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67%
HR BB +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB -	1	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-
HR B +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C +	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-
HR C	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	93																						

Source: HR Ratings



- Three- Year Corporates, Short Term Local Transition Matrix – 2022-2025

Corporate Short Term Local Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1	HR1	HR2	HR3	HR4	HR5	Default	Paid Off	Withdrawn (Other)
HR+1	25	80%	12%	-	-	-	-	-	-	8%
HR1	28	21%	54%	4%	-	-	-	-	-	21%
HR2	27	4%	22%	37%	-	-	-	4%	-	33%
HR3	7	-	-	43%	-	-	-	-	-	57%
HR4	1	-	-	-	100%	-	-	-	-	-
HR5	2	-	-	-	-	-	50%	50%	-	-
TOTAL	90									

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Three- Year Corporates, Long Term Global Transition Matrix – 2022-2025

Corporate Long Term Global Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2022- 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	2	-	-	-	-	-	-	-	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR A (G)	5	-	-	-	-	-	-	20%	20%	-	-	-	-	20%	-	-	-	-	-	-	-	-	40%
HR A - (G)	11	-	-	-	-	-	-	18%	-	-	-	9%	-	9%	-	-	-	-	-	-	-	9%	55%
HR BBB + (G)	15	-	-	-	-	7%	-	-	27%	27%	7%	7%	-	7%	-	-	-	-	-	-	-	7%	13%
HR BBB (G)	16	-	6%	-	6%	-	-	-	6%	6%	6%	-	6%	-	-	-	-	-	-	-	-	13%	50%
HR BBB - (G)	12	-	-	-	-	-	-	-	8%	-	17%	-	17%	-	8%	8%	-	-	-	-	17%	17%	25%
HR BB + (G)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: HR Ratings



- Three- Year Corporates, Short Term Global Transition Matrix – 2022-2025

*The three-year Corporates Short Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings has not been determining credit ratings for the length necessary to produce 3 year Transition/ Default Matrix for 2022-2025.



Credit Ratings Performance Measurement Statistics

- Ten- Year Corporates, Long Term Local Transition Matrix – 2015-2025

Corporate Long Term Local Issuers - 10 Years Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015- 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	6	33%	17%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR AA +	5	40%	-	-	-	20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20%	20%
HR AA	4	50%	25%	25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA -	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A +	5	-	-	-	20%	20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	20%
HR A	6	-	-	17%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33%	-	50%
HR A -	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33%	67%
HR BBB +	4	-	-	-	-	-	-	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR BBB	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR BBB -	4	-	-	-	-	-	-	-	-	25%	-	-	-	-	-	-	-	-	-	-	-	-	75%
HR BB +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR BB -	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR B +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-
TOTAL	50																						

Source: HR Ratings



- Ten- Year Corporates, Short Term Local Transition Matrix – 2015-2025

Corporate Short Term Local Issuers - 10 Years Transition and Default Rates (December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1	HR1	HR2	HR3	HR4	HR5	Default	Paid Off	Withdrawn (Other)
HR+1	6	-	-	-	-	-	-	-	33%	67%
HR1	2	-	-	-	-	-	-	-	-	100%
HR2	4	-	-	-	-	-	-	-	-	100%
HR3	5	-	-	-	20%	-	-	-	20%	60%
HR4	2	-	-	-	-	-	-	-	-	100%
HR5	-	-	-	-	-	-	-	-	-	-
TOTAL	19									

Source: HR Ratings



Credit Ratings Performance Measurement Statistics

- Ten- Year Corporates, Long Term Global Transition Matrix – 2015-2025

Corporate Long Term Global Issuers - 10 Years Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015- 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	2	-	-	-	-	-	-	-	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	50%
HR BBB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: HR Ratings



- Ten- Year Corporates, Short Term Global Transition Matrix – 2015-2025

*The ten-year Corporates Short Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings started issuing Short Term Global Corporates ratings as of 2018.



- One- Year Sovereign Issuers, Long Term Global Transition Matrix – 2024-2025

Sovereign Long Term Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	2	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	1	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	1	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	1	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	1	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	1	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	7																						

Source : HR Ratings



- One- Year Sovereign Issuers, Short Term Global Transition Matrix – 2024-2025

**Sovereign Short Term Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)**

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR +1 (G)	HR1(G)	HR2 (G)	HR3 (G)	HR4 (G)	HR5 (G)	Default	Paid Off	Withdrawn (Other)
HR+1 (G)	2	100%	-	-	-	-	-	-	-	-
HR1 (G)	1	-	100%	-	-	-	-	-	-	-
HR2 (G)	1	-	-	100%	-	-	-	-	-	-
HR3 (G)	2	-	-	-	100%	-	-	-	-	-
HR4 (G)	1	-	-	-	-	100%	-	-	-	-
HR5 (G)	-	-	-	-	-	-	-	-	-	-
TOTAL	7									

Source : HR Ratings



Credit Ratings Performance Measurement Statistics

- Three- Year Sovereign Issuers, Long Term Global Transition Matrix – 2022-2025

Sovereign Long Term Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	1	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	1	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	1	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	1	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	1	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	5																						

Source : HR Ratings



- Three- Year Sovereign Issuers, Short Term Global Transition Matrix – 2022-2025

**Sovereign Short Term Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)**

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1 (G)	HR1 (G)	HR2 (G)	HR3 (G)	HR4 (G)	HR5 (G)	Default	Paid Off	Withdrawn (Other)
HR+1 (G)	1	100%	-	-	-	-	-	-	-	-
HR1 (G)	1	-	100%	-	-	-	-	-	-	-
HR2 (G)	1	-	-	-	100%	-	-	-	-	-
HR3 (G)	1	-	-	-	100%	-	-	-	-	-
HR4 (G)	1	-	-	-	-	100%	-	-	-	-
HR5 (G)	-	-	-	-	-	-	-	-	-	-
TOTAL	5									

Source : HR Ratings



- Ten- Year Sovereign Issuers, Long Term Global Transition Matrix – 2015-2025

Sovereign Long Term Issuers - 10 Years Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	1	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	1	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source : HR Ratings



- Ten- Year Sovereign Issuers, Short Term Global Transition Matrix – 2015-2025

**Sovereign Short Term Issuers - 10 Year Transition and Default Rates
(December 31, 2015 through December 31, 2025)**

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)						Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)		
Credit Rating Scale	Number of Ratings Outstanding	HR+1 (G)	HR1 (G)	HR2 (G)	HR3 (G)	HR4 (G)	HR5 (G)	Default	Paid Off	Withdrawn (Other)
HR+1 (G)	-	-	-	-	-	-	-	-	-	-
HR1 (G)	-	-	-	-	-	-	-	-	-	-
HR2 (G)	1	-	-	-	100%	-	-	-	-	-
HR3 (G)	1	-	-	-	100%	-	-	-	-	-
HR4 (G)	-	-	-	-	-	-	-	-	-	-
HR5 (G)	-	-	-	-	-	-	-	-	-	-
TOTAL	2									

Source : HR Ratings



- One- Year U.S. Public Finance, Long Term Global Transition Matrix – 2024-2025

*The one-year U.S. Public Finance Long Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings has not been determining credit ratings for the length necessary to produce 1 year Transition/ Default Matrix for 2024-2025.



- One- Year U.S. Public Finance, Short Term Global Transition Matrix – 2024-2025

*The one-year U.S. Public Finance Short Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings hasn't issued Short Term Global U.S Public Finance ratings.



Credit Ratings Performance Measurement Statistics

-Three- Year U.S. Public Finance, Long Term Global Transition Matrix – 2022-2025

U.S Public Finance Global- 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1																						

Source: HR Ratings



-Three- Year U.S. Public Finance, Short Term Global Transition Matrix – 2022-2025

*The three-year U.S. Public Finance Short Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings hasn't issued Short Term Global U.S Public Finance ratings.



Credit Ratings Performance Measurement Statistics

- Ten- Year U.S. Public Finance, Long Term Global Transition Matrix – 2015-2025

U.S Public Finance Global- 10 Year Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA (G)	HR AA + (G)	HR AA (G)	HR AA - (G)	HR A + (G)	HR A (G)	HR A - (G)	HR BBB + (G)	HR BBB (G)	HR BBB - (G)	HR BB + (G)	HR BB (G)	HR BB - (G)	HR B + (G)	HR B (G)	HR B - (G)	HR C + (G)	HR C (G)	HR C - (G)	Default	Paid Off	Withdrawn (Other)
HR AAA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR AA - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR A - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB - (G)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
HR BB + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C + (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C - (G)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: HR Ratings



- Ten- Year U.S. Public Finance, Short Term Global Transition Matrix – 2015-2025

*The ten-year U.S. Public Finance Short Term Global Transition Matrix cannot be calculated due to the fact that HR Ratings hasn't issued Short Term Global U.S Public Finance ratings.



Credit Ratings Performance Measurement Statistics

- One- Year International Public Finance, Long Term Local Transition Matrix – 2024-2025

International Public Finance Issuers - 1 Year Transition and Default Rates
(December 31, 2024 through December 31, 2025)

Credit Ratings as of 12/31/2024		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2024 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	HR D	Paid Off	Withdrawn (Other)
HR AAA	224	87%	1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11%	1%
HR AA +	65	9%	62%	-	2%	2%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23%	3%
HR AA	23	13%	28%	57%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4%	-
HR AA -	15	-	-	13%	67%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13%	7%
HR A +	31	-	-	3%	29%	42%	6%	-	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	16%
HR A	17	-	-	-	6%	29%	59%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6%
HR A -	15	-	-	-	-	13%	47%	27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13%
HR BBB +	11	-	-	-	-	-	-	55%	27%	9%	-	-	-	-	-	-	-	-	-	-	-	-	9%
HR BBB	4	-	-	-	-	-	-	-	50%	25%	25%	-	-	-	-	-	-	-	-	-	-	-	-
HR BBB -	3	-	-	-	-	-	-	-	-	33%	67%	-	-	-	-	-	-	-	-	-	-	-	-
HR BB +	3	-	-	-	-	-	-	-	-	-	33%	67%	-	-	-	-	-	-	-	-	-	-	-
HR BB	2	-	-	-	-	-	-	-	-	-	-	50%	50%	-	-	-	-	-	-	-	-	-	-
HR BB -	1	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-
HR B +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	414																						

Source: HR Ratings



- One- Year International Public Finance, Short Term Local Transition Matrix – 2024-2025

*The one-year International Public Finance Short Term Transition Matrix cannot be calculated due to the fact that HR Ratings hasn't issued Short Term International Public Finance ratings.



Credit Ratings Performance Measurement Statistics

- Three- Year International Public Finance, Long Term Local Transition Matrix – 2022-2025

International Public Finance Long Term Local Issuers - 3 Year Transition and Default Rates
(December 31, 2022 through December 31, 2025)

Credit Ratings as of 12/31/2022		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2022 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	Default	Paid Off	Withdrawn (Other)
HR AAA	207	43%	2%	-	1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42%	12%
HR AA +	71	23%	30%	1%	1%	1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39%	4%
HR AA	40	10%	40%	10%	3%	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33%	3%
HR AA -	19	-	26%	26%	11%	5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32%	-
HR A +	18	6%	-	17%	33%	28%	6%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11%
HR A	18	-	-	11%	28%	39%	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6%	6%
HR A -	15	-	-	-	13%	13%	53%	7%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	7%
HR BBB +	13	-	-	-	-	15%	23%	23%	15%	8%	-	-	-	-	-	-	-	-	-	-	-	-	15%
HR BBB	14	-	-	-	-	-	36%	36%	-	7%	-	-	7%	-	-	-	-	-	-	-	-	-	14%
HR BBB -	3	-	-	-	-	67%	-	-	33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR BB +	5	-	-	-	-	-	-	-	40%	20%	20%	-	-	-	-	-	-	-	-	-	-	-	20%
HR BB	2	-	-	-	-	-	-	-	-	-	50%	50%	-	-	-	-	-	-	-	-	-	-	-
HR BB -	2	-	-	-	-	-	-	-	-	-	50%	50%	-	-	-	-	-	-	-	-	-	-	-
HR B +	1	-	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	1	-	-	-	-	-	-	-	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	429																						

Source: HR Ratings



- Three- Year International Public Finance, Short Term Local Transition Matrix – 2022-2025

*The three-year International Public Finance Short Term Transition Matrix cannot be calculated due to the fact that HR Ratings hasn't issued Short Term International Public Finance ratings.



Credit Ratings Performance Measurement Statistics

- Ten- Year International Public Finance, Long Term Local Transition Matrix – 2015-2025

International Public Finance Long Term Local Issuers - 10 Year Transition and Default Rates
(December 31, 2015 through December 31, 2025)

Credit Ratings as of 12/31/2015		Credit Ratings as of 12/31/2025 (Percent)																		Other Outcomes During 12/31/2015 - 12/31/2025 (Percent)			
Credit Rating Scale	Number of Ratings Outstanding	HR AAA	HR AA +	HR AA	HR AA -	HR A +	HR A	HR A -	HR BBB +	HR BBB	HR BBB -	HR BB +	HR BB	HR BB -	HR B +	HR B	HR B -	HR C +	HR C	HR C -	HR D	Paid Off	Withdrawn (Other)
HR AAA	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	-
HR AA +	34	44%	15%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38%	3%
HR AA	83	10%	6%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69%	16%
HR AA -	38	11%	5%	5%	5%	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58%	13%
HR A +	26	-	15%	-	-	-	4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62%	19%
HR A	15	-	-	13%	33%	13%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33%	-
HR A -	12	-	-	8%	8%	8%	17%	8%	-	8%	-	-	-	-	-	-	-	-	-	-	-	17%	25%
HR BBB +	13	-	-	8%	8%	15%	8%	8%	-	-	8%	-	-	-	-	-	-	-	-	-	-	38%	8%
HR BBB	18	-	6%	6%	-	17%	6%	6%	11%	6%	-	-	-	-	-	-	-	-	-	-	6%	11%	28%
HR BBB -	19	-	-	-	-	5%	16%	21%	5%	-	-	11%	-	5%	-	-	-	-	-	-	-	-	37%
HR BB +	17	-	-	-	-	12%	24%	6%	6%	6%	-	-	-	-	-	-	-	-	-	-	12%	12%	24%
HR BB	7	-	-	-	14%	-	-	-	-	-	14%	14%	-	-	-	-	-	-	-	-	29%	-	29%
HR BB -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR B -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HR C -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	297																						

Source: HR Ratings



- Ten- Year International Public Finance, Short Term Transition Matrix – 2015-2025

*The ten-year International Public Finance Short Term Transition Matrix cannot be calculated due to the fact that HR Ratings hasn't issued Short Term International Public Finance ratings.



Long Term Local Rating Scale

Symbol	Definition of the Rating
HR AAA	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk.
HR AA	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk under adverse economic scenarios.
HR A	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk.
HR BBB	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk, with weakness in the ability to pay in adverse economic scenarios.
HR BB	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk.
HR B	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The issue or issuer is susceptible to falling into default.
HR C	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D	The issuer or issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA to HR D, a plus or minus sign may be included in the range from HR AA to HR C, to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.



Short Term Local Rating Scale

Symbol	Definition of the Rating
HR1	The issuer or issue with this rating exhibits high capacity for timely payment of debt obligations in the short term and maintains the lowest credit risk. Within this category, debt instruments and or issuers with features showing relative superiority in terms of credit characteristics may be rated as HR+1.
HR2	The issuer or issue with this rating exhibits an acceptable capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments.
HR3	The issuer or issue with this rating exhibits a moderate capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments.
HR4	The issuer or issue with this rating exhibits an insufficient capacity for timely payment of debt obligations in the short term and maintains a very high credit risk. These instruments are susceptible to falling into default.
HR5	The issuer or offering is highly probable they will fall into default on the payment of debt obligations.
HR D	The issuer or offering given this rating has the lowest credit rating and they are already in default.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol (I) which refers to an indicative level.

*Short-term refers to a period shorter than twelve months



Long Term Global Rating Scale

Symbol	Definition of the Rating
HR AAA (G)	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk on a global scale basis.
HR AA (G)	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk on a global scale basis, under adverse economic scenarios.
HR A (G)	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk on a global scale basis.
HR BBB (G)	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios.
HR BB (G)	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk on a global scale basis.
HR B (G)	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk on a global scale. The issue or issuer is susceptible to falling into default.
HR C (G)	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (G)	The issuer or issue with this rating has the lowest rating on a global scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA (G) to HR D (G), a plus or minus sign may be included in the range from HR AA (G) to HR C (G), to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

Short Term Global Rating Scale

Symbol	Definition of the Rating
HR1 (G)	The issuer or issue with this rating exhibits high capacity for timely payment of debt obligations in the short term and maintains the lowest credit risk on a global scale basis. Within this category, debt instruments and or issuers with features showing relative superiority in terms of credit characteristics may be rated as HR+1 (G).
HR2 (G)	The issuer or issue with this rating exhibits an acceptable capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments on a global scale basis.
HR3 (G)	The issuer or issue with this rating exhibits a moderate capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments on a global scale basis.
HR4 (G)	The issuer or issue with this rating exhibits an insufficient capacity for timely payment of debt obligations in the short term and maintains a very high credit risk on a global scale basis. These instruments are susceptible to falling into default.
HR5 (G)	The issuer or offering is highly probable they will fall into default on the payment of debt obligations.
HR D (G)	The issuer or offering given this rating has the lowest credit rating and they are already in default.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

*Short-term refers to a period shorter than twelve months



Local Rating Scale for Structured Finance

Symbol	Definition of the Rating
HR AAA (E)	The issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk.
HR AA (E)	The issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk under adverse economic scenarios.
HR A (E)	The issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk.
HR BBB (E)	The issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk, with weakness in the ability to pay in adverse economic scenarios.
HR BB (E)	The issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk.
HR B (E)	The issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The issue is susceptible to falling into default.
HR C (E)	The issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (E)	The issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA (E) to HR D (E), a plus or minus sign may be included in the range from HR AA (E) to HR C (E), to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

Global Rating Scale for Structured Finance

Symbol	Definition of the Rating
HR AAA (G)(E)	The issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk on a global scale basis.
HR AA (G)(E)	The issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk on a global scale basis, under adverse economic scenarios.
HR A (G)(E)	The issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk on a global scale basis.
HR BBB (G)(E)	The issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios.
HR BB (G)(E)	The issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk on a global scale basis.
HR B (G)(E)	The issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk on a global scale. The issue is susceptible to falling into default.
HR C (G)(E)	The issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (G)(E)	The issue with this rating has the lowest rating on a global scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA (G)(E) to HR D (G)(E), a plus or minus sign may be included in the range from HR AA (G)(E) to HR C (G)(E), to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.



Credit Risk Rating Scale for Investment Funds

Symbol	Definition of the Rating
HR AAA	The Investment Fund with this rating is considered to have the highest credit quality and has a credit risk like an instrument with the minimum credit risk.
HR AA	The Investment Fund with this rating is considered to have high credit quality and has a credit risk like an instrument with a very low credit risk.
HR A	The Investment Fund with this rating is considered to have an adequate credit quality and has a credit risk like an instrument with a low credit risk.
HR BBB	The Investment Fund with this rating is considered to have a moderate credit quality and has a credit risk like an instrument with a moderate credit risk.
HR BB	The Investment Fund with this rating is considered to have an inadequate credit quality and has a credit risk like an instrument with a high credit risk.
HR B	The Investment Fund with this rating is considered to have a low credit quality and has a credit risk like an instrument with a very high credit risk.
HR C	The Investment Fund with this rating is considered to have a very low credit quality and has a credit risk like an instrument with an extremely credit risk.
HR D	The Investment Fund with this rating is considered to have the lowest credit quality and has a credit risk like an instrument in default.



Short-Term Market Risk Rating Scale for Investment Funds

Symbol	Definition of the Rating
1CP	The asset portfolio has extremely low sensitivity to changes in market conditions.
2CP	The asset portfolio has low sensitivity to changes in market conditions.
3CP	The asset portfolio has low to moderate sensitivity to changes in market conditions.
4CP	The asset portfolio is moderately sensitive to changes in market conditions.
5CP	The asset portfolio has moderate to high sensitivity to changes in market conditions.
6CP	The asset portfolio is highly sensitive to changes in market conditions.
7CP	The asset portfolio is extremely sensitive to changes in market conditions.



Long-Term Market Risk Rating Scale for Investment Funds

Symbol	Definition of the Rating
1LP	The asset portfolio has extremely low sensitivity to changes in market conditions.
2LP	The asset portfolio has low sensitivity to changes in market conditions.
3LP	The asset portfolio has low to moderate sensitivity to changes in market conditions.
4LP	The asset portfolio is moderately sensitive to changes in market conditions.
5LP	The asset portfolio has moderate to high sensitivity to changes in market conditions.
6LP	The asset portfolio is highly sensitive to changes in market conditions.
7LP	The asset portfolio is extremely sensitive to changes in market conditions.

Default Criteria

HR Ratings' Default Criteria is as follows:

- a) For the purposes of debt instruments:
 - i. A default is regarded as any delay, suspension, partial or total noncompliance with mandatory interest and principal payments, in accordance with the terms, conditions and deadlines originally agreed upon. A default may be deemed to exist if HR Ratings identifies an imminent default on mandatory debt service, even if this has not been confirmed, for example, an entity in the process of bankruptcy, liquidation or termination of operations.
 - ii. A "technical" default which occurs when, for any reason, the borrower states that they lack the ability to continue complying with the payment obligations originally agreed upon for one or more debt instruments and that, to service the debt, its conditions would have to be modified. In such cases, the debt instrument would be assigned a rating of HR DT (Technical Default).
 - iii. In the case of sovereign debt ratings, we may regard the rating to be in default given the existence of policies that cause inflation and depreciation of the currency to such a degree that the monetary value of the debt instruments is subject to a severe loss or degradation.
 - iv. Nonpayment of a hybrid instrument is not considered a default if said nonpayment is due to actions permitted under the contractual terms of the debt, for example, the conversion of debt to equity.
 - v. Nonpayment is not considered a default on payment terms in the case of leasing agreements, as leasing contracts are not regarded as constituting debt by HR Ratings.
 - vi. When nonpayment of a debt instrument is due to causes beyond the borrower's ability and/or willingness to pay, such as an operational failure by any participant in the transaction, HR Ratings may determine that such nonpayment does not warrant consideration as a default. However, if this type of nonpayment is frequent or due to very particular reasons attributable to the borrower, the rating of the debt instrument and/or borrower may be downgraded. In any case where there is a breach of contractual clauses, HR Ratings must analyze the type of clauses breached and their possible consequences, to determine whether they amount to a default.
- b) For the purposes of rated entities:
 - i. If the entirety of the debt is in default or it is considered that, in practical terms, all the debt instruments are likely to default, the entity will be assigned a rating of HR D.
 - ii. A rating of HR DS (Selective Default) may be assigned if a portion of the debt (or only certain but not all the issuing entity's debt instruments) has defaulted but there is a strong likelihood that the rest of the debt will continue to meet its payment obligations in the required time and manner
- c) For the purposes of performing instruments in the context of default by the borrower or the borrower's instruments:



Credit Ratings Performance Measurement Statistics

Despite defaulting on certain financial obligations, a borrower may be current on their payment of other debt instruments. In such cases, the regular rating process may continue for the performing debt instruments; however, the rating may be downgraded due to the borrower's default on other instruments.

In the case of non-performing instruments with the option of triggering cross default clauses, HR Ratings will monitor this possible triggering and the expected impact on the performing instruments to determine the appropriate rating action.

For further reference please consult the General Methodological Criteria published on HR Ratings website.

HR Ratings Uniform Resource Locator (URL) of its corporate Internet website where the credit rating histories are disclosed is the following:

<https://www.hrratings.com/ratings/>



TABLE OF CONTENTS

1. Procedures
2. HR Ratings' Scales
3. Methodologies



1. PROCEDURES

A. Start of the Rating Process

The credit rating process begins following an initial contact from the Business Development Department with the entity or the issuer by sending sales materials, which include a corporate presentation and general datasheet. HR Ratings then sends an economic proposal, engagement letter or proposed service agreement, with the list of information required as part of the rating process.

A service agreement or the appropriate legal instrument is then finalized and sent to the entity or issuer, together with the Code of Conduct. The entity or issuer and the HR Ratings Business Development Director sign the service agreement or appropriate legal instrument, and the contractual legal relationship with the entity or issuer is formalized.

HR Ratings may issue unsolicited ratings, for which HR Ratings does not receive any payment and may or may not sign a service agreement, engagement letter or legal instrument. Where applicable, an NDA will be signed. Unsolicited ratings will be prepared according to the same methodologies as requested ratings and will follow the same rating process, accordingly. HR Ratings will also do the surveillance of unsolicited ratings and may withdraw an unsolicited rating at any time.

The Business Development Director and the entity or issuer designate the individuals authorized to send and receive information throughout the course of the rating process. The initial contact information is entered into HR's internal electronic system.

HR Ratings' internal control procedures determine the sufficiency of the information to be used to assign the rating. This information must be generated and provided by trustworthy sources.

Public and private information from parties other than the issuer is also used as part of the credit rating process. Depending on the reliability of the source, HR Ratings reserves the right to evaluate third party information. Information derived from official governmental sources is presumed to be valid. HR Ratings uses all information available at the time of analysis, including available public information that is relevant to the specific rating, as well as non-public information, consistent with regulatory norms.

B. Rating Process

HR Ratings' analysis begins with the assignment of the Area Director by the Operations Department and the assignment of the Lead Analyst by the Area Director. The other analysts, who are secondary responsible for the project, assist in the rating process. The Lead Analyst, together with any secondary analysts, comprise the "analysis team". The Operations Department will consider the log of potential conflicts of interest maintained in HR Ratings' internal electronic system for the assignment.

The Area Director and / or Lead Analyst, and any secondary analysts, are responsible for conducting the entire analysis, as well as the presentation to the Credit Analysis Committee, including preparation of all supporting documents such as the: (i) analysis report (or press release when there is no analysis report), (ii) if applicable, the rating letter, technical note, legal opinion, datasheet for the influential rating and/or Information Disclosure

Exhibit 2

Form (17g-7 Form): (iii) number and type of model used and minutes of the previous Credit Analysis Committee regarding the entity, issuer or operation in question. These documents are referred to jointly as the Credit Analysis Committee Package.

When the rating considers influential ratings assigned by other rating agencies, the analysis team monitors these influential ratings weekly. For the purposes of the above, each area of the Credit Analysis Department maintains the current datasheet corresponding to the information for the influential rating in question by the last business day of each week.

In the event of any questions or issues regarding the operation of the analysis team, a meeting is arranged with the Chief Credit Officer and Area Director to clarify any questions before the presentation of the Credit Analysis Committee Package to the Credit Analysis Committee. The Credit Analysis Committee Package is then distributed to all committee members at least 12 (twelve) hours in advance of the Credit Analysis Committee review, and can be distributed, if necessary, in a shorter period when required by the analysis team.

The following steps are followed for each rating by the assigned analyst:

1. The analyst receives the assignment to begin the rating process and proceeds to gather available public and private information on the issuer and/or offering.
2. The analyst sends the issuer an email request for information covering the following topics:
 - Financial information
 - Business, market, and general relevant economic information
 - Institutional framework
 - Characteristics of the offering (if applicable)
3. If applicable and in accordance with the methodology, the analyst schedules a visit, videocall or virtual meeting, with the entity or issuer to understand the specific characteristics of the issuer, operation and/or offering. The analyst may request further information depending on the complexity of the entity or operation.
4. Based on this information, model and methodology, the analyst prepares an evaluation and analysis of the credit strengths and payment capacities of both the issuer and/or offering; and,
5. The analyst prepares the presentation for the Credit Analysis Committee including all supporting documents in the Credit Analysis Committee Package.

C. Credit Analysis Committee Structure and Voting Process

i. Quorum

In accordance with the HR Ratings' General Operations Plan, the Credit Analysis Committee will meet whenever:

- A rating action is required.
- Any relevant event occurs that could impact a current rating; or
- An opinion is to be issued on any industry sector. In this case, the meeting of the Credit Analysis Committee will be optional, provided the Chief Credit Officer has given his approval.

The following people sit in the Analysis Committee, in voting order:

- Analysis Manager
- Analysis Director
- Analysis Executive Director
- Where appropriate, the Chief Credit Officer (“CCO”)
- Where appropriate, the Chief Officer of Economic Analysis

Prior to each Credit Analysis Committee meeting, the members of the Committee will certify, through the Company’s internal electronic system, that they have no conflict of interest with the entity or issuer. The internal electronic system will also notify the Head Compliance Officer if there is a conflict of interest reported on the system.

The Committee will meet with a quorum of at least 4 (four) members, and several committees may meet simultaneously with different agendas.

A member of the Credit Analysis Committee may not participate in more than 4 (four) committee meetings on the same day for unsecured or structured initial ratings or annual reviews, unless they participate as Lead Analysts and/or Area Directors, or in the case of Committee meetings to determine ratings for entities belonging to the same control group, consortium and/or related entities.

The President of the Credit Analysis Committee must belong to a different analysis area than that of the Analysis Director or Lead Analyst. At least half of the members who attend the Analysis Committee must be Directors or Managers of an analysis area different than that of the Lead Analyst and/or Area Director of the entity, issue or operation being rated.

The following persons must be present at the meetings of the Credit Analysis Committee, at least one of the following members of the Committee: Chief Credit Officer, or any Analysis Executive Director; the Area Director or Lead Analyst of the corresponding rating.

The other members of the analysis team that participated with the Lead Analyst in the corresponding rating process may attend the meetings of the Credit Analysis Committee and will have voice but not vote.

ii. Voting Process

Decisions of the Credit Analysis Committee will be passed by absolute majority, meaning by the vote of half plus one of the members present at the Credit Analysis Committee meeting. The Chair of the Committee will have the deciding vote in the event of a tie.

The Credit Analysis Committee reviews and discusses the proposed rating and upon reaching a conclusion, the Credit Analysis Committee issues a rating and once the rating has been given, the Lead Analyst notifies the issuer of the decision reached by the Credit Analysis Committee, the same day as the rating was assigned. Under no circumstance will the entity or issuer receive any prior notice as to the possible outcome of the rating process. Rather, the entity or issuer will receive a notification only when the Credit Analysis Committee has issued its official opinion.

If the issuer agrees, then HR Ratings proceed with the publication of the rating. The issuer has up to 2 (two) business days after receiving the rating report to state what it deems appropriate regarding the report and, if applicable, deliver any additional relevant documentation to be analyzed and evaluated by the Credit Analysis Committee. If there is no response from the issuer within these 2 (two) businesses days, HR Ratings will publish the rating the next business day.

During this time, the entity or issuer may indicate whether the rating will be held private or made public. The ratings on securities registered or intended to be registered in the National Securities Register in Mexico will always be made public, as well as any modifications, ratifications or withdrawals of these ratings.

D. Rotation policy for the participants in the rating procedures and Credit Analysis Committee

The Lead Analysts and/or Area Director (provided they participate as Lead Analysts) that prepare and, accordingly, monitor the credit quality assessments will not be assigned to the same client or companies members of the same corporate group or consortium, for more than 5 (five) consecutive years from the date of their first participation in the initial rating or monitoring of the issuer, entity or client, and may take the lead on these tasks once again for the same entity or issuer after a minimum break of 1 (one) year. A substitute analyst will be used, if necessary, in the fourth year.

In the case of the member of the Credit Analysis Committee responsible for the approval of the credit rating of an entity or issuer, members of the same group will rotate at least on a 7 (seven) year basis, returning after a minimum one-year break. To this end, HR Ratings rotates at least half of the members of each committee during this timeframe.

E. Surveillance and Monitoring

Monitoring refers to periodical internal rating reviews, depending on the entity, issuer, operation, or instrument that may or may not result in a rating action. The monitoring review will be monthly, quarterly, or semi-annually depending on the availability of information, or any other frequency required by HR.

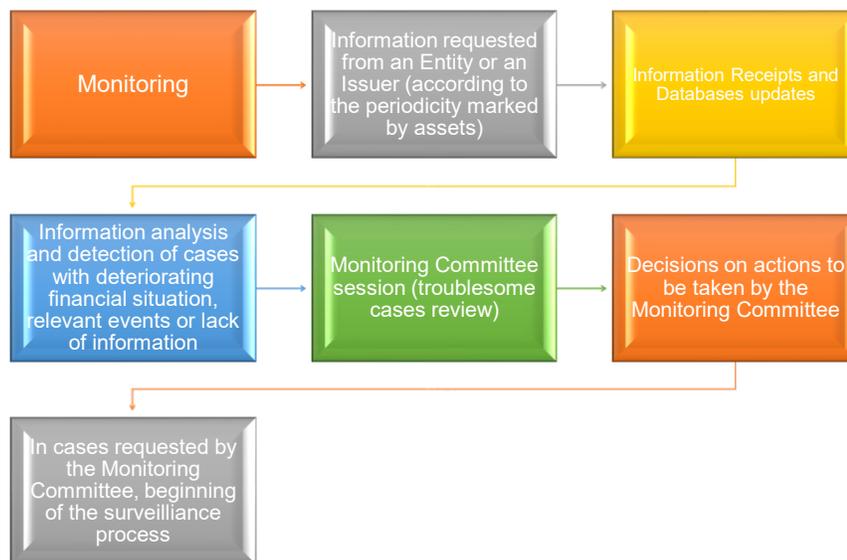
The annual review refers to the periodic monitoring carried out at least once a year (based on the anniversary of the initial rating) by HR Ratings for all ratings, regardless of internal monitoring, and whose results are announced to the investing public through a rating action (the “annual review”).

The annual review period may exceed 12 (twelve) months, including but not limited, due to the following circumstances: (i) failure by the entity or issuer to provide information in a timely manner, and/or (ii) restructuring or refinancing of the rated debt. The foregoing with the understanding that HR Ratings must be actively engaged in the review process and making its best efforts to complete such review on time.

It is important to note that HR Ratings makes no difference regarding the qualitative and quantitative factors under the initial rating or annual review. Thus, an initial rating and an annual review consider the same weight for each of the factors given.

HR Ratings adheres to the view that the annual review can be even more important than the initial rating during the life of the issue until maturity. For this reason, the surveillance for tracking and monitoring all of the ratings assigned by HR Ratings is a vital ongoing activity.

i. Monitoring chart



F. Procedures to Withdraw or Suspend a Rating

The Credit Analysis Committee may withdraw the rating given to an entity, issuer, and/or operation on the occurrence of any of the following:

1. For a debt instrument or a credit, when the issuer confirms that the entire amount of the credit or debt security has been repaid in full of no outstanding amount remained.
2. For a debt instrument or a credit, when the issuer confirms that the rating assigned has not been used for an issuance or specific credit, and, in consequence, that no funds have been mobilized for the issue or credit, nor for any outstanding current amount.
3. For a debt instrument, when HR Ratings receives the consent of all debtholders of a given issuance to withdraw the rating, by means of an assembly of the debtholders during which the motion to withdraw is unanimously passed.
4. For a debt instrument or a credit, when the period of validity of the initial rating, whose funds have not been obtained using the rating, has expired. Under these circumstances, the rating is automatically withdrawn.

5. When a restructuring of a credit or issuance has been finalized and the Credit Analysis Committee determines that the changes have been substantial, provided another structure is in place.
6. When the entity or issuer has gone into bankruptcy and the rating issued by HR Ratings is no longer necessary or the Agency is unable to continue with the process due to limited access to the information submitted.
7. When requested by the entity or issuer to HR Ratings.
8. When an entity or issuer fails to provide information required for monitoring the corresponding rating for 2 (two) consecutive periods.
9. When the lack of cooperation from the entity or issuer or the lack of information makes assigning a reliable rating impossible. In this event, and if the rating is already public, the reasons for suspension will be communicated to the market. However, before determining the suspension of the rating, HR Ratings will attempt to complete its review based on the information available, making public the results of the review.

Additional information regarding the rating procedure can be found in HR Ratings' Internet website, at the following location: https://www.hrratings.com/regulatory_disclosure/monitoring.xhtml

G. Methodology Committee

HR Ratings has a Methodology Committee, with the responsibility of reviewing, discussing, and approving the Company's rating methodologies and any modifications thereof, and the quantitative models incorporated into said methodologies and the criteria for their application, prior to submitting these to the Board of Directors for final approval.

The Methodology Committee meets at least once a year to review the process and terms established for each rating methodology, or when any of the circumstances established in HR Ratings' Code of Conduct are met.

In addition, the Methodology Committee will assess and validate the qualitative models to be incorporated into any rating methodology and any changes to these models. Similarly, the committee will conduct periodical reviews of the quantitative models incorporated into the rating methodologies.

The Methodology Committee meets on the agreed date to review, discuss, and approve a new methodology or changes to a current methodology. In the event the modification of a methodology is agreed to, the Committee proceeds to analyze whether the ratings previously assigned under earlier methodologies need to be reviewed. This analysis must be documented in the minutes of the corresponding Methodology Committee meeting.

When the Methodology Committee agrees on a new rating methodology or changes to an already existing methodology, the Operations Department takes the necessary steps so that, before the end of the next business day following the Committee meeting, the methodology or its modifications are uploaded to HR Ratings' website for the consultation and comments of market participants. The term for receiving comments from the public will be of at least 10 (ten) calendar days. HR Ratings will maintain publicly available during this time any comments received through its website and will consider those deemed relevant.

At the end of the time given, the Chief Credit Officer will request the incorporation, when such is the case, of the relevant comments within the following 5 (five) business days and once incorporated, they will ask the

Head Compliance Officer to immediately take the actions necessary for said methodology or modifications to be submitted for the review and formal approval of the Board of Directors.

Within the next 10 (ten) business days from when the methodology or its modifications are approved by the Board of Directors, HR Ratings will notify the Mexican Banking and Securities Commission (“CNBV”) of the methodology or its modifications, to comply with the obligation established in the General provisions applicable to rating agencies in Mexico. If no comments are received from the CNBV within 20 (twenty) business days, HR Ratings will publish the methodology or its modifications in a visible location on the HR Ratings website indicating the reasons for the modifications, when such is the case, immediately at the end of said time and the methodology will be sent to HR Ratings’ employees and website subscribers by email.

In the case of methodologies that only apply to ratings in the U.S., HR Ratings will publish the methodology or its modification the next business day after being formally approved by the Board of Directors, by the means indicated in the previous paragraph.

Rating methodologies and their modifications will come into effect the same day as published. Once the modifications or additions to a methodology have been published, the Company will use the new methodology for subsequent ratings and, accordingly, will inform the public immediately of the possible effects on the ratings that could be impacted by the new methodology once these ratings have been reviewed.

Accordingly, HR Ratings will issue a new rating for the instruments in question, within 6 (six) months following the publication of the modification of a methodology.

In addition, HR Ratings will publish on its website, notice of any significant error identified in any process or methodology that could result in any change to a current rating.

The Methodological Criteria Director will report decisions made by the Methodology Committee to the Company’s analysis team, with the corresponding documentation, the same day as said decisions take effect.

In addition, meetings will be held with the analysis team to explain the important decisions made by the Methodology Committee.



2. HR RATINGS' SCALES

All our rating scales are publicly available at: https://www.hrratings.com/methodology/rating_scales.xhtml



2.1. Long Term Local Rating Scale

Symbol	Definition of the Rating
HR AAA	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk.
HR AA	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk under adverse economic scenarios.
HR A	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk.
HR BBB	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk, with weakness in the ability to pay in adverse economic scenarios.
HR BB	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk.
HR B	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The issue or issuer is susceptible to falling into default.
HR C	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D	The issuer or issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA to HR D, a plus or minus sign may be included in the range from HR AA to HR C, to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol (I) which refers to an indicative level.

2.2. Short Term Local Rating Scale

Symbol	Definition of the Rating
HR1	The issuer or issue with this rating exhibits high capacity for timely payment of debt obligations in the short term and maintains the lowest credit risk. Within this category, debt instruments and or issuers with features showing relative superiority in terms of credit characteristics may be rated as HR+1.
HR2	The issuer or issue with this rating exhibits an acceptable capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments.
HR3	The issuer or issue with this rating exhibits a moderate capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments.
HR4	The issuer or issue with this rating exhibits an insufficient capacity for timely payment of debt obligations in the short term and maintains a very high credit risk. These instruments are susceptible to falling into default.
HR5	The issuer or offering is highly probable they will fall into default on the payment of debt obligations.
HR D	The issuer or offering given this rating has the lowest credit rating and they are already in default.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol (I) which refers to an indicative level.

*Short-term refers to a period shorter than twelve months

2.3. Long Term Global Rating Scale

Symbol	Definition of the Rating
HR AAA (G)	The issuer or issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk on a global scale basis.
HR AA (G)	The issuer or issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk on a global scale basis, under adverse economic scenarios.
HR A (G)	The issuer or issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk on a global scale basis.
HR BBB (G)	The issuer or issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios.
HR BB (G)	The issuer or issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk on a global scale basis.
HR B (G)	The issuer or issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk on a global scale. The issue or issuer is susceptible to falling into default.
HR C (G)	The issuer or issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (G)	The issuer or issue with this rating has the lowest rating on a global scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA (G) to HR D (G), a plus or minus sign may be included in the range from HR AA (G) to HR C (G), to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

2.4. Short Term Global Rating Scale

Symbol	Definition of the Rating
HR1 (G)	The issuer or issue with this rating exhibits high capacity for timely payment of debt obligations in the short term and maintains the lowest credit risk on a global scale basis. Within this category, debt instruments and or issuers with features showing relative superiority in terms of credit characteristics may be rated as HR+1 (G).
HR2 (G)	The issuer or issue with this rating exhibits an acceptable capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments on a global scale basis.
HR3 (G)	The issuer or issue with this rating exhibits a moderate capacity for timely payment of debt obligations in the short term and maintains a higher credit risk compared with higher credit rating debt instruments on a global scale basis.
HR4 (G)	The issuer or issue with this rating exhibits an insufficient capacity for timely payment of debt obligations in the short term and maintains a very high credit risk on a global scale basis. These instruments are susceptible to falling into default.
HR5 (G)	The issuer or offering is highly probable they will fall into default on the payment of debt obligations.
HR D (G)	The issuer or offering given this rating has the lowest credit rating and they are already in default.

To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

*Short-term refers to a period shorter than twelve months

2.5. Local Rating Scale for Structured Finance

Symbol	Definition of the Rating
HR AAA (E)	The issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk.
HR AA (E)	The issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk under adverse economic scenarios.
HR A (E)	The issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk.
HR BBB (E)	The issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk, with weakness in the ability to pay in adverse economic scenarios.
HR BB (E)	The issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk.
HR B (E)	The issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The issue is susceptible to falling into default.
HR C (E)	The issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (E)	The issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.
HR D (E)	The issue with this rating has the lowest rating. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA (E) to HR D (E), a plus or minus sign may be included in the range from HR AA (E) to HR C (E), to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

2.6. Global Rating Scale for Structured Finance

Symbol	Definition of the Rating
HR AAA (G)(E)	The issue with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. Maintains minimum credit risk on a global scale basis.
HR AA (G)(E)	The issue with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk on a global scale basis, under adverse economic scenarios.
HR A (G)(E)	The issue with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk on a global scale basis.
HR BBB (G)(E)	The issue with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios.
HR BB (G)(E)	The issue with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk on a global scale basis.
HR B (G)(E)	The issue with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk on a global scale. The issue is susceptible to falling into default.
HR C (G)(E)	The issue with this rating exhibits high probability of falling into default in debt obligation payments.
HR D (G)(E)	The issue with this rating has the lowest rating on a global scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA (G)(E) to HR D (G)(E), a plus or minus sign may be included in the range from HR AA (G)(E) to HR C (G)(E), to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol "(I)" which refers to an indicative level.

2.7. Credit Risk Rating Scale for Investment Funds

Symbol	Definition of the Rating
HR AAA	The Investment Fund with this rating is considered to have the highest credit quality and has a credit risk like an instrument with the minimum credit risk.
HR AA	The Investment Fund with this rating is considered to have high credit quality and has a credit risk like an instrument with a very low credit risk.
HR A	The Investment Fund with this rating is considered to have an adequate credit quality and has a credit risk like an instrument with a low credit risk.
HR BBB	The Investment Fund with this rating is considered to have a moderate credit quality and has a credit risk like an instrument with a moderate credit risk.
HR BB	The Investment Fund with this rating is considered to have an inadequate credit quality and has a credit risk like an instrument with a high credit risk.
HR B	The Investment Fund with this rating is considered to have a low credit quality and has a credit risk like an instrument with a very high credit risk.
HR C	The Investment Fund with this rating is considered to have a very low credit quality and has a credit risk like an instrument with an extremely credit risk.
HR D	The Investment Fund with this rating is considered to have the lowest credit quality and has a credit risk like an instrument in default.

2.8. Short-Term Market Risk Rating Scale for Investment Funds

Symbol	Definition of the Rating
1CP	The asset portfolio has extremely low sensitivity to changes in market conditions.
2CP	The asset portfolio has low sensitivity to changes in market conditions.
3CP	The asset portfolio has low to moderate sensitivity to changes in market conditions.
4CP	The asset portfolio is moderately sensitive to changes in market conditions.
5CP	The asset portfolio has moderate to high sensitivity to changes in market conditions.
6CP	The asset portfolio is highly sensitive to changes in market conditions.
7CP	The asset portfolio is extremely sensitive to changes in market conditions.

2.9. Long-Term Market Risk Rating Scale for Investment Funds

Symbol	Definition of the Rating
1LP	The asset portfolio has extremely low sensitivity to changes in market conditions.
2LP	The asset portfolio has low sensitivity to changes in market conditions.
3LP	The asset portfolio has low to moderate sensitivity to changes in market conditions.
4LP	The asset portfolio is moderately sensitive to changes in market conditions.
5LP	The asset portfolio has moderate to high sensitivity to changes in market conditions.
6LP	The asset portfolio is highly sensitive to changes in market conditions.
7LP	The asset portfolio is extremely sensitive to changes in market conditions.

2.10. Long-Term ratings for Special-Tax Bonds of U.S.A. Local Entities

Symbol	Definition of the Rating
HR AAA	The bond with this rating is considered to have the highest credit quality, offering high safety for timely payment of debt obligations. The pledge is insensitive to market changes and shows steady growth above inflation. The bond offers multiple and adequate protections to bondholders.
HR AA	The bond with this rating is considered to have high credit quality and offers high safety for timely payment of debt obligations. Maintains very low credit risk due to the low sensitivity of its pledge to market changes, and to a steady revenue growth. The bond offers adequate protections to bondholders.
HR A	The bond with this rating offers acceptable safety for timely payment of debt obligations. Maintains low credit risk to a steady pledge that grows with inflation and that shows low sensitivity to market changes. The bond offers protections to bondholders.
HR BBB	The bond with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk with weakness in the ability to pay in adverse economic scenarios due to a pledge that grows below inflation and with certain volatility.
HR BB	The Bond with this rating provides inadequate safety for timely payment of debt obligations. Maintains high credit risk due to a decreasing or volatile pledge, that is sensitive to market changes.
HR B	The bond with this rating provides low safety for timely payment of debt obligations and maintains a high credit risk. The bond is susceptible to falling into default due to a decreasing and volatile pledge that is sensitive to market changes and that depends on a concentrated tax base.
HR C	The bond with this rating exhibits high probability of falling into default in debt obligation payments.
HR D	The bond with this rating has the lowest rating on the U.S.A. scale basis. The issue is already in, or is highly likely to fall into, default in the short term.

Our ratings range from HR AAA to HR D, a plus or minus sign may be included in the range from HR AA to HR C, to indicate strength or weakness within a general rating category. To indicate the rating is a limited rating, HR Ratings assigns at the end of each rating the symbol "(L)". HR Ratings could also assign the symbol "P" to indicate a preliminary rating or the symbol (I) which refers to an indicative level.



3. METHODOLOGIES

All our methodologies are publicly available at: <https://www.hrratings.com/methodology/>



EXHIBIT 3: POLICIES AND PROCEDURES TO PREVENT THE MISUSE OF MATERIAL NON-PUBLIC INFORMATION

HR Ratings' policies and procedures to prevent the misuse of material non-public information under Rule Section 15E(g) of the Exchange Act and 17 CFR 240.17g-4, are stated in our Internal Rules, which are transcribed as follows:

A. Policies and procedures for the prevention of inappropriate dissemination within and outside the nationally recognized statistical rating organization of material nonpublic information obtained in connection with the performance of credit rating services.

I. Code of Conduct. Section V - Prevention of the misuse of non-public or confidential material information

V.1. Non-public or confidential material information.

Non-public or confidential material information will be understood as all of information received by HR Ratings from a client, entity, issuer or member of the same business group, or from their accountants, attorneys, or other agents, which is visibly classified by the sender as non-public or confidential, or regarding which the entity or issuer has requested HR Ratings to treat it as such in writing.

Non-public or confidential material information does not include information made public through any means not attributable to HR Ratings prior to or at the time of its disclosure to HR Ratings. In addition, non-public or confidential material information will not include information for which the entity or issuer has given authorization for its dissemination or that for which dissemination may be required by any authority.

The handling of and treatment given to non-public or confidential material information will be subject to that set forth in the Code of Conduct, the Internal Control Manual and the non-disclosure agreements entered into between HR Ratings and the entities or issuers rated, between HR Ratings and its employees, and between HR Ratings and its business providers who may have access to this type of information because of the nature of their work.

The Compliance Department will be the area responsible for overseeing compliance with HR Ratings policies on the prevention of the misuse of non-public or confidential material information by the Agency's employees, management and board members, for which compliance audits may be performed in accordance with the terms set forth in the Internal Control Manual.

V.2. Measures to protect non-public or confidential material information.

HR Ratings has established the following policies and mechanisms to ensure non-public or confidential material information is used solely and exclusively for the duties of the Agency as a rating agency and to prevent the misuse of non-public or confidential material information.

V.2.1. Reception of information.

The Agency may receive confidential information by email sent to any Agency employee authorized to intervene in the matter or who has been designated to this effect in accordance with that established in the Internal Control Manual and the General Operations Plan.

V.2.2. Protection of files and non-public or confidential material information.

- All Agency employees and management who handle information provided by clients, entities or issuers must adhere to the policies and guidelines for the handling, protection, access and safeguarding of information and files as indicated in the HR Ratings' Internal Control Manual.
- All HR Ratings employees and management will clear their desks of information at the end of the workday and whenever they are away from their desk. They will also shred any documents that are no longer in use.
- Agency employees are strictly prohibited from removing papers, physical files and electronic files containing non-public or confidential material information from the Agency's offices.

- HR Ratings employees are strictly forbidden from transmitting, distributing, or sending information classified for internal use outside the Agency. Information for internal use is information provided by the clients, entities or issuers, work documents containing non-public or confidential material information, or documentation obtained or generated in the performance of their duties.

V.2.3. Access to offices.

As an additional protection measure for files and non-public or confidential material information, access to HR Ratings offices will be restricted by biometrics and visitors will be received in meeting rooms located in spaces physically separated from the Agency's core operations.

II. Internal Control Manual. Section II.4 - Safeguarding Client information

Rating files will be stored in an electronic folder on HTRON and the internal server and only the analysts authorized for rating purposes will have access to specific files.

In addition, the working documents and other information will be stored in the protected folders on the Agency's internal server.

It is prohibited to store or hold confidential information, or any information generated, received, or delivered by HR Ratings or any employee in the exercise of its functions on the computer's hard drive or desktop outside of the Agency's internal server.

Both the information stored on the Agency's HTRON and that stored in the electronic folders on the HR Ratings internal server will be backed up daily. The backup and custody will be executed under the strictest conditions of security and confidentiality, in adherence to the Agency's disaster prevention procedure for electronic information, which is included in the Technological Infrastructure Manual.

The employees responsible for the security of electronic information inside the Agency will be held to the same rules of confidentiality and information handling applicable to the individuals involved in the rating process.

As a preventive measure, the people that provide the data backup and outside support services, and those that, where applicable, provide scanning services for hard copies of information received from clients will sign a non-disclosure agreement with the Agency, to ensure the proper handling of the information to which they have access.

Rating files will be held for at least 5 (five) years, or the time set by the applicable law, from the date on which the rating process in question is completed and will be available to the supervisory and regulatory authorities throughout this time.

a. Transmission or distribution of information

Agency employees are strictly prohibited from removing any documents or electronic files containing non-public or confidential information or any information generated, received, or delivered by HR Ratings or any employee in the exercise of its functions from the offices of HR Ratings.

In addition, HR Ratings employees are strictly prohibited from transmitting, distributing, or sending information classified for internal use outside the Agency, except for communications with the client, entity or issuer. Employees are strictly prohibited from sending information for internal use to their personal email outside the Agency.

Information for internal use is that provided by the client, entity or issuer or working documents containing non-public material or confidential information.

Client, entity or issuers information will be sent only to the person or people the client, entity or issuer has designated as responsible for communication with HR Ratings and must be marked confidential. The designated people must be updated on HTRON.

The files corresponding to the analysis reports, press releases, or rating letters will be sent to the persons authorized by the client, entity or issuers to send and receive information, through the system the Agency defines to protect non-public material or confidential information.

Analysts will only share information for internal use within the Agency with the members of the analysis team that is overseeing the matter in question.

Both the Agency and its employees, management, shareholders, and board members are strictly prohibited from disclosing ratings prior to their release through the corresponding channels indicated in the Agency's General Operation Plan.

The Agency will release to the public through its webpage the ratings given on securities registered, or to be registered, in the Mexican national securities register, and the ratifications, amendments and/or cancellations of these ratings.

The ratings assigned by the Credit Analysis Committee will only be provided to the client, entity or issuer prior to being released through the corresponding media as outlined in the General Operation Plan. Ratings requested by a third party involving the use of private information will be provided to the third party, applying the policies and procedure contained in the General Operation Plan of the Agency.

As part of the control measures to prevent the misuse of non-public material or confidential information or any information generated, received, or delivered by HR Ratings or any employee in the exercise of its functions, the computers of HR Ratings employees will be blocked from extracting and introducing information via portable storage devices, such as removable hard drives, CDs, USBs, etc.

In the event any information contained on the Agency's internal server is required to be extracted to be stored on a portable device, or the extraction of information contained on a portable device to be introduced into the internal server, the IT Department will be asked to perform this action using a computer enabled for this operation. The IT Department may place

the information extracted from a portable device on the internal server, after performing a security check.

Any extraction of information from the internal server or introduction of information into the server will be duly documented in an information input/output log, indicating the name of the person, the type of file and information, and the date of the extraction (download) or introduction (upload). The Compliance Department may audit these activities.

In addition, the Agency will have a firewall in place to block access to personal email accounts by employees via public websites, therefore employees will only have access to the Agency's email.

The Compliance Department may conduct audits of the IT infrastructure to verify that the firewall and blocking for the extraction of information on the Agency's computers are working correctly.

B. Policies and procedures to prevent any person within the nationally recognized statistical rating organization from purchasing, selling, or otherwise benefiting from any transaction in securities or money market instruments when the person is aware of material nonpublic information obtained in connection with the performance of credit rating services that affect the securities or money market instruments.

I. Code of Conduct. Section VII “Conflicts of interest” – VII.2 “Measures to eliminate conflicts of interest” – VII.2.3 “Securities Transactions”.

VII.2.3. Securities Transactions

1. “Securities Transactions” are those executed directly or indirectly for:
 - a) Securities registered in the Mexican National Securities Register (the “Register”). Securities are shares, interests, obligations, bonds, options, certificates, promissory notes, bills of exchange, and other negotiable instruments, registered by name or not, that can be traded on the securities markets, are issued as part of a series or in a single

- offering and represent the capital stock of an entity, a proportional part of an asset, or interest in a collective loan or any individual credit right pursuant to the terms of applicable local and foreign laws, or/and
- b) Certificates of deposit, commonly known as American Depositary Receipts (“ADRs”) or similar instruments on foreign markets, representing the Securities mentioned in the previous point, or similar or analogous instruments, or/and
 - c) In accordance with Section 15 § 78c (10) of the United States Code (“USC”), the term “security” means any note, stock, treasury stock, security future, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker’s acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited, or/and
 - d) Derivative financial instruments as long as their underlying assets are registered Securities, and/or
 - e) Bank certificates of deposit that represent debt issued on a term equal to or less than 1 (one) year serviced by a credit institution.

2. The following investments are not considered Securities Transactions:
 - a) Shares of investment funds.
 - b) Securities issued by any sovereign entity.
 - c) Indexed trust stock certificates (representing rights for securities, assets, derivatives, or other assets that seek to replicate the behavior of one or more indexes, financial assets, or reference parameters).
 - d) Certificates referring to a group or basket of shares or price indexes, or index funds.

The following individuals are prohibited from operating or maintaining Securities Transactions involving any entity or issuer that is a client of HR Ratings or is rated by HR Ratings:

- HR Ratings, as a legal entity;
- Analysts that participate in the rating process of the entity or issuer;
- Members of the Credit Analysis Committee that participate in the rating of the entity or issuer, and
- Persons who, because of their duties, may have access to privileged information, according to section VII.2.4 of the Code of Conduct.

All new Agency employees and board members will submit, on their entry or appointment date, a statement of the Securities Transactions they hold directly or indirectly in any entity or issuer; and also, those of their spouse, partner, or dependent minors using the form in **Appendix 1 “Report on Securities Transactions”** of the Code of Conduct.

In addition, all Agency board members and employees who perform a Securities Transaction of any entity or issuer must notify the Compliance Department using the form in **Appendix 1 “Report on Securities Transactions”** of the Code of Conduct within a period of 10 (ten) business days following the execution of the Transaction.

Notwithstanding, all Agency employees and board members must complete and submit **Appendix 1 “Report on Securities Transactions”** every 6 (six) months. The semiannual endorsement shall indicate all securities transactions performed by the employee or board member to date, regardless of whether these have been previously reported.

For the purposes of reporting certificates of deposit representing a renewable debt equal to or less than 1 (one) year serviced by a credit institution, the deposits must be reported only once, indicating this in the report.

The securities transactions report must be submitted together with the corresponding bank or securities account statement, dated no more than 3 (three) months prior to submission, in which the securities transactions are indicated. Employees and board members have the right to blank out the information that is not relevant for the effects of the reported transaction.

HR Ratings, through the Compliance Department, shall take all necessary measures to ensure that Securities Transactions by members of the Board of Directors, management, technical personnel responsible for the preparation of reports and providing follow-up on the credit quality of securities, entities or issuers and employees in general do not generate conflicts of interest.

To fulfill this objective, HR Ratings will maintain a list of the entities or issuers rated by HR Ratings and which are public (the “Public Ratings List”) in HTRON. All Agency employees and board members will have access to this list.

In addition, the Agency will maintain a list of entities or issuers who request the rating to be private or whose initial rating process has been completed but not yet published (the “Private Ratings List”), to which only the Agency’s Senior Management, the Compliance and Operations Department, the Business Development Department personnel, analysis managers and members of the Board of Directors will have access.

Both lists will be maintained updated continuously in the Agency’s HTRON to verify that there are no conflicts of interest in the rating process derived from securities transactions in entities

or issuers rated by HR Ratings held by employees and directors, as well as those of their spouses, common-law spouses or minor children.

The limitations on Securities Transactions set forth in this section and the disclosure of these will apply equally to transactions by the spouse, partner, or dependent minors of Analysis managers or technical personnel involved in the rating process.

For the purposes of the previous paragraph, HR Ratings employees, managers and board members will make every effort to be informed of securities transactions performed by their spouse, partner and/or dependent minors. No bank or securities account statement will be required for these transactions.

VII.2.4. Use of privileged information

For the purposes of this section, a relevant event is any fact, act, or occurrence, of any nature, which could or would influence the prices of registered securities or that may have a significant impact on a credit rating.

HR Ratings board members, managers and employees are strictly forbidden to:

- Obtain any benefit from any Securities Transaction performed using privileged information obtained from their participation in the rating process for these securities, or in the performance of their duties.
- Provide or transmit privileged information to other people, being required to comply with that established in the HR Ratings Internal Control Manual for the handling of non-public or confidential information.
- Issuing recommendations regarding any securities or negotiable instruments for which the price or quote could be influenced by the use of privileged information.

Privileged information is knowledge of relevant events not disclosed to the public by an issuer through the market on which their securities are traded, or that have not been disclosed by entities or clients.

It is not necessary for the person to be aware of all details concerning the relevant event for this to be considered privileged information, it is sufficient that the information to which they have access could influence the price or quote of an issuer's securities or that may have a significant impact on a credit rating.

The Compliance Department will be responsible for monitoring policies on securities transactions and the use of privileged information.

Any improper use of privileged information shall be considered a serious breach to be sanctioned in accordance with the criteria established in **Appendix 11 “Criteria for determining the severity of violations of Company Rules”** of the Code of Conduct.

C. Policies and procedures that prevent the inappropriate dissemination within and outside the nationally recognized statistical rating organization of a pending credit rating action before issuing the credit rating on the Internet or through another readily accessible means.

I. Code of Conduct. Section VI. “Transparency and disclosure of information”.

VI.1 Transparency

1. HR Ratings will take the following measures to guarantee the transparency of its activities:
 - Inform clients, entities and issuers, prior to the signature of the service contract and through the Business Development Department of the current rates or fees for the provision of its rating service. In addition, HR Ratings will inform through the same department of any adjustments made to annual maintenance fees prior to the payment date for the annual renewal.
 - Prior to the publication of a rating or amendments, and whenever it is feasible, HR Ratings will provide the client, entity or issuer with all the relevant information as well as

the main factors considered for the rating. HR Ratings will also consider any comments made by the entity or issuer that would result in a more accurate rating in accordance with the procedure established in the Agency's General Operations Plan. Under no circumstances will HR Ratings offer additional services or renegotiate any clause in the service contract because of the clarification or comments procedure outlined here.

HR Ratings may publish a rating, or a change to a rating, without previously informing the client, entity or issuer rated if there is any circumstance that would directly affect the rating and of which market participants should be informed immediately, given the material impact the event could have on their perspective of the corresponding entity, issuer, or transaction.

If HR Ratings fails to deliver to the client, entity or issuer rated the analysis report or press release prior to publishing a rating, HR Ratings must do so immediately after the publication and must provide details of the reasons that led to the delay.

- The press release announcing the rating shall include the items indicated in the Agency's General Operations Plan as well as those in the Provisions and in local regulations applicable to HR Ratings. This shall be written in clear and easily understood language.
- If HR Ratings has received revenues from clients, issuers or entities for items that are not included in the service provided for the rating of debt instruments or securities, HR Ratings will indicate the portion that such revenue represents in relation to the aggregate revenues earned by each client, entity or issuer as a result of their main activity.
- Upon publishing a rating, HR Ratings will not disclose any non-public or confidential material information concerning the entity or issuer, in accordance with their instructions.
- For ratings that do not need to be public due to regulatory requirements, the rating may be kept private until the client, entity or issuer requests their publication. The rating may be published without convening the Credit Analysis Committee to agree on this

publication, unless additional information has been provided or there are new elements that may have an impact on the rating assigned.

2. The requirement to publish initial ratings for possible debt or securities offerings applies only in the countries where this is required by law.
3. It is strictly prohibited to inappropriate dissemination within and outside HR Ratings of a pending rating action before publication of the credit rating on the Internet or through any other readily accessible means.
4. HR Ratings will publish the following information on its website free of charge and non-selectively:
 - Press releases for assigned ratings, changes of these ratings, or the withdrawal of ratings, as well as decisions to suspend the review or monitoring of a rating and the reasons for such action. This will be done with the exception of private ratings which shall be sent solely to the requesting client, entity or issuer. Press releases will be available on the Agency website for a period of at least 12 (twelve) months from their date of publication.

In addition, HR Ratings will issue a press release if a client, entity or issuer decides to rescind their service contract when HR Ratings can confirm that this rescission was in response to a rating downgrade. This will be issued on the business day following the contract rescission.

- Historical information on annual default rates for each of the rating categories and transition matrices across assigned ratings.
- Methodologies used for the rating of entities, issuers and/or issues, and any substantial amendment of these documents and the rating process.

In the case of amendments to the rating methodologies and procedure, the reason or justification of the amendments will be clearly expressed, and the amendments will be analyzed to determine if they could result in changes to any outstanding rating.

- Notice of the existence of any significant error identified in any procedure or methodology that could result in any change to an outstanding rating.
- Comments received from the market, in general, through the HR Ratings' website, regarding new methodologies or amendments to methodologies as well as comments related to a current methodology and the corrective action taken.

The Agency will publicly maintain the comments received regarding the draft for a new methodology or amendment of an existing methodology for a minimum of 10 (ten) calendar days from the date the corresponding draft is published.

Comments received regarding a current methodology will be maintained on the Agency's website until the methodology in question is modified and the draft is published to receive new comments from the market.

- The follow-up processes for a rating, the frequency of reviews, and the criteria for the withdrawal or suspension of a rating.
- The structure and voting process for the committees that determine the ratings and their follow-up, if applicable.
- Scales, terms and their definitions, and the definition of default as agreed by the Methodology Committee.
- A list of ratings assigned to each entity or issuer from the date of the initial rating action. This is in the case the rating has been modified.

- The Code of Conduct and its amendments, within a period of 2 (two) business days following the date they have been approved by the competent authority for such purposes.
- Contact information for:
 - ❑ Any question from any market participant regarding the rating methodologies.
 - ❑ Any question from any market participant regarding the Agency's internal Rules.
 - ❑ Development of business and clients, entities or issuers.
- The annual report, approved by the Board of Directors, containing relevant information on the activities of HR Ratings, its structure, the number of ratings assigned, changes to the Agency's policies, procedures, and other relevant items during the corresponding year. The report will be released the same day it is submitted to the CNBV.
- The faculties of the Board of Directors and independent board members, as well as the number of independent board members serving the Agency, including the statement explaining that these board members do not fall within any of the categories indicated in sections I to V of article 26 of the Mexican Securities Market Act.
- Initial ratings, as well as changes, amendments, or cancellations of ratings, on the date they are issued.
- A history of ratings assigned for each entity, issuer, securities or instruments rated by HR Ratings.



APPENDIX 1

Report on Securities Transactions

HR Ratings Compliance Department

To comply with the obligation set forth in Section VII.2.3 of the Code of Conduct “Securities Transactions”, I report below the Securities Transactions the undersigned operates as of this date and those my spouse, partner and/or dependent minors operate:

- I have no securities transactions to report
- I have the following securities transactions to report:

Securities transactions held by the undersigned

Full name of the issuer or company	Transaction Date	Volume, type, series, or class of Securities or debt instruments with a term equivalent to or less than a year.	Total transaction amount and, if applicable, term and rate	Holder of the investment (detail in the case of indirect investments)	Business name of the agent that performed the transaction

Securities Transactions held by my spouse, partner and/or dependent minors

Full name of the issuer or company	Transaction Date	Volume, type, series, or class of Securities or debt instruments with a term of one year or less	Total transaction amount and, if applicable, term and rate	Holder of the investment (detail in the case of indirect investments)	Business name of the agent that performed the transaction



I declare I am familiar with the guidelines, policies and control mechanisms on Securities Transactions and the use of Privileged Information indicated in the HR Ratings Code of Conduct and I authorize HR Ratings to investigate, at its discretion, any potential conflict of interest.

I also authorize HR Ratings to disclose the information in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Name of employee or board member, position and signature)

Instructions:

- (i) This form must be completed by all new hires of HR Ratings.
- (ii) This form must be completed by all employees, managers, or analysts who operate Securities Transactions within 10 (ten) business days of performing the transaction.
- (iii) This form must be completed by analysis personnel whose spouse, partner or dependent minor(s) have performed a Securities Transaction with any entity or company.
- (iv) This form must be completed by all HR Ratings employees, board members, and managers every 6 (six) months, indicating the securities transactions performed.
- (v) Securities Transactions are those performed directly or indirectly involving:
 - a) Securities registered with the National Securities Registry.
 - b) Certificates of deposit, commonly known as American Depositary Receipts (ADRs) or similar instruments on foreign markets, representing the Securities mentioned in the previous point or similar or analogous instruments.
 - c) Derivative financial instruments provided their underlying assets are registered with the National Securities Registry.
 - d) Bank securities representing debt on a term equal to or less than one year serviced by a credit institution.
- (vi) The following investments are not considered Securities Transactions:
 - a) Shares in mutual funds.
 - b) Securities issued by the federal government.
 - c) Indexed trust certificates (representing rights on securities, assets, derivatives, or other assets that seek to replicate the behavior of one or more indexes, financial assets, or reference parameters)
 - d) Certificates referring to a group or basket of shares or price indexes.
- (vii) Term renewable certificates for bank securities representing debt on a term equal to or less than one year serviced by a credit institution must be reported only once, indicating this characteristic in the report.
- (viii) An indirect transaction is one operated by an HR Ratings employee or board member through a company in which the employee or board member holds control in accordance with the terms of article 2 of the Securities Market Act.
- (ix) A monthly account statement should be attached, dated no more than 3 (three) months prior to the present date, issued by the financial broker indicating the securities transaction.
- (x) If neither you nor your spouse, partner, or dependent minor(s) have performed Securities Transactions with entities or issuers rated by HR Ratings, please indicate "Do not have" or "not applicable".



APPENDIX 11

Criteria for determining the severity of violations of company rules

Types of violations or non-compliance

- Of policies on Independence and Conflicts of Interest
- Of policies to prevent the misuse of Non-Public, Confidential, or Privileged Information
- Of policies included in the Manuals in general

Sanction according to the severity of the fault or violation

Severity	Sanction
Minor	Verbal warning
Moderate	Written warning
Serious	Suspension
Very serious	Dismissal

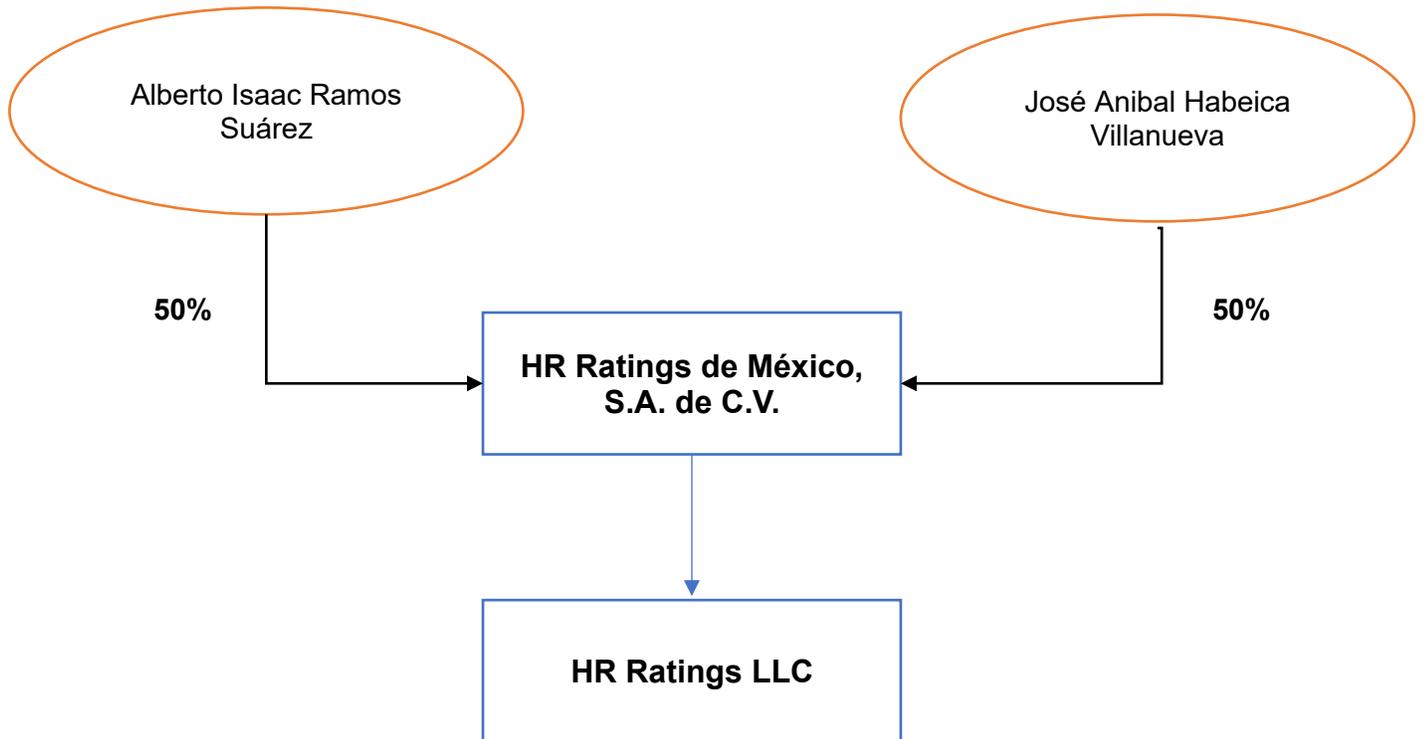
The following criteria will be considered when determining the severity of the violation or non-compliance:

Criteria	Severity
Sexual harassment	Very serious
There was intent (the person knowingly acted with the intention of committing a violation)	Very serious
There was personal gain or benefit for a third party	Very serious
The Agency's image or equity was damaged	Serious or Very serious
A rating was affected	Serious
The violation was covered up	Moderate or Serious
Recommendations were not followed	Moderate or Serious
Recurrence	Moderate or Serious
First offense	Minor
Error without consequences	Minor

Note: The sanction may be reduced if the offender accepts, they committed the violation and makes amends.

Exhibit 4: Organizational Structure

HR Ratings Ownership Structure





Credit
Rating
Agency

I, PEDRO LATAPI ANGELINI, CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, ABILITY AND UNDERSTANDING, THE ATTACHED TRANSLATION IS A TRUE, CORRECT AND COMPLETE TRANSLATION INTO ENGLISH CONSISTING OF 66 PAGES OF THE ORIGINAL DOCUMENT IN SPANISH.

CERTIFIED ON FEBRUARY 17, 2026.


Pedro Latapi Angelini

PEDRO LATAPI ANGELINI
CHIEF EXECUTIVE OFFICER





Credit
Rating
Agency

Code of Conduct

February 2026¹

This Manual is the exclusive property
of HR Ratings

¹ Changes and/or additions to this Code of Conduct with respect to the March 2024 version will come into effect as of February 5, 2026.

CONTENTS

I.	Purpose	4
II.	General Principles	5
III.	Quality in the delivery of rating services	6
IV.	Complaints	13
V.	Prevention of the misuse of non-public or confidential material information	15
	V.1 Non-public or confidential material information	15
	V.2 Measures to protect non-public or confidential material information.....	16
	V.2.1 Reception of information.....	16
	V.2.2 Protection of files and non-public or confidential material information.....	16
	V.2.3 Access to offices	17
VI.	Transparency and disclosure of information	17
	VI.1 Transparency	17
	VI.2 Dissemination of information	21
	VI.3 Communication with the media.....	21
	VI.4 Rumors	22
VII.	Conflicts of interest.....	22
	VII.1 Identifying conflicts of interest	23
	VII.2 Measures to prevent conflicts of interest	24
	VII.2.1 Objectivity, Independence and integrity	24
	VII.2.2 Separation of functions.....	27
	VII.2.3 Securities Transactions	28
	VII.2.4 Use of privileged information	32
	VII.2.5 Loans, credits, acquisition of goods, services and yields	33
	VII.2.6 Gifts, entertainment and preferential treatment.....	33
	VII.2.7 Post-employment activities of management and technical personnel	35
	VII.2.8 Selection of Service Providers	37
	VII.3 Disclosure of conflicts of interest.....	38
	VII.4 Handling of conflicts of interest	39
VIII.	Technical quality and good character	40
IX.	Outside activities	41
X.	Conduct.....	42
	X.1 Professional conduct	42



X.2 Respect	43
X.3 Use of illegal substances.....	44
X.4 Use of email, the internet, telephone and other electronic means of communication	44
X.5 Use of Social Networks	46
XI. Material violations of the law.....	46
XII. Applicable Sanctions	47
XIII. APPENDICES	50
APPENDIX 1	50
APPENDIX 2	52
APPENDIX 3	53
APPENDIX 4	54
APPENDIX 5	55
APPENDIX 6	56
APPENDIX 7	57
APPENDIX 8	59
APPENDIX 9	60
APPENDIX 10	61
APPENDIX 11	62
APPENDIX 12	63
APPENDIX 13	65



I. Purpose

This document sets the minimum standards of conduct and professional practice for all employees, management, board members and shareholders of HR Ratings de México, S.A. de C.V., and its affiliates, subsidiaries, representative offices, and branches established in any country (“HR Ratings” or the “Agency” indistinctly), to ensure that all individuals comply with the highest standards of ethics, justice, honesty, integrity and objectivity in their relationships both within and outside the Agency (the “Code”).

This Code is based on the Fundamental Principles of Conduct for Ratings Agencies, published by the International Organization of Securities Commissions (“IOSCO”), which sets forth the international principles to ensure the transparency and reliability of the rating process. It is also based on the guidelines set by Mexico’s National Banking and Securities Commission (“CNBV”) in the General Provisions applicable to Credit Rating Agencies (the “Provisions”) and other provisions applicable in the countries where HR Ratings operates.

It is the responsibility of the employees, officers, directors, and shareholders to read this Code carefully to understand its contents. For these purposes, they should sign an electronic copy of this Code, which will be resigned every 6 (six) months or upon any modification thereof.

Any violation of the guidelines included in this Code will be evaluated to determine the seriousness of the case and the corresponding sanctions, which can range from verbal or written warnings to dismissal.

HR Ratings will not, under any circumstance, make any exceptions to any of the provisions and policies included in this Code.

II. General Principles

A fundamental principal of HR Ratings is the performance of its activities in strict observance of the law and other applicable regulations, in accordance with sound market practices and to the highest standards of justice, honesty, integrity, transparency and objectivity.

HR Ratings operations are governed by, but not limited to, this Code, the Internal Control Manual, the General Operations Plan, the Technological Infrastructure Manual, and any other internal policy (jointly, the “Internal Rules”), and by the Agency’s rating methodologies and regulations applicable to credit rating agencies.

The Agency’s Internal Rules are designed and approved by the Agency’s Regulations Committee and approved by the Board of Directors.

HR Ratings posts this Code for public access on its website free of charge, with amendments to the Code approved by the Agency’s Board of Directors. HR Ratings will publish any further amendments to the Code by the same means.

The Compliance Department is responsible for overseeing compliance with the Internal Rules and other applicable regulations to HR Ratings, in its capacity as a credit rating agency, by the Agency itself, its shareholders, board members, management and other employees.

The Compliance Department will conduct exams to HR Ratings employees at least once a year to verify their knowledge of the Internal Rules and regulations applicable to HR Ratings as a rating agency.

These exams may be conducted in writing or through the internal electronic system (HTRON). The passing score will be 80 (eighty) points.

The Compliance Department may conduct additional exams for employees who meet the following criteria: 1) those who did not pass the exam on the first attempt, 2) those who joined the Agency during the exam application period, and 3) those who had been with the Agency for less than 3 (three) months on the date of the exam.



Logistics staff, executive assistants, receptionists, as well as cleaning and maintenance staff are not required to participate in this examination.

III. Quality in the delivery of rating services

HR Ratings will take several actions to ensure the quality of the service provided to the client, issuer or entity that requests or is subject to rating before and during the rating process in accordance with sound market practices.

Internal policies outlined in the General Operations Plan will be observed when the rating has been requested by a third party other than the entity or issuer to be rated. Accordingly, and pursuant to applicable regulations, all credit ratings issued by HR Ratings will be under contract or formal agreement in accordance with applicable regulation.

HR Ratings may issue unsolicited ratings, for which the Agency will receive no payment. HR Ratings may sign a confidentiality agreement (Non-Disclosure agreement or “NDA”) with the entity to be rated if it is required by applicable law. Unsolicited ratings will be done using the same methodologies as requested ratings and will follow the same rating process, as applicable. HR Ratings will monitor unsolicited ratings and may withdraw these ratings at any time.

Prior to providing a service, HR Ratings will send to the entity, through the Business Development Department: (i) this Code; (ii) the Agency’s methodologies and rating scales, with the indication that both these documents and the Code are available for consultation on the HR Ratings website; and (iii) the rates or fees charged by the Agency for providing its services.

HR Ratings will also provide the client, entity or issuer with a detailed explanation of the methodologies to be used during the rating process in question and will receive any questions or comments the entity may have in this regard at any time during the rating process through the Analysis Department or the Head of the corresponding Department.

The Agency, through the Compliance Department and upon request from the client, entity, or issuer, will respond in detail to any concern the client, entity or issuer may have regarding the application or interpretation of this Code.



HR Ratings will inform the client, entity, or issuer, through the service contract, of the way and frequency in which HR Ratings expects it to deliver the necessary information for the Agency to perform the corresponding analysis and assign a rating.

HR Ratings will perform the analysis for the assignment of a rating based on the information provided by the client, entity, or issuer and on available public information. This analysis will be in strict adherence to the methodologies and models reviewed and agreed to by the Agency's Methodology Committee, with approval by the Board of Directors, and the rating procedure that is outlined in the Agency's General Operations Plan.

If the corresponding analytical approach followed by HR Ratings is modified from the approached that is contained in the rating methodologies, this will be stated in a technical note, through which the reasons for the deviation will be presented to the Agency's Methodologies Committee and the Board of Directors in accordance with the General Operations Plan. This document will be added to the Agency's file for the entity.

When the Business Development Department receives a request to rate entities, issuers or operations that are significantly different from those usually rated by HR Ratings, or in the case of atypical, exotic, or special entities, offerings, or instruments, the Business Development Department will notify the Compliance Department. To this effect, the Compliance and Analysis Department must determine whether the Agency has sufficient capacity, access to necessary information and sufficient resources to prepare this type of rating. This evaluation will be documented in a log by the Director of the corresponding Area. However, if it is determined that the process is not feasible or can't be performed, the rating process will be suspended, and the entity or issuer will be informed of the situation in accordance with the General Operations Plan.

HR Ratings will not consider ratings assigned by other ratings agencies for any underlying assets when those ratings fail to meet the minimum requirements for use in accordance with the Agency's methodology, as applicable.

HR Ratings will ensure that the structure and voting process of the Credit Analysis Committee adheres to the policies and guidelines approved by the Board of Directors to this effect, as indicated in the Agency's General Operations Plan.

HR Ratings will perform, through its independent board members or the person designated by them, statistical analyses to evaluate the effectiveness of the methodologies and processes used for the study, analysis, opinion, evaluation, and determination of credit quality. They will also determine whether the work of the technical personnel that used the rating methodologies requires any further review in accordance with the General Operations Plan.

These analyses will be performed annually at a minimum in accordance with the following:

- Information from the Agency's internal electronic system ("HTRON") will be used for the provided ratings services.

Transition matrices will be prepared based on the information from HTRON. The matrices are tools used to evaluate the behavior and stability of the ratings which the Agency assigns. HR Ratings expects its ratings to be stable over time with a low probability of significant change in the short term. The transition matrices are, therefore, effective tools for verifying the quality and effectiveness of the rating methodologies used by the Agency for determining whether the work of the technical personnel that used the rating methodologies requires further review. In addition, transition matrices are used to verify that the relative degree of risk assigned to the Agency's ratings is unified for different types of assets.

- Transition matrices are prepared in accordance with the General Operations Plan and the special requirements according to the regulations in the country where HR Ratings is authorized, recognized, or certified to operate as a credit rating agency.
- Transition matrices are published annually on the Agency's website for consultation by the market and are available to any person requesting them in writing from HR Ratings.
- The Agency reviews its rating methodologies and models at least once a year or when any of the following circumstances require adjustments of the methodologies and models:
 - Due to the results of statistical analyses prepared by independent board members or the person delegated to perform this task.

- When amendments to the regulations applicable to rating agencies, or the regulations that affect issuers, entities, or operations rated by the Agency are subject, impact the Agency's rating methodologies or models.
- When in practice the suitability of the processes and terms established in any rating methodology or model require clarification.
- When relevant comments received from market participants regarding the Agency's current methodologies are received through the HR Ratings website or any other way of communication.

The ratings methodologies and models will be reviewed at a meeting of HR Ratings Methodology Committee. The Methodology Committee will evaluate the factors that could result in an amendment and, if applicable, propose the relevant amendments. The amendments will be documented in the corresponding committee minutes.

The methodologies and models for rating asset-backed securities will be reviewed at least once a year to ensure they remain appropriate in the event of any relevant changes in the risk associated with these assets.

Once the Methodology Committee has issued its opinion on any amendment or addition to the rating methodologies and models, the Committee will analyze whether the ratings assigned under the previous version of the methodology and model should be reviewed.

Amendments or additions agreed by the Methodology Committee will be submitted for the consideration and approval of the Board of Directors, taking into consideration the methodological procedure indicated in the section ***"Process for the Development and Amendment of Methodologies"*** of the HR Ratings General Operation Plan. The documents and information used to approve the methodologies and models must use the following for its identification: the filing date, name of the model or methodology, document it replaces if applicable, and any other data considered relevant.

Once the amendments or additions to a methodology have been published, the Agency will use the new methodology for subsequent ratings and inform the public of the potential effects of the new methodology



on ratings already issued once the review process has been completed. If necessary, HR Ratings will issue a new rating for the instruments that already had a rating assigned within a period of 6 (six) months from when the new methodology comes into effect. HR Ratings must refrain from reviewing and, if applicable, issuing a new rating if analysis indicates that the change in methodology or model does not affect the previously assigned rating.

HR Ratings will not engage in the following practices:

- Conditioning a rating or a change on a rating on the client, entity or issuer, or persons who are members of the same business group, to the purchase or request of any other product or service offered by HR Ratings, including services related to the assignment of preliminary ratings.
- Ensuring or guaranteeing, implicitly or explicitly, a rating level prior to the completion of the analysis by the Credit Analysis Committee and publishing of the official rating.

HR Ratings shall conduct the following practices:

- Clearly indicate on all public documents, such as the analysis reports, press releases and rating letters, that ratings are opinions issued in the name of the Agency and not the Agency's management or technical personnel; that they are not recommendations to buy, sell, or hold any instrument or to invest or conduct any type of business; that they may be subject to adjustment at any time and are based solely on the characteristics of the entity, issuance and/or operation, independent of any business activity between the ratings agency and the entity or company. The former is on the understanding that HR Ratings bases its ratings and/or opinions on information taken from sources considered accurate and reliable, however, HR Ratings does not validate, guarantee, or certify the precision, accuracy, or completeness of any information. Consequently, HR Ratings is not responsible for any error or omission in such information or, if it is incorrect or inaccurate, for the results obtained when using this information.
- The monitoring of ratings is conducted on a monthly, quarterly, or semi-annual basis, depending on the type of entity, issuer, operation, or instrument. At least one annual review is also performed, as provided in the Agency's General Operation Plan and in accordance with the terms established in

the service agreement signed with the client, entity or issuer. The only exceptions to the former conditions are those cases for which, at the time that the rating is published, the Agency clearly and emphatically indicates that it will not provide future updates.

- a) If an entity or issuer fails to provide the periodic information required for monitoring the corresponding rating for 2 (two) consecutive periods (without this term exceeding 6 (six) months), HR Ratings will proceed to withdraw the rating.
- b) HR Ratings will conduct at least one annual review of all ratings, regardless of internal monitoring. The results will be announced to the public through a rating action. The annual review period may exceed 12 (twelve) months, including but not limited, due to the following circumstances: (i) failure by the entity or issuer to provide information in a timely manner, and/or (ii) restructuring or refinancing of the rated debt. The foregoing with the understanding that HR Ratings must be actively engaged in the review process and making its best efforts to complete such review on time.

The annual review refers to the periodic monitoring carried out at least annually (based on the anniversary of the initial rating) by HR Ratings for all ratings, regardless of internal monitoring, and whose results are announced to the investing public through a rating action (the “annual review”).

- c) Review ratings in strict adherence to rating methodologies and models, as well as the procedure established in the Agency’s General Operation Plan and other Internal Rules.
- Maintain open communication with market participants through the person(s) designated by the Board of Directors for the receipt and response to questions, suggestions, or complaints that may be raised to the Board of Directors for improvements to the design and suitability of HR Ratings policies.
 - HR Ratings will conclusively suspend the rating procedure in the following cases:
 - a) When the complexity of an asset-backed security or a lack of historical information for the underlying assets would affect the credibility of the rating.

- b) When the entity fails to provide the minimum information requested by the Agency in the form and within the term requested for such purposes.
- c) When there is any perceived pressure from any entity that would preclude the analysis team from performing its work objectively and independently.
- Structure its analysis team to ensure the continuity of its functions and thereby guarantee fairness in the rating process.
- Maintain guidelines and policies for the rotation of committee members or analysts responsible for rating procedures, as well as for the gradual introduction of new members or analysts on these committees or technical personnel for the same entity or issuer and will establish maximum periods of relationship to a case for each area of responsibility. These guidelines are set forth in the General Operation Plan and are approved by the Agency's Board of Directors.
- Regarding asset-backed securities, HR Ratings will prepare a document explaining the reasons for the differences between the results of the quantitative models used and the rating assigned by the rating agency for the corresponding Security. This document must be retained for a period of 5 (five) years.
- HR Ratings will differentiate the ratings of asset-backed securities from ratings related to traditional corporate bonds, preferably by means of a different rating symbology, and explain the meaning of such difference. In addition, HR Ratings must clearly define a specific rating symbol and apply it consistently for all securities for which it is used.

HR Ratings will not be able to establish or imply that it is a credit rating agency that is recommended, approved, designated and/or endorsed by the United States of America and/or any federal agency of the government of that country.

IV. Complaints

The HR Ratings' complaints procedure will be as follows:

1. For the purposes of this section, the term "complaint" will be understood as any communication received from the persons who have signed a service contract with HR Ratings, users of the ratings the Agency issues, HR Ratings personnel, and the general public, with respect to the following:
 - a) The ratings assigned or issued by the Agency and the performance of the technical personnel responsible for preparing and monitoring credit quality reports. This includes adherence to the rating methodologies used during the rating process, including the start of rating coverage, determination, maintenance, surveillance, adjustment, or withdrawal of the rating. Opinions regarding HR Ratings activities that are not related to the start of the rating coverage, monitoring, change, maintenance, or withdrawal of a rating shall not be considered a complaint.
 - b) The Agency's rating methodologies and models.
 - c) Compliance by HR Ratings or any HR Ratings employee with regulations applicable to rating agencies in Mexico, the United States, or any other country or region where HR Ratings is registered, authorized, recognized, or certified to operate as a rating agency.
 - d) Compliance by HR Ratings or any HR Ratings employees with the Agency's internal policies and procedures.
2. Complaints may be presented through the section "Contact" / Subject: Complaints, on the HR Ratings website (www.hrratings.com), indicating the name of the complainant, the email address of the individual presenting the complaint, the company they represent and the subject of the complaint. In addition, complaints may be presented anonymously through the section "Contact", choosing the option "Anonymous Complaints" on the website and providing only the details of the complaint.



3. Complaints may also be presented in writing to the Compliance Department at the address of HR Ratings offices.
4. HR Ratings employees who by any means, whether verbal or written, receive a complaint from a third party, will forward the complaint to the Compliance Department by email to: compliance@hrratings.com.
5. HR Ratings employees will notify the Compliance Department by email when they learn of any complaint against the Agency or its employees received from a third party or mentioned in any newspaper, newscast, or any other mass media.

HR Ratings employees will seek clarification from the Compliance Department if they have any doubt as to whether any communication received from an entity, issuer or media agency constitutes a complaint in the terms indicated in this section.

6. The Agency will have a log for the control of and follow-up on complaints. Complaints will be analyzed and resolved by the Compliance Department.
7. HR Ratings will analyze all complaints received and will take all internal measures established to solve them and avoid any recurrence.
8. The Compliance Department will respond to the complaints whenever contact information has been provided as part of the complaint, within a period of 30 (thirty) business days from the date the complaint was received.

In the case of opinions or comments that do not classify as a complaint, the Compliance Department will determine the cases where such comments or opinions for which the individual provided contact information require a response from HR Ratings.

In the case of anonymous complaints in which no contact information is provided, HR Ratings will analyze the complaint and, if applicable, take the appropriate internal measures.

9. All complaints will be documented in a follow-up and control log, along with the external or internal resolution given to each of them.

V. Prevention of the misuse of non-public or confidential material information

V.1 Non-public or confidential material information

Non-public or confidential material information will be understood as all of information received by HR Ratings from a client, entity, issuer, or member of the same business group, or from their accountants, attorneys, or other agents, which is visibly classified by the sender as non-public or confidential, or regarding which the entity or issuer has requested HR Ratings to treat it as such.

Non-public or confidential material information does not include information made public through any means not attributable to HR Ratings prior to or at the time of its disclosure to HR Ratings. In addition, non-public or confidential material information will not include information for which the entity or issuer has given authorization for its dissemination or that for which dissemination may be required by any authority.

The handling of and treatment given to non-public or confidential material information will be subject to that set forth in this Code, the Internal Control Manual and the non-disclosure agreements entered into between HR Ratings and the entities or issuers rated, between HR Ratings and its employees, and between HR Ratings and its business providers who may have access to this type of information because of the nature of their work.

The Compliance Department will be the area responsible for overseeing compliance with HR Ratings policies on the prevention of the misuse of non-public or confidential material information by the Agency's employees, management, and board members, for which compliance audits may be performed in accordance with the terms set forth in the Internal Control Manual.

V.2 Measures to protect non-public or confidential material information

HR Ratings has established the following policies and mechanisms to ensure non-public or confidential material information is used exclusively for the duties of the Agency as a rating agency and to prevent the misuse of non-public or confidential material information.

V.2.1 Reception of information

The Agency may receive confidential information by email sent to any Agency employee authorized to intervene in the matter or who has been designated for this effect in accordance with that established in the Internal Control Manual and the General Operation Plan.

V.2.2 Protection of files and non-public or confidential material information

- All Agency employees and management who handle information provided by clients, entities or issuers must adhere to the policies and guidelines for the handling, protection, access and safeguarding of information and files as indicated in the HR Ratings' Internal Control Manual.
- All HR Ratings employees and management will clear their desks of information at the end of the workday and whenever they are away from their desk. They will also shred any documents that are no longer in use.
- Agency employees are strictly prohibited from removing papers, physical files and electronic files containing non-public or confidential material information from the Agency's offices.
- HR Ratings employees are strictly forbidden from transmitting, distributing, or sending information classified for internal use outside the Agency. Information for internal use is information provided by the clients, entities or issuers, work documents containing non-

public or confidential material information, or documentation obtained or generated in the performance of their duties.

V.2.3 Access to offices

As an additional protection measure for files and non-public or confidential material information, access to HR Ratings offices will be restricted by biometrics and visitors will be received in meeting rooms located in spaces physically separated from the Agency's core operations.

VI. Transparency and disclosure of information

VI.1 Transparency

1. HR Ratings will take the following measures to guarantee the transparency of its activities:
 - Inform its clients, entities, and issuers, prior to the signature of the service contract and through the Business Development Department of the current rates or fees for the provision of its rating service. In addition, HR Ratings will inform, through the same department or the Treasury Department, of any adjustments made to annual maintenance fees prior to the payment date for the annual renewal.
 - Prior to the publication of a rating or amendments and whenever it is feasible, HR Ratings will provide the client, entity or issuer with all the relevant information as well as the main factors considered for the rating. HR Ratings will also consider any comments made by the entity or issuer that would result in a more accurate rating in accordance with the procedure established in the Agency's General Operation Plan. Under no circumstances will HR Ratings offer additional services or renegotiate any clause in the service contract because of the clarification or comments procedure outlined here.

HR Ratings may publish a rating or a change to a rating without previously informing the client, entity or issuer rated if there is any circumstance that would directly affect the rating and of which market participants should be informed immediately, given the material impact the event could have on the market's perspective of the corresponding entity, issuer, or transaction.

If HR Ratings fails to deliver to the client, entity or issuer rated the analysis report or press release prior to publishing the rating, HR Ratings must do so immediately after publication and must provide details of the reasons that led to the delay.

- The press release announcing the rating shall include the items indicated in the Agency's General Operation Plan as well as those in the Provisions and in local regulations applicable to HR Ratings. This shall be written in clear and easily understood language.
 - If HR Ratings has received revenue from clients, issuers or entities for items that are not included in the service provided for the rating of debt instruments or securities, HR Ratings will indicate the portion that such revenue represents in relation to the aggregate revenues earned by each client, entity, or issuer as a result of their main activity.
 - Upon publishing a rating, HR Ratings will not disclose any non-public or confidential material information concerning the entity or issuer, in accordance with their instructions.
 - For ratings that do not need to be public due to regulatory requirements, the rating may be kept private until the client, entity or issuer requests their publication. The rating may be published without convening the Credit Analysis Committee to agree to this publication, unless additional information has been provided or there are new elements that may have an impact on the rating assigned.
2. The requirement to publish initial ratings for possible debt or securities offerings applies only in countries where this is required by law.

3. It is strictly prohibited to inappropriately disseminate within and outside HR Ratings any pending rating action before publication of the credit rating on the Internet or through any other readily accessible means.
4. HR Ratings will publish the following information on its website free of charge and non-selectively:
 - Press releases for assigned ratings, changes of these ratings, or the withdrawal of ratings, as well as decisions to suspend the review or monitoring of a rating and the reasons for such action. This will be done except for private ratings, which shall be sent solely to the requesting client, entity, or issuer. Press releases will be available on the Agency website for a period of at least 12 (twelve) months from their date of publication.

In addition, HR Ratings will issue a press release if an entity, client, or issuer decides to rescind their service contract when HR Ratings can confirm that this rescission was in response to a rating downgrade. This will be issued on the business day following the contract rescission.

- Historical information on annual default rates for each of the rating categories and transition matrices across assigned ratings.
- Methodologies used for the rating of entities, issuers and/or issues, and any substantial amendment of these documents and the rating process.

In the case of amendments to the rating methodologies and procedure, the reason or justification of the amendments will be clearly expressed and the amendments will be analyzed to determine if they could result in changes to any outstanding rating.

- Notice of the existence of any significant error identified in any procedure or methodology that could result in any change to an outstanding rating.

- Comments received from the market, in general, through the HR Ratings website regarding new methodologies or amendments to methodologies as well as comments related to a current methodology and the corrective action taken.

The Agency will publicly maintain the comments received regarding the draft for a new methodology or amendment of an existing methodology for a minimum of 10 (ten) calendar days from the date the corresponding draft is published.

Comments received regarding a current methodology will be maintained on the Agency's website until the methodology in question is modified and the draft is published to receive new comments from the market.

- The follow-up processes for a rating, the frequency of reviews, and the criteria for the withdrawal or suspension of a rating.
- The structure and voting process for committees that determine the ratings and their follow-up, if applicable.
- Scales, terms and their definitions, and the definition of default as agreed by the Methodology Committee.
- A list of ratings assigned to each entity or issuer from the date of the initial rating action. This is in the case that the rating has been modified.

This Code and its amendments, within a period of 2 (two) business days following the date they have been approved by the competent authority for such purposes.

- Contact information for:
 - Any question from any market participant regarding the rating methodologies.
 - Any question from any market participant regarding the Agency's Internal Rules.
 - Development of business and clients, entities, or issuers.

- The annual report, approved by the Board of Directors, containing relevant information on the activities of HR Ratings, its structure, the number of ratings assigned, changes to the Agency's policies, procedures, and other relevant items during the corresponding year. The report will be released the same day it is submitted to the CNBV.
- The faculties of the Board of Directors and independent board members, as well as the number of independent board members serving the Agency, including the statement explaining that these board members do not fall within any of the categories indicated in sections I to V of article 26 of the Mexican Securities Market Act.
- Initial ratings, as well as changes, amendments, or cancellations of ratings, on the date they are issued.

A history of ratings assigned for each entity, issuer, securities or instruments rated by HR Ratings.

VI.2 Dissemination of information

Ratings, as well as any changes, amendments or cancellations, will be published on the same day through stock exchanges via their electronic systems for sending and disseminating information, to the CNBV via the Securities Information Transfer System ("STIV-2"), and to the general public via the HR Ratings website and electronic communications networks.

VI.3 Communication with the media

- Only people authorized for such purposes by the Agency are permitted to communicate with the media.
- The Chief Credit Officer, as well as the Departments Heads and/or lead analysts participating in the analysis process for an entity, issuer and/or operation, may make comments to the media regarding the entities, issuers and/or operations they have rated,



provided HR Ratings has already released the rating through the corresponding procedures.

- No Agency employee will publicly contradict the official opinion and/or the rating assigned by the Credit Analysis Committee regarding any rating or opinion.
- Any member of management that participates in an interview or has any type of communication with the media will maintain a professional attitude at all times, minding their language and tone, and paying special attention to the adjectives they use. Expressions such as “horrible,” “incredible,” “fantastic”, “the worst” and “the best” must not be used during any communication with the media. The member is responsible for establishing the bases, topics and rules of conversation prior to any radio, television or press interview.
- Employees who do not have authorization from the Company to exchange communications with the media shall refrain from making any comments. If they are asked questions by the media, they must refrain from answering such questions.

VI.4 Rumors

HR Ratings employees, management, shareholders and board members are prohibited from starting, circulating, or spreading sensationalistic rumors that could affect the reputation of the Agency or any entity or issuer rated by HR Ratings.

The sanctions imposed for starting, circulating, or spreading rumors will depend on the impact on the continuity of the Agency’s operations, which will be evaluated by the HR Ratings Compliance Department in accordance with **Appendix 11 “Criteria for determining the severity of violations of Company Rules”**.

VII. Conflicts of interest

Given the complexity of their work environment and the duties they perform, Agency employees and management are exposed to potential conflicts of interest. The term conflict of interest is understood as

any situation, usually of a financial or personal nature, which could influence the judgment of an individual and prevent them from making objective, fair and independent decisions.

VII.1 Identifying conflicts of interest

A conflict of interest, which would preclude the participation or influence of a manager or analyst in the determination of a rating, is considered to exist when:

- In the 12 (twelve) months prior to the start of the rating process, they have served as a board member, manager, or employee at the client, entity or issuer to be rated, at any entity which is a member of the same business group as the client, entity or issuer to be rated or has had any business dealings that could create a conflict of interest with the clients, entities or issuers.
- Their spouse, partner, or any second-degree blood relative holds any management or senior management position with the client, entity or issuer to be rated. The second-degree family relationship includes the parents, children, grandparents, siblings and grandchildren of the employee.
- They engage, or have engaged during the 12 (twelve) months prior to the start of the rating process, in any other relationship that could cause a conflict of interest with the client, issuer and/or offering to be rated or with any entity which is a member of the same business group as the entity or issuer in question.
- They have received or are in the process of receiving a loan, credit, goods, yield, or service from the client, entity or issuer at better-than-market conditions or have engaged in a business relationship with the entity or issuer at better-than-market conditions.
- They perform transactions involving the securities of an entity or issuer rated or being rated, in accordance with section VII.2.3 “Securities Transactions” of this Code.

- They participate in the sale or promotion of a product or service offered by HR Ratings or are influenced by sales or commercial considerations.

The Compliance Department will maintain an updated log on HTRON of any person that presents a potential conflict of interest with any entity or issuer rated by HR Ratings. Only the Agency's Senior Management, Analysis Department, Operations and Compliance Department personnel, as well as the Analysis Director and the Board of Directors, will have access to these records.

VII.2 Measures to prevent conflicts of interest

The Agency has established the following measures to prevent employees, management and board members from being exposed to potential conflicts of interest:

VII.2.1 Objectivity, Independence and integrity

- The evaluation and analysis process for the rating of an entity, issuer and/or transaction must be performed in strict adherence to the procedures in the General Operation Plan and in the rating methodologies and models approved by the Agency's Board of Directors.

The Analysis Director will oversee that individuals participating in the rating process perform the evaluations or corresponding analyses in adherence to the procedures in the Agency's General Operation Plan and based on the applicable rating methodologies and models.

This is additional to the function entrusted to the independent members of the Board of Directors to perform compliance audits on the rating methodologies and models, either directly or through the designated person. The Board of Directors will approve the results of audits performed to verify compliance with the rating methodologies and models.

The Compliance Department may verify compliance with the rating procedure set forth in the Agency's General Operation Plan at any time.

- The fees and salaries received by board members, managers and technical personnel involved in the rating process, and all employees in general, are completely independent from revenues received by HR Ratings for the ratings assigned to any particular entity or issuer and/or issue in accordance with the compensation policies approved by the HR Ratings Board of Directors. These policies will be reviewed periodically to ensure the objectivity of the rating process is not compromised.
- Under no circumstances shall a rating be paused or eliminated when this may lead to the entity or issuer, or any investor, the Agency itself, or any other market participant suffering any economic, financial, political, or legal impact, including the rescission of the service agreement between HR Ratings and the client, entity or issuer.
- The ratings issued by the Agency or any rating action must not be affected by the existence or potential existence of a commercial relationship with the client, entity or issuer to whom the services are provided, or to other entities that are members of the same business group or with any third party.
- HR Ratings' employees are prohibited from providing any recommendations or proposals in the issuance of debt instruments or securities for which they will provide their services for the study, analysis, issuing of an opinion, evaluation or determination of credit rating or quality, or concerning the activities of the issuer, the underwriter or any other participant in such offer.
- Policy regarding Economic Dependency
 1. With respect to regulation specifically applicable to HR Ratings in Mexico, the following apply:

- HR Ratings will refrain from providing its services when the revenues the Agency would receive from an entity, client or issuer wishing to engage its services, or the people who form part of the same business group or consortium to which the client, entity or issuer belongs, jointly represent 10% (ten percent) or more of the total revenues received by HR Ratings during the year immediately preceding that for which the corresponding service is to be provided.

Regarding states or municipalities, HR Ratings shall refrain from providing its services in the following cases:

- a) When the sum of the revenues received from a state or municipality represents 5% (five percent) or more of HR Ratings' total revenues received during the year immediately preceding that for which the corresponding service is to be provided.
- b) When the sum of revenues received from a state and its municipalities represents 10% (ten percent) or more of HR Ratings' total revenues received during the year immediately preceding that for which the corresponding service is to be provided. This condition will only apply when the state acts as guarantor for the transactions of these municipalities.

The calculation of the revenues indicated above will consider all revenues HR Ratings would receive from those states or municipalities, including those for services to assess the credit quality of securities issued by trusts for which the state or municipality is the trustor.

2. With respect to regulation applicable to the Agency as a ratings agency registered and regulated by the Securities and Exchange Commission ("SEC"):
 - HR Ratings shall refrain from providing its services when the revenues received by the Agency from an entity, client or issuer that intends to engage its services,

or the people who form part of the same business group or consortium to which the client, entity or issuer belongs, jointly represent 10% (ten per cent) or more of the total revenues received by HR Ratings during the current tax year.

VII.2.2 Separation of functions

- HR Ratings applies a policy of separation of functions to ensure that personnel responsible for assigning and maintaining ratings are completely separated from any activity related to the promotion and sale of the services HR Ratings provides or the determination of the fees and quotas the Agency charges for these services.
- In addition, HR Ratings will ensure the areas responsible for administrative matters and for the Agency's business relationships do not participate in the rating process for entities, issuers and/or issues and do not have access to the information or rating files.
- This policy on separation of functions, reporting lines, oversight, and remuneration structure is set forth in the HR Ratings' Internal Control Manual.
- If any analyst receives information from an entity, client or issuer, an Agency employee or any third party in relation to the service agreement signed between HR Ratings and the client, entity or issuer that indicates fees charged by the Agency or any sales or commercial information, the analyst must respond in writing to the sender indicating that information of this nature must be addressed exclusively with the Agency's Business Development or Treasury Departments, as applicable. In addition, the employee must send a copy of their response to the Compliance Department at: compliance@hrratings.com. This Department shall document such situation and, if necessary, shall take the appropriate measures, in coordination with the Company's Senior Management.

In such circumstances, it will be determined whether the sales or commercial information in question has or could have influenced the analyst. If this is found to be the case, the measures set forth in Section VII.4 "Handling Conflicts of Interest" will be applied.

- In addition, if any Business Development Department personnel or the Agency's CEO receive information from any entity or issuer that would be relevant to the analysis process, they will remind the client, entity or issuer in writing that information of this nature must be sent exclusively to the analysis team assigned to them. In addition, the employee must send a copy of their response to the Compliance Department at: compliance@hrratings.com. This Department shall document this situation and, if necessary, shall take the appropriate measures.

The situations indicated above will be documented in Compliance Department records.

VII.2.3 Securities Transactions

1. "Securities Transactions" are those executed directly or indirectly for:
 - a) Securities registered in the Mexican National Securities Register (the "Register"). Securities are shares, interests, obligations, bonds, options, certificates, promissory notes, bills of exchange, and other negotiable instruments, registered by name or not, that can be traded on the securities markets, are issued as part of a series or in a single offering and represent the capital stock of an entity, a proportional part of an asset, or interest in a collective loan or any individual credit right pursuant to the terms of applicable local and foreign laws, or/ and
 - b) Certificates of deposit, commonly known as American Depositary Receipts ("ADRs") or similar instruments on foreign markets, representing the Securities mentioned in the previous point or similar or analogous instruments, or/ and
 - c) In accordance with Section 15 § 78c (10) of the United States Code ("USC"), the term "security" means any note, stock, treasury stock, security future, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of

deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker’s acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited, or/and

- d) Derivative financial instruments as long as their underlying assets are registered Securities, or/and
- e) Bank certificates of deposit that represent debt issued on a term equal to or less than 1 (one) year and are issued by a credit institution.

2. The following investments are not considered Securities Transactions:

- a) Shares of mutual funds.
- b) Securities issued by any sovereign entity.
- c) Indexed trust stock certificates (representing rights for securities, assets, derivatives, or other assets that seek to replicate the behavior of one or more indexes, financial assets, or reference parameters).
- d) Securities referring to a group or basket of shares or price indexes, or index funds.

The following individuals are prohibited from operating or maintaining Securities Transactions involving any entity or issuer that is a client of HR Ratings or is rated by HR Ratings:

- HR Ratings, as a legal entity;

- Analysts who participate in the rating process of the entity or issuer;
- Members of the Credit Analysis Committee who participate in the rating of the entity or issuer, and
- People who, because of their duties, may have access to privileged information in terms of what was set forth in section VII.2.4 of this Code.

All new Agency employees and board members will submit, on their entry or appointment date, a statement of the Securities Transactions they hold directly or indirectly in any entity or issuer, and also, those of their spouse, partner, or dependent minors using the form in **Appendix 1 “Report on Securities Transactions”** of this Code.

In addition, all Agency board members and employees who perform a Securities Transaction of any entity or issuer must notify the Compliance Department using the form in **Appendix 1 “Report on Securities Transactions”** of this Code within a period of 10 (ten) business days following the execution of the Transaction.

All Agency employees and board members must complete and submit **Appendix 1 “Report on Securities Transactions”** every 6 (six) months. The semiannual endorsement shall indicate all securities transactions performed by the employee or board member to date, regardless of whether these have been previously reported.

For the purposes of reporting certificates of deposit representing a renewable debt equal to or less than 1 (one) year serviced by a credit institution, the deposits must be reported only once, indicating this in the report.

The securities transactions report must be submitted together with the corresponding bank or securities account statement, dated no more than 3 (three) months prior to submission, in which the securities transactions are indicated. Employees and board members have the right to blank out the information that is not relevant for the effects of the reported transaction.

HR Ratings, through the Compliance Department, shall take all necessary measures to ensure that Securities Transactions by members of the Board of Directors, management,



technical personnel responsible for the preparation of reports and providing follow-up on the credit quality of securities or entities or issuers, and employees in general, do not generate conflicts of interest.

To fulfill this objective, HR Ratings will maintain a list of the entities or issuers rated by HR Ratings and which are public (the “Public Ratings List”) in HTRON. All Agency employees and board members will have access to this list.

The Agency will maintain a list of entities or issuers who request the rating to be private or whose initial rating process has been completed but not yet published (the “Private Ratings List”), to which only the Agency’s Senior Management, the Compliance and Operations Department, the Business Development Department personnel, analysis managers and members of the Board of Directors will have access.

Both lists will be updated continuously in HTRON to verify that there are no conflicts of interest in the rating process derived from securities transactions in entities or issuers rated by HR Ratings held by employees and directors, as well as those of their spouses, partners, or dependent minors.

The limitations on Securities Transactions set forth in this section and the disclosure of these will apply equally to transactions by the spouse, partner, or dependent minors of Analysis managers or technical personnel involved in the rating process.

For the purposes of the previous paragraph, HR Ratings employees, managers and board members will make every effort to be informed of securities transactions performed by their spouse, partner and/or dependent minors. No bank or securities account statement will be required for these transactions.

VII.2.4 Use of privileged information

For the purposes of this section, a relevant event is any fact, act, or occurrence, of any nature, which could or would influence the prices of registered securities or that may have a significant impact on a credit rating.

HR Ratings board members, managers and employees are strictly forbidden to:

- Obtain any benefit from any Securities Transaction performed using privileged information obtained from their participation in the rating process for these securities, or in the performance of their duties.
- Provide or transmit privileged information to other people, being required to comply with that established in the HR Ratings' Internal Control Manual for the handling of non-public or confidential information.
- Issue recommendations regarding any securities or negotiable instruments for which the price or quote could be influenced by the use of privileged information.

Privileged information is knowledge of relevant events not disclosed to the public by an issuer through the market on which their securities are traded, or that have not been disclosed by entities or clients.

It is not necessary for the person to be aware of all details concerning the relevant event for this to be considered privileged information; it is sufficient that the information to which they have access could influence the price or quote of an issuer's securities or that may have a significant impact on a credit rating.

The Compliance Department will be responsible for monitoring policies on securities transactions and the use of privileged information.

Any improper use of privileged information shall be considered a serious breach to be sanctioned in accordance with the criteria established in **Appendix 11 "Criteria for determining the severity of violations of Company Rules"** of this Code.

VII.2.5 Loans, credits, acquisition of goods, services and yields

Management and technical personnel that have or are in the process of receiving a loan, credit, goods, yields, or the provision of any service from an entity, client or issuer rated by HR Ratings, or who engage in any other business relationship with such entity or issuer, will not be permitted to participate in the entity or issuer's rating.

The individuals referred to in the previous paragraph will be required to report the loans, credits, goods, yields, or services, or any other business relationship they have established or are in the process of establishing with a client, entity or issuer prior to commencing any participation in the rating process involving the client, entity, or issuer, when the loan, credit, goods, yields or service, or business relationship, was established or will be established at better than market conditions. Loans, credits, goods, yields or services, or business relationships, will be reported to the Compliance Department using the form in **Appendix 12 "Report on Loans, Credits, Goods, Yields and/or Services"** of this code.

VII.2.6 Gifts, entertainment and preferential treatment

- The Agency, its employees, management and board members are forbidden to:
 - Receive from any employee of any financial authority, political party, or any government or state-owned institution, gifts, compensation, gratifications, or entertainment.
 - Use Agency or personal resources to make payments to individuals or organizations for the purpose of doing business or influencing their policies or decisions.
 - Request or receive directly or through another person, remunerations, goods and/or services, including entertainment, as well as donations from individuals with which HR Ratings maintains business relationships or who have an interest in any transaction that HR Ratings rates or could rate.

The Agency, its employees, management and board members are only permitted to accept or receive from any person with which HR Ratings maintains a business relationship, or from any of their employees, goods, other than cash, whose value does not exceed US\$25.00 (twenty-five dollars, legal currency of the United States of America) and that are provided in the context of normal business activities, such as meetings. This means that employees, directors and board members may share items such as notepads, pens and light snacks that are incidental to routine business interactions, considering their added value does not exceed US\$25.00 (twenty-five dollars legal tender in the United States of America) per person and per interaction.

- Receive remunerations, goods, donations, gifts, or gratifications from any employee of any third party when such gifts are given with the intention of influencing the decision concerning any rating, opinion, analysis, study or report the Agency is preparing.
- If any client, entity or issuer with which HR Ratings maintains a business or services relationship, or any employee of the client, entity or issuer or of any financial authority, political party, or government or state-owned institution solicits or offers technical personnel or management, or any other employee of the Agency, whether explicitly or implicitly, any type of remuneration, goods, donation, gift, gratification, or entertainment that does not comply with the characteristics set forth in this Section, the person in question must report this to the Compliance Department immediately in writing regardless of whether they have accepted it or not.

The Compliance Department shall keep a record of gifts received by HR Ratings personnel that do not comply with the characteristics set forth in this Section and according with to the format contained in **Appendix 13 “Gift Report”** of this Code. These gifts will be returned to the corresponding person, entity or issuer.

In the event of any offer that would lead to a conflict of interest for the Agency, the client, entity, issuer, or person in question will be informed by the Business Development Department of the immediate termination of the business relationship, informing them of the reasons for this action.

VII.2.7 Post-employment activities of management and technical personnel

VII.2.7.1 Post-employment follow-up

HR Ratings will make every effort to remain informed of the future employment of any of its employees for the purpose of informing the SEC to this effect in the event that within a period of 5 (five) years after leaving HR Ratings the former employee enters the employ of an entity, issuer, underwriter or structuring agent for a security or financial instrument rated by HR Ratings, provided the former employee (i) held a management position in the Agency, (ii) held an analyst position and participated, in any manner, in the rating process for the entity, issuer, or the rating for the instruments or operations of the structuring agent, or (iii) was a supervisor of an analyst that participated, in any manner, in the rating process for the entity, issuer, or the rating for the instruments or operations of the underwriting agent. The flowchart in **Appendix 2 “Post-Employment follow-up”** to this document shall apply in this situation.

VII.2.7.2 Back review of the former employee

- When an analysis manager or analyst terminates their employment relationship with HR Ratings and commences work for an issuer or entity rated by the Agency, and for which the manager or employee participated in the rating process as Area Director, Lead Analyst or as a member of the analysis team, or participated in the rating procedure for the structuring of a security, instrument or operation, HR Ratings will take the following measures:
 - As soon as the Agency is aware of a former employee joining the entity, issuer or underwriter, it will review the ratings given to that entity over the 12 (twelve) month period prior to the most recent rating HR Ratings assigned to the entity, issuer, underwriter or structuring agent before the employee left the Agency.

The review will be carried out by the Compliance Department with the support of the analyst's immediate superior, pursuant to **Appendix 3 "HR Ratings Look Back Review"** of this Code.

- If any evidence is detected that would lead to the assumption that the rating or ratings were subject to a conflict of interest or that these had not been assigned in accordance with Agency policies and procedures, the Compliance Department will report the situation immediately to the Agency's Analysis Department, and the latter will be requested to start a rating review process in accordance with the procedure indicated in the General Operation Plan for assigning ratings.

In this case, HR Ratings will publish the change of rating or confirmation of the rating within a period of 15 (fifteen) calendar days following the date on which it was discovered that the rating could have been subject to a conflict of interest.

If the rating action is a change of a credit rating resulting from a post-employment review process, an explanation shall be included stating that the reason for the action is the discovery that a credit rating assigned to the obligor, security, or money market instrument in one or more prior rating actions was subject to a conflict of interest, including a description of the nature of the conflict, the date and associated credit rating of each prior rating action that HR Ratings determines was influenced by the conflict, and a description of the impact the conflict had on the prior rating action or actions.

If the rating action involves ratifying a credit rating as a result of a post-employment review, an explanation shall be included stating that the reason for the action is the discovery that a credit rating assigned to the obligor, security, or money market instrument in one or more prior rating actions was subject to a conflict of interest, including a description of the nature of the conflict, an explanation of why no rating action was taken to revise the credit

rating notwithstanding the presence of the conflict, the date and associated credit rating of each prior rating action that HR Ratings determines was influenced by the conflict, and a description of the impact the conflict had on the prior rating action or actions.

The flow chart provided in **Appendix 2 “Post-Employment follow-up”** of this Code will be considered in reference to section VII.2.7 of this Code.

VII.2.8 Selection of Service Providers

To avoid potential conflicts of interest with individuals related to HR Ratings, the following procedure will be considered for the selection of services providers:

1. The Human and Material Resources and Treasury Departments shall prepare a list of providers that render services to HR Ratings (the “List of Providers”).
2. The List of Providers will be sent to the Compliance Department for comparison with the list of clients, entities or issuers rated by HR Ratings.
3. If any provider included on the List of Providers is a client, entity or issuer rated by HR Ratings, the Compliance Department will analyze whether there is a conflict of interest based on the relevance of the services rendered by the corresponding providers.
4. If the Compliance Department determines there may be a conflict of interest with the corresponding providers, it will evaluate the feasibility of replacing the provider along with Senior Management.
5. The List of Providers shall be updated every time HR Ratings enters into a service agreement with a new provider.

VII.3 Disclosure of conflicts of interest

- All HR Ratings employees, managers and board members are required to disclose to the Compliance Department, in writing, any personal or financial relationship, whether their own or that of any other employee of which they have knowledge, which could generate a conflict of interest with respect to any entity, issuer and/or operation.
- Disclosure of conflicts of interest must be clear, transparent and complete in all cases. To this effect, all HR Ratings employees, managers and board members must follow the procedures for identifying, handling and disclosing any potential conflict of interest as set forth in this Code.
- If any employee, manager, or board member fails to disclose any situation that could generate a conflict of interest in a timely manner, or attempts to hide any such situation, the Compliance Department, together with the Agency's Senior Management, with the opinion of the Board of Directors, will analyze the case and determine the measures and/or sanctions to be applied in accordance with the terms of **Section XII "Applicable Sanctions"** of this Code, considering the impact on the continuity of HR Ratings operations.
- Conflicts of interest must be disclosed using the form in **Appendix 4 "Disclosure of Conflicts of interest"** of this Code.
- In addition, Agency employees and management will use the form in **Appendix 5 "Report of employment and/or positions held by family members"** of this Code if their spouse, partner, or any second-degree blood relative holds any management or senior management position in any entity or issuer rated by HR Ratings. The second-degree family relationship includes the parents, children, grandparents, siblings and grandchildren of the employee.

All Agency employees and management will be required to sign this form every 6 (six) months, indicating the positions held by their spouse, partner, or any second-degree blood relative in any entity or issuer rated by HR Ratings.

For the purposes of the above, HR Ratings employees and management will make every effort to remain informed of the employment status of their spouse, partner or second-degree blood relatives.

VII.4 Handling of conflicts of interest

- The Compliance Department, together with Senior Management, and where necessary, a legal advisor, will discuss and analyze real and potential conflicts of interest to determine the appropriate measures to handle such conflicts, which may include:
 - Prohibiting the individual involved in the conflict or potential conflict from participating in any manner in the analysis process for the entity, issuer and/or issue with which they have the conflict of interest until the conflict is resolved or confirmed, designating a different person to take their place in the analysis process.
 - Suspending the person's access to all non-public or confidential information for the entity or issuer with which they have or could have a conflict of interest.

The above is additional to any sanctions that may also be applicable.

- The opinion of the Board of Directors will be heard on potential or real conflicts of interest of higher importance.
- When the person who discloses a conflict of interest due to participation in any phase of the analysis process for an entity, issuer and/or issue is the Head of a Department, they will be substituted in their functions by the Chief Credit Officer.

If any employee involved in the analysis process already has an investment or loan prior to HR Ratings signing a service agreement which could cause a conflict of interest, the employee will refrain from participating in the related analysis process or they will be required to disinvest from the securities involved.

- If any situation involving possible conflict of interest occurs to the people responsible for resolving possible conflicts of interest, it will be analyzed by the other responsible parties, who will take appropriate measures. The opinion of the Board of Directors may be requested in the event of serious conflicts of interest.
- The Agency will refrain from entering into service agreements for rating services with entities or issuers that, directly or indirectly, hold an interest in the capital stock of HR Ratings unless such interest represents less than five percent of the ratings agency's capital stock.
- The Compliance Department will ensure all HR Ratings employees and board members adhere to the policies set forth in this Code regarding the identification, handling and disclosure of conflicts of interest.

Potential conflicts of interest shall be handled in accordance with the flow chart in **Appendix 6 “Handling of potential conflicts of interest”** of this Code.

Any relevant amendments to the policies for identifying and handling conflicts of interest in this section must be reported to the U.S. SEC using the NRSRO form the moment they enter into effect.

VIII. Technical quality and good character

- Employees and management personnel involved in the rating process for entities, issuers and/or issues will have experience and expertise in financial matters and credit analysis. The Heads of Department responsible for the rating process for an entity, issuer, or issue must have at least 3

(three) years' experience in credit analysis, in accordance with **Appendix 8 “Technical quality”** of the Internal Control Manual.

At least once a year, HR Ratings will perform, through the Compliance Department, assessments to determine the knowledge of analysts and analysis managers with respect to the Agency's rating procedures and methodologies used to assign ratings for the classes or sub-classes of credit ratings in which each analyst or director participates.

- Furthermore, employees and managers participating in rating processes will certify their good character for the performance of their duties with honesty and integrity, in accordance with the sworn statement in **Appendix 7 “Sworn Statement”** of this document, which must be submitted to the Compliance Department and confirmed every 6 (six) months.

People who have been convicted of a felony or any crime against property punishable by prison will not be permitted to participate in the rating process.

The Compliance Department will determine the sanctions to be applied to those employees, management, shareholders, or board members found to be in violation of the Company Rules and other regulations applicable to HR Ratings.

In the case of serious violations of company rules as defined in **Appendix 11 “Criteria for determining the severity of violations of company rules”** of this Code, sanctions will be imposed by the Compliance Department after considering the opinion of the Board of Directors.

IX. Outside activities

- All new Agency personnel will present on their start date and using the form in **Appendix 8 “Report of other employment”** of this Code, a statement of all employment positions that they hold in any company or entity.

Also, all Agency employees and management must sign **Appendix 8 “Report of other employment”** every six 6 (months) or whenever there has been a change in their situation.

- Agency employees and managers will obtain the approval of the Compliance Department using the form in **Appendix 9 “Request for permission to work outside of HR Ratings”** of this Code of Conduct, to:
 - Work as a manager, employee, board member, or business consultant outside the Agency.
 - Commit to outside activities that could have an impact on the Agency, including:
 - Receiving compensation to serve as administrator, custodian, guarantor, or executor for any person that is not a direct relative of the employee.
 - Acting as representative for any social, political, religious, or business organization.

Independent board members will be disqualified from participating in any discussion that could represent a conflict of interest with the ratings the Agency issues.

X. Conduct

- All HR Ratings employees, management, board members and shareholders are responsible for being familiar with and complying with the Agency’s Internal Rules, as well as with laws, bulletins and other provisions that govern securities rating agencies. In the event of non-compliance, sanctions may be applied.
- The individuals considered in the previous paragraph will refrain from any action, either within or outside the Agency, which could damage the Agency’s reputation.

X.1 Professional conduct

- The Agency will not tolerate any illegal, indecent, or violent act or conduct by any HR Ratings employee, manager, shareholder, or board member, or any act or conduct that could be considered contrary to the Agency’s ethical and professional standards, and that may negatively impact the work environment or damage the Agency’s reputation or image.

The Agency will also not permit the expression of opinions that could damage the reputation of third parties.

The conducts referred to in the two preceding paragraphs include any act or statement, verbal or written, made in public spaces, through mass media, on social networks, or at public or private events.

X.2 Respect

- The Agency will not tolerate the following conduct between colleagues:
 - Any act of discrimination based on race, color, religion, gender, age, nationality, social status, disability, political affiliation, marital status, or sexual orientation.
 - Verbal, physical, or visual offenses that create an intimidating, offensive, or hostile environment in the workplace.
 - Quid Pro Quo Harassment or sexual harassment. Cases will be analyzed according to the HR Ratings Protocol for addressing quid pro quo harassment and sexual harassment cases.
- The Agency will respect the intellectual property rights and image of clients, rated entities or issuers, competitors, or any public figure or third party, strictly prohibiting HR Ratings employees, managers and board members from:
 - Making defamatory, degrading, or slanderous statements about others.
 - Intellectual plagiarism of information, ideas and documents.

Management will oversee compliance with that stated in this point and in the event that any activity in violation of these guidelines is detected, the activity will be reported immediately to the Compliance Department, who will determine the sanctions to be applied to the person

that is found responsible, taking into consideration the impact on the continuity of HR Ratings operations.

X.3 Use of illegal substances

The Agency is committed to providing a healthy work environment, free of anything that would put the quality of the products and services the Agency offers at risk. To this effect, HR Ratings employees and directors are prohibited from:

- Using, selling, buying, distributing or possessing illegal substances in Agency offices.

Any deterioration in an employee's performance or incident caused due to the use of illegal substances must be reported immediately to the Human and Material Resources Department, with a copy to Senior Management, who will jointly determine the disciplinary measures to be taken.

Performance problems caused by the use of illegal substances will be treated like any other problem related to employee performance in the workplace and may give cause for dismissal.

Employees that show indications of having addiction problems will be encouraged to seek professional help.

- Smoking in work areas, which includes cigars, pipes, e-cigarettes and other tobacco products. Board members, outside advisors, consultants and visitors are also prohibited from smoking in the Agency's offices.

X.4 Use of email, the internet, telephone and other electronic means of communication

- Telephone networks, computers, Internet and email are considered Agency assets and must be used by HR Ratings personnel for their assigned tasks. All telephone communications, and any information transmitted, received or stored on communication

media, is and will, at all times, be the property of the Agency. Personal use of communication systems must be occasional and not interfere with the responsibilities of the employee or compromise the security of the Agency.

- Additionally, any employee or director of the Agency shall comply with the Policy for the use of instant messaging tools, mobile devices and authorized apps provided in the Agency's Internal Control Manual.
- The Human and Material Resources Department and/or the Compliance Department may randomly monitor the use of communication media by any employee to ensure these systems are being only used for business purposes.
- HR Ratings employees are strictly prohibited from:
 - Sending or drafting any message that is abusive, insulting, obscene, inappropriate, or unprofessional, such as:
 - Messages that may be considered discriminatory based on gender, color, religion, age, nationality, disability, political affiliation, marital status, or sexual orientation.
 - Messages that may be considered defamatory against any person.
 - Messages that offend any person or would or could cause pain or suffering.
 - Messages that focus on political or religious proselytism, self-promotion or the promotion of third- parties.
 - Messages that could damage the image or reputation of HR Ratings or any HR Ratings client.
 - Posting any type of communication on mass media mentioning HR Ratings activities is also strictly prohibited. Only authorized Operations Department personnel may use social media authorized by the Agency to announce rating actions by HR Ratings and other information of interest to the market.

- Revealing any information related to the rating process for an entity, issuer or issue is prohibited until the rating has been made public using the mass media indicated in the HR Ratings General Operation Plan.
- Compliance Department employees may have access to the social networks on which the Agency posts news to verify there has been no violation of the social media policy.

The Agency will maintain the technological controls necessary to ensure correct employee usage of the internet and other means of communication. This includes blocking personal email and/or internet sites that could present a risk to the Agency's technological infrastructure or could lead to an information leak, as well as music streaming sites.

These controls do not affect sanctions that may apply for the violation of policies indicated in this section.

X.5 Use of Social Networks

All HR Ratings employees are required to comply with the company rules on using Social Networks, which are based on the ethical use of these networks.

XI. Material violations of the law

If any employee of HR Ratings, or of its affiliates, subsidiaries, or branch offices established in any country, receives notice from a third-party regarding an alleged material violation of the law by any entity or issuer rated by HR Ratings, the situation will be reported to the Compliance Department at the offices of HR Ratings or to the following email address: compliance@hrratings.com

These types of notifications may be presented confidentially or anonymously and, as applicable, will be investigated in accordance with the regulations pertaining to credit rating agencies in the country in question. HR Ratings will not be required to verify the certainty of the information provided by the third-party regarding the alleged violation of the law. Notices that, at the discretion of HR Ratings, may constitute a material violation of the law by an issuer rated by the rating agency will be reported to the authority as required by local legislation applicable to HR Ratings.

Furthermore, if the Compliance Department in the course of their duties, detects any breach or serious violation of HR Ratings guidelines, policies and/or control mechanisms that in their opinion could constitute a violation of the Mexican Securities Market Act, they must report such situation to the CNBV within a period of 2 (two) business days.

XII. Applicable Sanctions

- Any violation of the Agency's Internal Rules may lead to administrative, civil, labor and/or criminal action being taken.
- All HR Ratings employees, managers, and board members will report any illicit or unethical conduct, situation or activity to the Compliance Department, verbally or in writing, using the form in **Appendix 10 "Report of unethical conduct"** of this Code, or any such conduct, situation or activity that would violate the principles set forth in the Agency's Internal Rules on learning of such conduct, situation or activity. If the person considers it appropriate, they may report the conduct or activity to Senior Management.

Additionally, the report indicated in the preceding paragraph may be presented anonymously through the "Anonymous Complaints" section of the "Contact Us" section on the HR Ratings website.

- The Compliance Department may establish the sanctions or measures to be taken for any violation or breach of the Agency's Internal Rules committed by employees, managers, board members or shareholders following the procedure indicated below:
 1. When as a result of their oversight functions, or on receiving notice from any Agency employee or manager, the Compliance Department learns of any violation of the applicable regulations by an HR Ratings employee, manager, shareholder, or board member, or any situation that could create a conflict of interest, the Head Compliance Officer will record the conduct or situation in a follow-up log, noting the date on which they learned of the act or situation.

2. The Compliance Department will give the person involved the opportunity to make a verbal statement in their defense, which will be recorded in the follow-up log.
3. The Compliance Department will inform the employee, manager, or board member in question of the corresponding sanction or measure, which may be any of the following:
 - a) Verbal warning.
 - b) Written warning.
 - c) Suspension of 3 (three) to 10 (ten) days without pay.
 - d) Dismissal.
 - e) Any measure to resolve a potential conflict of interest.

In the case of the sanctions indicated in points c) and d), the Compliance Department will request in writing that the Human and Material Resources Department apply these sanctions.

The Compliance Department, together with Senior Management, will determine the measures to resolve possible conflicts of interest.

4. Sanctions will be applied taking into consideration **Appendix 11 “Criteria for determining the severity of violations of company rules”** approved by the HR Ratings Board of Directors and appended to this Code.

However, the sanction may be reduced if the offender recognizes having committed the violation and makes amends.

5. The sanctions imposed, or measures taken, will be recorded in the follow-up log, along with any information that may have been considered for the determination of the sanction; for example, the recurrence of certain conduct by the employee, manager, or board member, or any situation that could be considered aggravating.
6. The Compliance Department must ensure the offender understands the rule violated and the seriousness their conduct represents for the Agency to avoid future recurrences.



- The Compliance Department will impose sanctions on serious violations of the Agency's Internal Rules after hearing the opinion of the Board of Directors.

In this case, the alleged offender may challenge the sanction within 10 (ten) business days of receiving notice of the sanction.

- To prevent employees who report violations of the Agency's Internal Rules being pressured or suffering retaliation of any nature, HR Ratings will hold the name of the person that filed the report in the strictest confidence until such time as the solution or corresponding sanction has been decided and the offender notified.

The Compliance Department will conduct ongoing reviews, without prior notice, to verify that HR Ratings managers and employees comply with this Code, Internal Control Manual and General Operation Plan.



XIII. APPENDICES

APPENDIX 1

Report on Securities Transactions

Date: _____

HR Ratings Compliance Department

In compliance with the obligation set forth in Section VII.2.3 "Securities Transactions" of the Code of Conduct, I hereby report below the Securities Transactions I have as of this date and those that my spouse, partner and/or minor children have:

I have no securities transactions to report

I have the following securities transactions to report:

Securities transactions held

Full name of the issuer or company	Transaction Date	Volume, type, series, or class of Securities or certificates of deposit with a term equivalent to or less than a year.	Total transaction amount and, if applicable, term and rate	Holder of the investment (detail in the case of indirect investments)	Business name of the agent or broker that performed the transaction

Securities Transactions held by my spouse, partner and/or dependent minors

Full name of the issuer or company	Transaction Date	Volume, type, series, or class of Securities or debt instruments with a term equivalent to or less than a year.	Total transaction amount and, if applicable, term and rate	Holder of the investment (detail in the case of indirect investments)	Business name of the agent or broker that performed the transaction



I declare I am aware of the guidelines, policies and control mechanisms on Securities Transactions and the use of Privileged Information indicated in the HR Ratings Code of Conduct and I authorize HR Ratings to investigate, at its discretion, any potential conflict of interest.

I also authorize HR Ratings to disclose the information in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

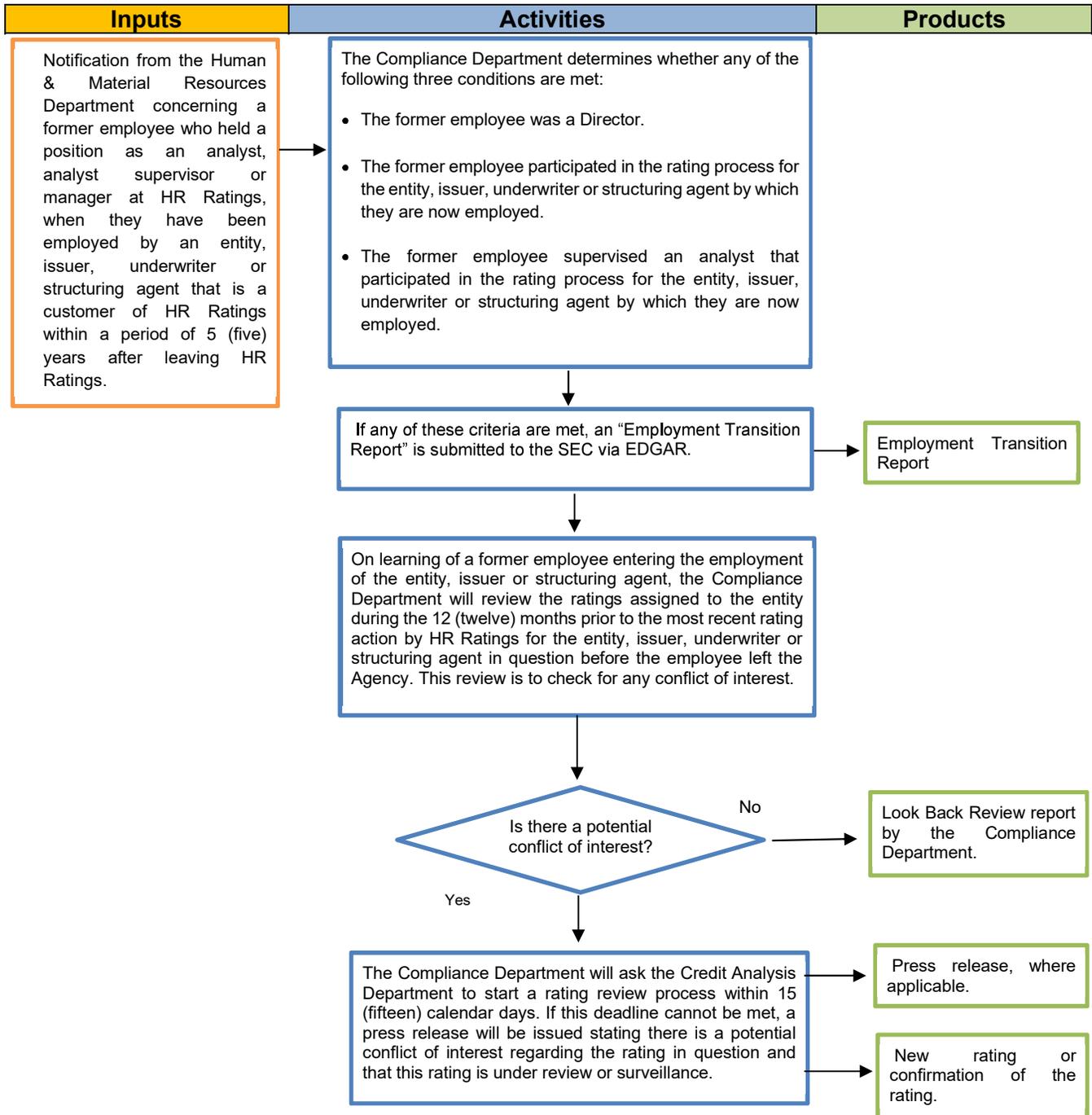
(Name of employee or board member, position and signature)

Instructions:

- (i) This form must be completed by all new employees of HR Ratings.
- (ii) This form must be completed by all employees, managers, or analysts who have performed Securities Transactions within 10 (ten) business days of performing the transaction.
- (iii) This form must be completed by analysis personnel whose spouse, partner or dependent minor(s) have undertaken a Securities Transaction.
- (iv) This form must be completed by all HR Ratings employees, board members, and managers every 6 (six) months, indicating the securities transactions they have.
- (v) Securities Transactions are those performed directly or indirectly involving:
 - a) Securities registered with the Mexican National Securities Registry and/or;
 - b) Certificates of deposit, commonly known as American Depositary Receipts (ADRs) or similar instruments on foreign markets, representing the Securities mentioned in the previous point or similar or analogous instruments, and/or;
 - c) In accordance with Section 15 § 78c (10) of the United States Code ("USC"), the term "security" means any note, stock, treasury stock, security future, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker's acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited, and/or;
 - d) Derivative financial instruments provided their underlying assets are registered with the National Securities Registry, and/or;
 - e) Certificates of Deposit on a term equal to or less than 1 (one) year serviced by a credit institution.
- (vi) The following investments are not considered Securities Transactions:
 - a) Shares in mutual funds.
 - b) Securities issued by any sovereign entity.
 - c) Indexed trust certificates (representing rights on securities, assets, derivatives, or other assets that seek to replicate the behavior of one or more indexes, financial assets, or reference parameters)
 - d) Certificates referring to a group or basket of shares or price indexes.
- (vii) Term renewable certificates of deposit representing debt on a term equal to or less than 1 (one) year serviced by a credit institution rated by HR Ratings must be reported only once, indicating this characteristic in the report.
- (viii) An indirect transaction is one operated by an HR Ratings employee or board member through a company in which the employee or board member holds control in accordance with the terms of article 2 of the Securities Market Act.
- (ix) A monthly account statement should be attached, dated no more than 3 (three) months prior to the present date, issued by the financial broker indicating the securities transaction.
- (x) If neither you nor your spouse, partner, or dependent minor(s) have Securities Transactions, please indicate "Do not have" or "not applicable".

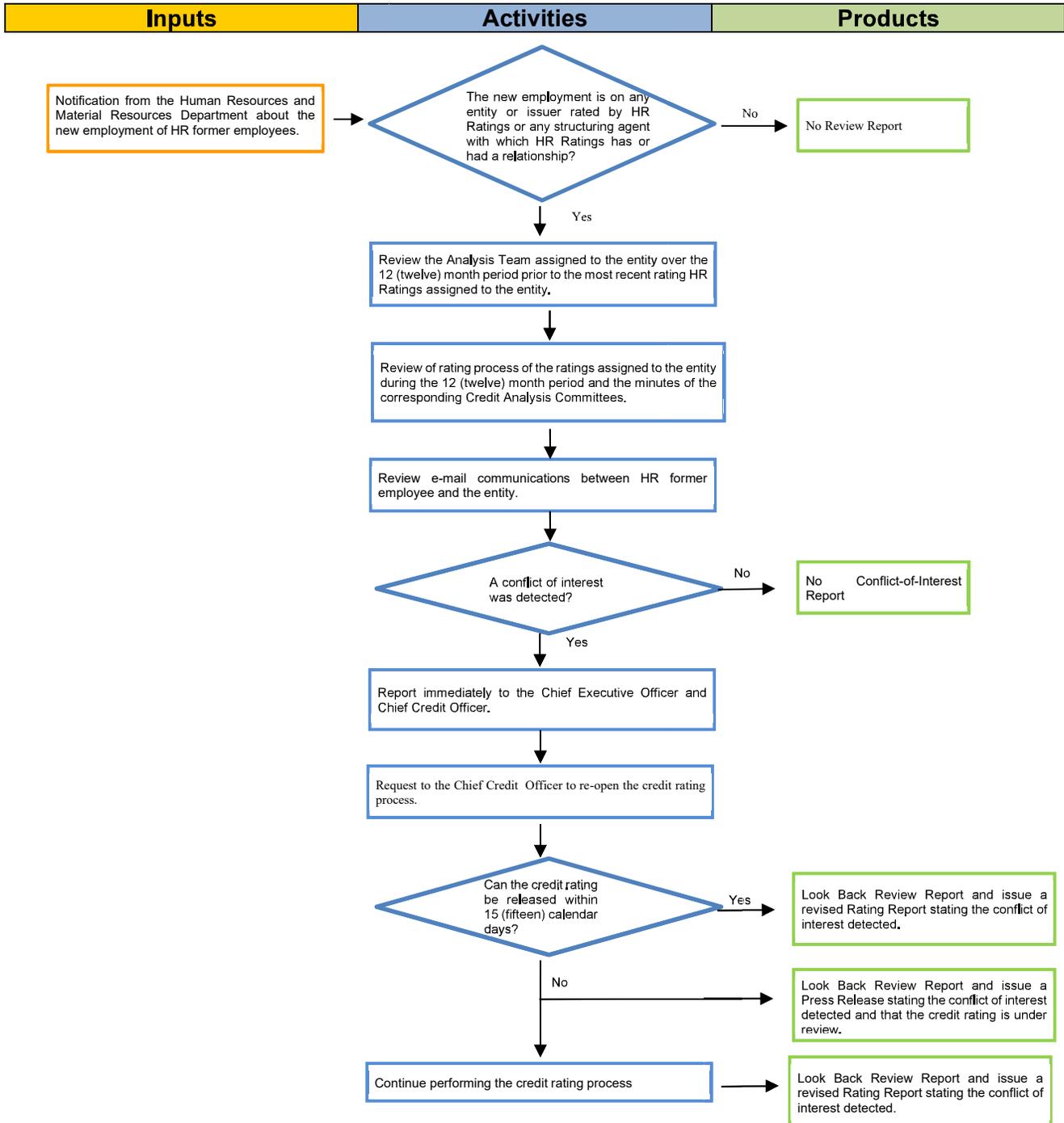
APPENDIX 2

Post-employment follow-up



APPENDIX 3

HR Ratings Look Back Review





APPENDIX 4

Disclosure of conflicts of interest

Date: _____

HR Ratings Compliance Department

In compliance with that established in Chapter VII "Conflicts of Interest", Section VII.3 "Disclosure of conflicts of interest" of the HR Ratings Code of Conduct, I hereby inform you of the following situation that could generate a conflict of interest:

I authorize HR Ratings to disclose the information included in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

Name of the employee, shareholder, or board member reporting the potential conflict of interest

c.c. HR Ratings Senior Management

<p>Instructions:</p> <ul style="list-style-type: none"> (i) This form must be completed by any employee with knowledge of any situation, their own or that of another, that could generate a potential conflict of interest under the terms of Section VII "Conflicts of Interest" in the HR Ratings Code of Conduct. (ii) In general terms, any situation must be reported, usually economic or personal, that would presume an intention to influence the judgment of an individual, and which could unduly influence objective, fair and independent decision making.
--



APPENDIX 5

Report of employment and/or positions held by family members

Date: _____

HR Ratings Compliance Department

In compliance with the HR Ratings Code of Conduct, in relation to the obligation of employees of this rating agency to disclose whether their spouse, partner, or any second-degree blood relatives hold any management or senior management position in any entity or issuer rated by HR Ratings, I hereby state as follows:

- Neither my spouse, nor my partner, nor any second-degree blood relative of mine holds any management or senior management position in any entity or issuer rated by HR Ratings.
My (indicate relationship), by the name of: _____, has held the position of _____, since _____ at the following entity or company rated or in the process of being rated by HR Ratings: _____, and performs the following activities: _____.

I authorize HR Ratings to disclose the information in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

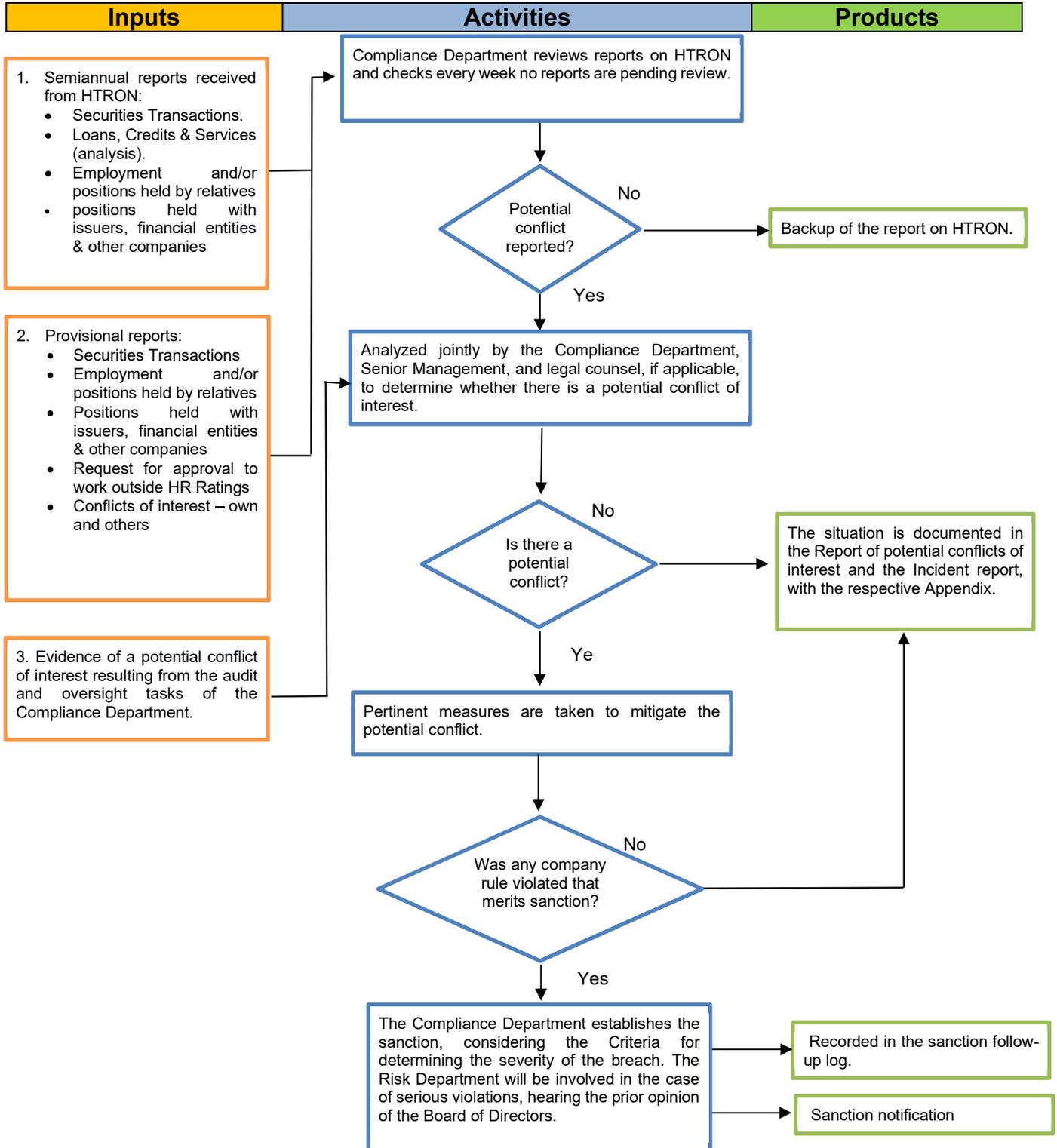
Sincerely,

(Employee name, position and signature)

Instructions:
(i) This form must be completed by new hires and by any employee with a family member that meets the criteria indicated in the first paragraph of this form.
(ii) In addition, all analysts must complete this form every 6 (six) months, indicating the positions held by their second-degree blood relatives in any entity or issuer rated by HR Ratings.
(iii) The category of second-relative includes the parents, children, grandparents, siblings and grandchildren of the employee.

APPENDIX 6

Handling of potential conflicts of interest





APPENDIX 7

Sworn Statement
(Good character)

Date: _____

HR Ratings Compliance Department

I, (NAME), of my own free will and to accredit that I am of sufficient good character to be able to participate in the ratings processes of HR Ratings, pursuant to that indicated in Provision Four of the General Provisions applicable to credit rating agencies and any other provision applicable to HR Ratings as a credit rating agency, and that I will perform my duties with integrity and honesty, hereby declare under oath to tell the truth:

- I. That I am not, nor have I been subject to, criminal prosecution for a felony or crimes against property punishable by prison, and that if this were the case, the matter in question was concluded with my acquittal.
- II. That I am not nor have I been subject to administrative investigation proceedings or hearings before the Mexican Banking and Securities Commission for serious violations of Mexican or foreign financial laws, or before any other Mexican supervisory or regulatory financial authority, or that of any other country, and that if this were the case, the matter in question was concluded by final unappealable decision or agreement expressly exonerating me.
- III. That I have not been declared in civil or commercial bankruptcy, and that if this were the case, the matter in question was closed for the reasons given in Article 262 of the Commercial Bankruptcy Act or, in the case of civil bankruptcy, on having paid all creditors in full or entered into agreement with these as provided for by local law.

The undersigned authorizes HR Ratings to verify, at its discretion, the statements made herein with the corresponding authorities.



Credit
Rating
Agency

I also authorize HR Ratings to disclose the information in this report to the Agency regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Signature)

Instructions:

This form must be completed by all analysts and resigned every 6 (six) months.



APPENDIX 8

Report of other employment(s)

Date: _____

HR Ratings Compliance Department

To comply with the obligation to disclose any employment or position I hold or have held to date, as outlined in the HR Ratings Code of Conduct, I, _____, holding the position of _____ at HR Ratings, state the following:

I do not hold or perform any job or position with any issuer, entity, or company.

I hold the following job(s) or position(s) in the following company/companies:

Issuer, entity or company	Employment or position (indicate the activity you perform)	Start date	Duration of the position

I also authorize HR Ratings to disclose the information included in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Employee or board member name, position and signature)

Instructions:

- (i) New employees must complete this form. Also, employees who must request the authorization of the Agency's Compliance Department to perform any of the activities mentioned in section IX of the HR Ratings Code of Conduct in accordance with the form included in Appendix 9 to the Code of Conduct must fill this form.
- (ii) In addition, all employees and board members will complete this form every 6 (six) months, indicating their activities or positions outside of HR Ratings.



APPENDIX 9

Request for permission to work outside of HR Ratings

Date: _____

HR Ratings Compliance Department

In compliance with the obligation outlined in section IX "Outside Activities" of the Code of Conduct of HR Ratings, I hereby inform you that it is my intention to accept employment and/or to engage in the following activity outside of HR Ratings:

Company, entity, or institution: _____

Position: _____

Activity: _____

For this, I hereby request your approval to engage in the activity and/or accept the position indicated above.

I also authorize HR Ratings to disclose the information included in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Employee, shareholder, board member, manager or analyst name, position and signature)

Instructions: This form must be completed by employees that intend to accept any position, or provide any service, paid or unpaid, outside of HR Ratings.



APPENDIX 10

Report of unethical conduct

Date: _____

HR Ratings Compliance Department

I hereby inform you of the following conduct, situation, or activity that is illicit, unethical, or violates the principles outlined in the Internal Rules in order to comply with the terms of the HR Ratings Code of Conduct:

I authorize HR Ratings to disclose the information in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Employee, manager or board member name, position and signature)

Instructions:
(i) This form must be completed by HR Ratings employees, managers and/or board members upon learning of any illicit or unethical conduct, situation, or activity.
(ii) This type of report may also be submitted verbally or anonymously, through the anonymous complaints section in the "Contact" section on the HR Ratings website.

APPENDIX 11

Criteria for determining the severity of violations of company rules

Types of violations or non-compliance

- Of policies on Independence and Conflicts of Interest
- Of policies to prevent the misuse of Non-Public, Confidential, or Privileged Information
- Of policies included in the Manuals in general

Sanction according to the severity of the fault or violation

Severity	Sanction
Minor	Verbal warning
Moderate	Written warning
Serious	Suspension
Very serious	Dismissal

The following criteria will be considered when determining the severity of the violation or non-compliance:

Criteria	Severity
Harassment or Sexual harassment	Very serious
There was intent (the person knowingly acted with the intention of committing a violation)	Very serious
There was personal gain or benefit for a third party	Very serious
The Agency's image or reputation was damaged	Serious or Very serious
A rating was affected	Serious
The violation was covered up	Moderate or Serious
Recommendations were not followed	Moderate or Serious
Recurrence	Moderate or Serious
First offense	Minor
Error without consequences	Minor

Note: The sanction may be reduced if the offender accepts that he or she committed the violation and makes amends.



APPENDIX 12

Report on Loans, Credits, Goods, Yields and/or Services

Date: _____

HR Ratings Compliance Department

In order to comply with the obligation to disclose the loans, credits, goods, performances, services, or any other business relationship or dealings I have obtained or am in the process of obtaining from any financial entity or person to whom HR Ratings provides rating services, which could represent a conflict of interest as outlined in the HR Ratings Code of Conduct, I report the following:

Loans or credits obtained, or in the process of being obtained, at better than market conditions

Table with 6 columns: Financial entity or person, Type of loan, Loan amount, Use of the loan, Term & rate, Date obtained

Goods obtained, or in the process of being obtained, at better than market conditions

Table with 5 columns: Entity or person, Description of the good, Market price for the good, Price at which the good was obtained, Date of purchase

Yields obtained, or in the process of being obtained, at better than market conditions

Table with 5 columns: Financial entity, Savings account number, Savings amount, Savings account rate, Date savings account opened



Services obtained, or in the process of being obtained, at better than market conditions

Entity or person	Type of service	Fees charged by the Client & discount obtained	Term of the service	Date of the service

Other business relations or dealings obtained, or in the process of being obtained, at better than market conditions

Entity or person	Business conducted with the client	Benefit that would be obtained at better than market conditions	Duration of the business	Date on which the business was finalized

I authorize HR Ratings to investigate, at its discretion, any potential conflict of interest related to this report.

I also authorize HR Ratings to disclose the information included in this report to the Agency’s regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Analyst name, position and signature)

Instructions:

- (i) This report must be completed by newly hired analysts.
- (ii) This report must also be completed by senior analysts or analysts that have received or are in the process of obtaining a loan, credit, or service from any HR Ratings Client, provided the loan, credit, or service has been or will be obtained at better than market conditions.
- (ii) If none of the conditions indicated in this Appendix apply to you, indicate "Not applicable".



APPENDIX 13

Gift Report

Date	Sent by:		Sent to:		Type of Gift			Observations
	Company	Person	Employee	Position	Description	Quantity	Estimated Value	Date returned



Credit
Rating
Agency

Date: _____

I, _____, state that I have read, understood and initialed the entire HR Ratings "Code of Conduct" currently in force and that I agree to be bound by its content. In addition, I am obliged to endorse this Code semiannually, along with any updates, via HTRON.

(signature)

EXHIBIT 6: IDENTIFICATION OF CONFLICTS OF INTEREST RELATING TO THE ISSUANCE OF CREDIT RATINGS

HR Ratings maintains written policies, procedures, and controls to identify, eliminate, manage, handle, and disclose, as appropriate, any actual or potential conflicts of interest that may influence the rating process.

The following is a list of actual or potential conflicts of interest relating to the issuance of credit ratings that HR Ratings identifies, manages, and handles through written policies and procedures.

- (1) Being paid by issuers or underwriters to determine credit ratings with respect to securities or money market instruments they issue or underwrite.
- (2) Being paid by obligors to determine credit ratings of the obligors.
- (3) Being paid by investors to determine a credit rating with respect to securities or money market instruments, where their investments transactions could be favorably or adversely impacted by the credit rating issued by the Nationally Recognized Statistical Rating Organization.
- (4) Allowing persons within the Nationally Recognized Statistical Ratings Organization to directly own securities or money market instruments of, or having other direct ownership interests in, issuers or obligors subject to a credit rating determined by the Nationally Recognized Statistical Rating Organization.
- (5) Allowing persons within the Nationally Recognized Statistical Ratings Organization to (i) receive a loan, credit, good, interest rate or service, from issuers or obligors subject to a credit rating determined by the Nationally Recognized Statistical Rating Organization, on more favorable conditions than those of the market or (ii) to enter into any other business relationship with said persons on more favorable conditions than those of the market.
- (6) When the director of analysis or the analyst, in the 12 months prior to the start of the rating process, has served as board member, management, or employee of the entity or issuer to be rated, or at any entity member of the same business group as the entity or issuer to be rated, or has had any business dealings that could create a conflict of interest with said entities or issuers.
- (7) The spouse, partner, or any blood relative to the second degree of the director of analysis or the analyst, holds any management or senior management position in the entity or issuer to be rated. The familiar relationship to the second degree includes the parents, children, grandparents, siblings, and grandchildren of the employee.





- (8) A directive from the analysis team or analyst terminates their employment with HR Ratings and takes a position within the 12 months after the termination date with an issuer or entity rated by the credit rating agency, when the analyst has participated in the rating process as part of the analysis team or as a supervisor of an analyst that participates in any manner in the rating process, or when the analyst takes a position with a structuring agent for a security, instrument or operation in whose ratings process such person has participated.
- (9) Being paid for services in addition to determining credit ratings by issuers, underwriters, investors, or obligors that have paid HR Ratings to determine a credit rating.



EXHIBIT 7: POLICIES TO ADDRESS AND MANAGE CONFLICTS OF INTEREST

The Compliance Department performs daily, and ongoing tasks related to the development, adjustment, and administration of internal control policies and procedures deemed necessary related to among other things the handling and prevention of conflicts of interest.

1. Conflicts of interest

Given the complexity of their work environment and the duties they perform, Agency employees and management are exposed to potential conflicts of interest. The term conflict of interest being understood as any situation, usually of a financial or personal nature, which could influence the judgment of an individual and prevent them from making objective, fair and independent decisions.

1.1. Identifying conflicts of interest

A conflict of interest, which would preclude the participation or influence of a manager or analyst in the determination of a rating, is considered to exist when:

- In the 12 (twelve) months prior to the start of the rating process, they have served as a board member, manager, or employee at the client, entity or issuer to be rated, at any entity which is a member of the same business group as the client, entity or issuer to be rated or has had any business dealings that could create a conflict of interest with the clients, entities or issuers.
- Their spouse, partner, or any second-degree blood relative holds any management or senior management position with the client, entity or issuer to be rated. The second-degree family relationship includes the parents, children, grandparents, siblings and grandchildren of the employee.
- They engage or have engaged during the 12 (twelve) months prior to the start of the rating process, in any other relationship that could cause a conflict of interest with the client, issuer and/or offering to be rated or with any entity which is a member of the same business group as the entity or issuer in question.

- They have received or are in the process of receiving a loan, credit, goods, yield, or service from the client, entity or issuer at better-than-market conditions or have engaged in a business relationship with the entity or issuer at better-than-market conditions.
- They perform transactions involving the securities of an entity or issuer rated or being rated, in accordance with section VII.2.3 “Securities Transactions” of the Code of Conduct.
- They participate in the sale or promotion of a product or service offered by HR Ratings or are influenced by sales or commercial considerations.

The Compliance Department will maintain an updated log on HTRON of any person that presents a potential conflict of interest with any entity or issuer rated by HR Ratings. Only the Agency’s Senior Management, Analysis Department, Operations and Compliance Department personnel, as well as the Analysis Director and the Board of Directors, will have access to these records.

1.2. Measures to prevent conflicts of interest

The Agency has established the following measures to prevent employees, management and board members from being exposed to potential conflicts of interest:

a) Objectivity, Independence and integrity

- The evaluation and analysis process for the rating of an entity, issuer and/or issue must be performed in strict adherence to the procedures in the General Operation Plan and in the rating methodologies and models approved by the Agency’s Board of Directors.

The Analysis Director will oversee that individuals participating in the rating process perform the evaluations or corresponding analyses in adherence to the procedures in the Agency’s General Operation Plan and based on the applicable rating methodologies and models.

This is additional to the function entrusted to the independent members of the Board of Directors to perform compliance audits on the rating methodologies and models, either directly or through the designated person. The Board of Directors will approve the results of audits performed to verify compliance with the rating methodologies and models.

For their part, the Compliance Department may verify compliance with the rating procedure set forth in the Agency's General Operation Plan at any time.

- The fees and salaries received by board members, managers and technical personnel involved in the rating process, and all employees in general, are completely independent from revenues received by HR Ratings for the ratings assigned to any particular entity or issuer and/or issue in accordance with the compensation policies approved by the HR Ratings Board of Directors. These policies will be reviewed periodically to ensure the objectivity of the rating process is not compromised.
- Under no circumstances shall a rating be paused or eliminated when this may lead to the entity or issuer, or any investor, the Agency itself, or any other market participant suffering any economic, financial, political, or legal impact, including the rescission of the service agreement between HR Ratings and the client, entity or issuer.
- The ratings issued by the Agency or any rating action must not be affected by the existence or potential existence of a commercial relationship with the client, entity or issuer to whom the services are provided, or to other entities that are members of the same business group or with any third party.
- HR Ratings' employees are prohibited from providing any recommendations or proposals in the issuance of the debt instruments or securities for which they will provide their services for the study, analysis, issuing of an opinion, evaluation or determination of credit rating or quality, or concerning the activities of the issuer, the underwriter or any other participant in such offer.

- Policy regarding Economic Dependency

1. With respect to regulation specifically applicable to HR Ratings in Mexico, the following apply:

- HR Ratings will refrain from providing its services when the revenues the Agency would receive from an entity, client or issuer wishing to engage its services, or the people who form part of the same business group or consortium to which the client, entity or issuer belongs, jointly represent 10% (ten per cent) or more of the total revenues received by HR Ratings during the year immediately preceding that for which the corresponding service is to be provided.

Regarding states or municipalities, HR Ratings shall refrain from providing its services in the following cases:

- a) When the sum of the revenues received from a state or municipality represent 5% (five percent) or more of HR Ratings' total revenues received during the year immediately preceding for which the corresponding service is to be provided.
- b) When the sum of the revenues received from a state and its municipalities would represent 10% (ten percent) or more of HR Ratings' total revenues received during the year immediately preceding for which the corresponding service is to be provided. This condition will only apply when the state acts as guarantor for the transactions of these municipalities.

The calculation of the revenues mentioned above will consider all revenues HR Ratings would receive from those states or municipalities, including those for services to assess the credit quality of securities issued by trusts for which the state or municipality is the trustor.

2. With respect to regulation applicable to the Agency as a ratings agency registered and regulated by the Securities and Exchange Commission (“SEC”):

- HR Ratings shall refrain from providing its services when the revenues received by the Agency from an entity, client or issuer that intends to engage its services, or the people who form part of the same business group or consortium to which the client, entity or issuer belongs, jointly represent 10% (ten per cent) or more of the total revenues received by HR Ratings during the current tax year.

b) Separation of functions

- HR Ratings applies a policy of separation of functions to ensure that personnel responsible for assigning and maintaining ratings are completely separated from any activity related to the promotion and sale of the services HR Ratings provides or the determination of the fees and quotas the Agency charges for these services.
- In addition, HR Ratings will ensure the areas responsible for administrative matters and for the Agency’s business relationships do not participate in the rating process for entities, issuers and/or issues and do not have access to rating files.
- This policy on separation of functions, reporting lines, oversight, and remuneration structure is set forth in the HR Ratings Internal Control Manual.
- If any analyst receives information from an entity, client or issuer an Agency employee or any third party in relation to the service agreement signed between HR Ratings and the client, entity or issuer that indicates fees charged by the Agency or any sales or commercial information, the analyst must respond in writing to the sender indicating that information of this nature must be addressed exclusively with the Agency’s Business Development or Administrative Departments, as applicable. In addition, the employee must send a copy of their response to the Compliance Department at: compliance@hrratings.com. This Department shall document such situation and, if necessary, shall take the appropriate measures, in coordination with the Company’s Senior Management.



In such circumstances, it will be determined whether the sales or commercial information in question has or could have influenced the analyst. If this is found to be the case, the measures set forth in Section VII.4 “Handling Conflicts of Interest” will be applied.

- In addition, if any Business Development Department personnel or the Agency’s CEO receive information from any entity or issuer that would be relevant to the analysis process, they will remind the customer, entity or issuer in writing that information of this nature must be sent exclusively to the analysis team assigned to them. In addition, the employee must send a copy of their response to the Compliance Department at: compliance@hrratings.com. This Department shall document this situation and, if necessary, shall take the appropriate measures.

The situations indicated above will be documented in Compliance Department records.

b.1. Separation and definition of functions

HR Ratings maintains a policy of separation of functions and duties to avoid any type of conflict of interest with the clients or entities or issuers.

As part of this policy, personnel responsible for preparing analyses are prohibited from being involved in any activity related to the promotion and sale of HR Ratings services and the processing of the fees the Agency collects for these services.

Employees that work in the Business Development, Treasury and Human Resources and Material Resources Departments are prohibited from participating in the rating processes for entities, issuers, and/or operations and do not have access to the rating information or rating files.

The Agency is divided into different administrative units, which perform the following functions and duties:

- The **Board of Directors** is the Agency's highest administrative authority in charge of its administration, direction, control and command to ensure and verify the proper functioning of the Agency. The Board of Directors must not interfere in the procedure for the determination of credit ratings by the Agency. This without excluding the functions and duties inherent to its position and except for its functions as a monitoring body.
- The **Senior Management** is responsible for directing, coordinating, and managing the overall operation of the Agency. Senior Management may not interfere in the procedure for the determination of credit ratings by the Agency, including the analysis of the entities, issuers, operations, or transactions subject to rating. This without excluding the functions and activities conducted for the administration of resources and representation of the Agency.
- The **Analysis Department** is responsible, among other things, for supervising the development of the analysis process, as well as for managing communication with market participants and receiving questions, suggestions or complaints related to the rating processes. The Credit Analysis Department is not involved in the tasks related to the processing and collection of fees from clients, entities or issuers or in matters related to business development.

Any Client, entity or issuer that asks a member of the Credit Analysis Department personnel about the Agency's fees or its services will be directed immediately to the Business Development Department.

- The **General Methodological Criteria Department** is responsible, in collaboration with the Chief Credit Officer, for developing and proposing the methodologies, and modifications thereof, that are the basis for the analysis of any class of asset rated by the Agency, and also the quantitative models incorporated into these methodologies and the criteria for their application, to be submitted for the approval of the Methodology Committee.

The methodology committee will meet annually to assess the performance of the Agency's current models and methodologies and, accordingly, to decide on and implement modifications.

This Department is removed from the management and collection of fees from Clients and has no involvement in questions related to business development.

- The **Compliance Department** is responsible for overseeing compliance by the Agency, its shareholders, board members, management, technical personnel and other employees with the HR Ratings Company Rules, and in general, with all regulations applicable to credit rating agencies and for mitigating potential regulatory risks in the day-to-day operation.

To ensure this, the Compliance Department performs daily, and ongoing tasks related to the development, adjustment, and administration of the internal control structure and procedures deemed necessary related to the improper use of non-public material or confidential information; the handling and prevention of conflicts of interest; compliance with regulations applicable to credit rating agencies, and the handling of complaints.

Likewise, it is responsible for identifying, monitoring and mitigating both internal and external risks that refer to possible non-compliance with Internal Rules and the Agency's rating process. For the purposes of this activity, it develops and carries out audits on a daily basis to detect and mitigate risks.

The Compliance Department personnel are not permitted to participate in the rating process or in the preparation of rating methodologies, perform functions related to sales or business relations, or be involved in the setting of HR Ratings employee salaries, other than those of the people that report directly to the department.

The above, with the exception of the tasks conferred in its capacity as auditor, in accordance with the other documents that comprise the Agency's Internal Rules.

- The **Operations Department** coordinates and oversees the general ratings process. This department oversees acting as a control desk for the Credit Analysis and Business Development Departments in terms of both departments' internal back office. This involves having full knowledge of the rating process from an operations standpoint, with the ability to carry out the revision and verification of documents necessary for potential new ratings, assignment of analysts to the rating procedure, sending of meeting request for the Committees, sending of rating reports to be signed, publication and billing verification.
- The **Business Development Department** is responsible for the Agency's relationship with clients, entities or issuers, for reviewing the service contracts and non-disclosure agreements or engagement letters agreed upon with the clients, entities or issuers, and also for informing Clients of the fees the Agency charges for its services.

This Department is also responsible for establishing and maintaining contact with market investors in order to expand and maintain the presence of the Agency and is independent from the rating process for entities, issuers, and/or offerings.

- The **Human Resources and Material Resources Department** is responsible, among other activities, for human resources matters, from selection and hiring to, when applicable, the termination of employment, and also payroll and employee benefits. In addition, this Department manages the Agency's material resources. This Department has no influence or involvement in the rating processes or collection of fees.
- The **Treasury Department** is responsible, among other activities, for processing and collecting fees from the entities or issuers for the rating services the Agency provides and has no influence or involvement in the rating processes.

- The **Information Technology Department or IT Department** is the unit responsible for, among other activities, managing the Agency's technological infrastructure and does not intervene or participate whatsoever in the rating processes.

As part of the Separation of Functions Policy, the Analysis Department is physically separated from the areas responsible for administrative matters and business relations. This is implemented through a system of closed doors with access restricted via biometrics.

b.2 Compensation, reporting and supervision

The compensation received by the board members, management and technical personnel involved in the rating process, and employees in general will be determined according to a fixed component that is unrelated to the ratings the Agency issues or its earnings. The remuneration of all HR Ratings employees will also consider the annual performance reviews administered by the Administrative and Human Resources Department.

The compensation policies and structures for management and technical personnel discussed in this section will be reviewed periodically to ensure that objectivity of the rating process is not compromised.

The reporting lines, compensation structures, and supervision of the bodies or departments into which the Agency is divided are outlined below.

- The **Board of Directors** is the highest administrative authority of the Agency; the compensation its members receive is merely symbolic, as serving on the board is an honorary position, and is not related to the revenue HR Ratings receives for its ratings.

- **Senior Management** reports directly to the Board of Directors and their salary is unrelated to the ratings the Agency issues.
- The **General Analysis Department** reports directly to Senior Management and the salaries of the personnel assigned to this Department are unrelated to the revenue HR Ratings receives for its ratings.
- The **Compliance Department** reports directly to the Board of Directors and the salaries of the personnel assigned to this Department is unrelated to the revenue the Agency receives for its ratings and are determined to ensure their judgment remains independent.

The Head Compliance Officer delivers an annual report on their activities and performance to the Board of Directors and Senior Management, in accordance with procedures applicable to HR Ratings.

- The **General Methodological Criteria Department** reports directly to the Credit Analysis Department and the salaries of the people assigned to this Department are unrelated to the ratings or methodologies that the Agency issues.
- The **Operations Department** reports directly to Senior Management and the salaries of the people assigned to this Department are unrelated to the revenue HR Ratings receives for its ratings.
- The **Business Development** reports directly to Senior Management and the salaries of the people assigned to this Department are independent of the Agency's rating actions.
- The **Human Resources and Material Resources Department, the Treasury Department and the Accounting Department** report directly to Management and

the salaries of the people assigned to this Department are independent of the Agency's rating actions.

- The **Information Technology Department or IT Department** reports directly to Senior Management and salaries paid are not related to the Agency's rating activities.

Any violation of HR Ratings' Internal Rules and/or the regulations applicable to credit rating agencies by any of the officers mentioned previously will be sanctioned individually by the Compliance Department or, in the event of serious fault, by also hearing the opinion of the Board of Directors.

c) Securities Transactions

1. "Securities Transactions" are those executed directly or indirectly for:

- a. Securities registered in the Mexican National Securities Register (the "Register"). Securities are shares, interests, obligations, bonds, options, certificates, promissory notes, bills of exchange, and other negotiable instruments, registered by name or not, that can be traded on the securities markets, are issued as part of a series or in a single offering and represent the capital stock of an entity, a proportional part of an asset, or interest in a collective loan or any individual credit right pursuant to the terms of applicable local and foreign laws, or / and;
- b. Certificates of deposit, commonly known as American Depositary Receipts ("ADRs") or similar instruments on foreign markets, representing the Securities mentioned in the previous point or similar or analogous instruments; or / and;
- c. In accordance with Section 15 § 78c (10) of the United States Code ("USC"), the term "security" means any note, stock, treasury stock, security future, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-



trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker’s acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited, or/and;

- d. Derivative financial instruments as long as their underlying assets are registered Securities; or / and;
- e. Bank certificates of deposit that represent debt issued on a term equal to or less than 1 (one) year and are issued by a credit institution.

2. The following investments are not considered Securities Transactions:

- a) Shares of mutual funds.
- b) Securities issued by any sovereign entity.
- c) Indexed trust stock certificates (representing rights for securities, assets, derivatives, or other assets that seek to replicate the behavior of one or more indexes, financial assets, or reference parameters).
- d) Certificates referring to a group or basket of shares or price indexes, or index funds.

The following individuals are prohibited from operating or maintaining Securities Transactions involving any entity or issuer that is a client of HR Ratings or is rated by HR Ratings:

- HR Ratings, as a legal entity;
- Analysts that participate in the rating process of the entity or issuer;
- Members of the Credit Analysis Committee that participate in the rating of the entity or issuer, and
- Persons who, because of their duties, may have access to privileged information in terms of that set forth in section VII.2.4 of the Code of Conduct.

All new Agency employees and board members will submit, on their entry or appointment date, a statement of the Securities Transactions they hold directly or indirectly in any entity or issuer, and also, those of their spouse, partner, or dependent minors using the form in **Appendix 1 “Report on Securities Transactions”** of the Code of Conduct.

In addition, all Agency board members and employees who perform a Securities Transaction of any entity or issuer must notify the Compliance Department using the form in **Appendix 1 “Report on Securities Transactions”** of the Code of Conduct within a period of 10 (ten) business days following the execution of the Transaction.

Notwithstanding, all Agency employees and board members must complete and submit **Appendix 1 “Report on Securities Transactions”** every 6 (six) months. The semiannual endorsement shall indicate all securities transactions performed by the employee or board member to date, regardless of whether these have been previously reported.

For the purposes of reporting certificates of deposit representing a renewable debt equal to or less than 1 (one) year serviced by a credit institution, the deposits must be reported only once, indicating this in the report.

The securities transactions report must be submitted together with the corresponding bank or securities account statement, dated no more than 3 (three) months prior to submission, in which the securities transactions are indicated. Employees and board members have the right to black out the information that is not relevant for the effects of the reported transaction.

HR Ratings, through the Compliance Department, shall take all necessary measures to ensure that Securities Transactions by members of the Board of Directors, management, technical personnel responsible for the preparation of reports and providing follow-up on the credit quality of securities or entities or issuers and employees in general, do not generate conflicts of interest.

To fulfill this objective, HR Ratings will maintain a list of the entities or issuers rated by HR Ratings and which are public (the “Public Ratings List”) in HTRON. All Agency employees and board members will have access to this list.

The Agency will maintain a list of entities or issuers who request the rating to be private or whose initial rating process has been completed but not yet published (the “Private Ratings List”), to which only Senior Management, the Compliance and Operations Department, the Business Development Department personnel, analysis managers and members of the Board of Directors will have access.

Both lists will be updated continuously in HTRON to verify that there are no conflicts of interest in the rating process derived from securities transactions in entities or issuers rated by HR Ratings held by employees and directors, as well as those of their spouses, common-law spouses or minor children.

The limitations on Securities Transactions set forth in this section and the disclosure of these will apply equally to transactions by the spouse, partner, or dependent minors of analysis managers or technical personnel involved in the rating process.

For the purposes of the previous paragraph, HR Ratings employees, managers and board members will make every effort to be informed of securities transactions performed by their spouse, partner and/or dependent minors. No bank or securities account statement will be required for these transactions.

d) Use of privileged information

For the purposes of this section, a relevant event is any fact, act, or occurrence, of any nature, which could or would influence the prices of registered securities or that may have a significant impact on a credit rating.

HR Ratings board members, managers and employees are strictly forbidden to:

- Obtain any benefit from any Securities Transaction performed using privileged information obtained from their participation in the rating process for these securities, or in the performance of their duties.
- Provide or transmit privileged information to other people, being required to comply with that established in the HR Ratings Internal Control Manual for the handling of non-public or confidential information.
- Issue recommendations regarding any securities or negotiable instruments for which the price or quote could be influenced by the use of privileged information.

Privileged information is knowledge of relevant events not disclosed to the public by an issuer through the market on which their securities are traded, or that have not been disclosed by entities or clients.

It is not necessary for the person to be aware of all details concerning the relevant event for this to be considered privileged information, it is sufficient that the information to which

they have access could influence the price or quote of an issuer's securities or that may have a significant impact on a credit rating.

The Compliance Department will be responsible for monitoring policies on securities transactions and the use of privileged information.

Any improper use of privileged information shall be considered a serious breach to be sanctioned in accordance with the criteria established in **Appendix 11 “Criteria for determining the severity of violations of Company Rules”** of the Code of Conduct.

e) Loans, credits, acquisition of goods, services and yields

Management and technical personnel that have or are in the process of receiving a loan, credit, goods, yields, or the provision of any service from an entity, client or issuer rated by HR Ratings, or who engage in any other business relationship with such entity or issuer, will not be permitted to participate in the entity or issuer rating.

The individuals referred to in the previous paragraph will be required to report the loans, credits, goods, yields, or services, or any other business relationship they have established or are in the process of establishing with a client, entity or issuer, prior to commencing any participation in the rating process involving the client, entity, or issuer, when the loan, credit, goods, yields or service, or business relationship, was established or will be established at better than market conditions. Loans, credits, goods, yields or services, or business relationships, will be reported to the Compliance Department using the form in **Appendix 12 “Report on Loans, Credits, Goods, Yields and/or Services”** of the Code of Conduct.

f) Gifts, entertainment and preferential treatment

- The Agency, its employees, management and board members are forbidden to:

- Receive from any employee of any financial authority, political party, or any government or state-owned institution, gifts, compensation, gratifications, or entertainment.
- Use Agency or personal resources to make payments to individuals or organizations for the purpose of doing business or influencing their policies or decisions.
- Request or receive directly or through another person, remunerations, goods and/or services, including entertainment, as well as donations from individuals with which HR Ratings maintains business relationships or who have an interest in any transaction that HR Ratings rates or that could rate.

The Agency, its employees, management and board members are only permitted to accept or receive from any person with which HR Ratings maintains a business relationship, or from any of their employees, goods, other than cash, whose value does not exceed US\$25.00 (twenty-five dollars, legal currency of the United States of America) and that are provided in the context of normal business activities, such as meetings. This means that employees, directors and board members may share items such as notepads, pens and light refreshments that are incidental to routine business interactions, provided their added value does not exceed US\$25.00 (twenty-five dollars legal tender in the United States of America) per person and per interaction.

- Receive remunerations, goods, donations, gifts, or gratifications from any employee of any third party when such gifts are given with the intention of influencing the decision concerning any rating, opinion, analysis, study or report the Agency is preparing.
- If any entity or issuer with which HR Ratings maintains a business or services relationship, or any employee of the client, entity or issuer or of any financial authority, political party, or government or state-owned institution solicits or offers technical personnel or management, or any other employee of the Agency, whether explicitly or

implicitly, any type of remuneration, goods, donation, gift, gratification, or entertainment that does not comply with the characteristics set forth in this Section, the person in question must report this to the Chief Compliance Officer immediately in writing regardless of whether they have accepted it or not.

The Compliance Department shall keep a record of gifts received by HR Ratings personnel that do not comply with the characteristics set forth in this Section and according to the format contained in **Appendix 13 “Gift Report”** of the Code of Conduct. These gifts will be returned to the corresponding person, entity or issuer.

- In the event of any offer that would lead to a conflict of interest for the Agency, the client, entity, issuer, or person in question will be informed by the Business Development Department of the immediate termination of the business relationship, informing them of the reasons for this action.

g) Post-employment activities of management and technical personnel

1. Post-employment follow-up

- HR Ratings will make every effort to remain informed of the future employment of any of its employees for the purpose of informing the SEC to this effect in the event that within a period of 5 (five) years after leaving HR Ratings the former employee enters the employ of an entity, issuer, underwriter or structuring agent for a security or financial instrument rated by HR Ratings, provided the former employee (i) held a management position in the Agency, (ii) held an analyst position and participated, in any manner, in the rating process for the entity, issuer, or the rating for the instruments or operations of the structuring agent, or (iii) was a supervisor of an analyst that participated, in any manner, in the rating process for the entity, issuer, or the rating for the instruments or operations of the underwriting agent. The flowchart in **Appendix 2 “Post-employment follow-up”** to this document shall apply in this situation.

Policies for following up on the future employment of former HR Ratings employees are indicated in the Agency's Human Resources and Material Resources Manual.

2. Back review of the former employee

- When an analysis manager or analyst terminates their employment relationship with HR Ratings and commences work for an issuer or entity rated by the Agency, and for which the manager or employee participated in the rating process as Area Director, Lead Analyst or as a member of the analysis team, or participated in the rating procedure for the structuring of a security, instrument or operation, HR Ratings will take the following measures:
 - As soon as the Agency is aware of a former employee joining the entity, issuer or underwriter, it will review the ratings given to the entity over the 12 (twelve) month period prior to the most recent rating HR Ratings assigned to the entity, issuer, underwriter or structuring agent before the employee left the Agency.

The review will be carried out by the Compliance Department with the support of the analyst's immediate superior.

- If any evidence is detected that would lead to the assumption that the rating or ratings were subject to a conflict of interest or that these had not been assigned in accordance with Agency policies and procedures, the Compliance Department will report the situation immediately to the Agency's Analysis Department, and the latter will be requested to start a rating review process in accordance with the procedure indicated in the General Operations Plan for assigning ratings.

In this case, HR Ratings will publish the change of rating or confirmation of the rating within a period of 15 (fifteen) calendar days following the date on which it was discovered that the rating could have been subject to a conflict of interest.

If the rating action is a change a credit rating as a result of a post-employment review process, an explanation shall be included stating that the reason for the action is the discovery that a credit rating assigned to the obligor, security, or money market instrument in one or more prior rating actions was subject to a conflict of interest, including a description of the nature of the conflict, the date and associated credit rating of each prior rating action that HR Ratings determines was influenced by the conflict, and a description of the impact the conflict had on the prior rating action or actions.

If the rating action involves ratifying of a credit rating resulting from a post-employment review, an explanation shall be included stating that the reason for the action is the discovery that a credit rating assigned to the obligor, security, or money market instrument in one or more prior rating actions was subject to a conflict of interest, including a description of the nature of the conflict, an explanation of why no rating action was taken to revise the credit rating notwithstanding the presence of the conflict, the date and associated credit rating of each prior rating action that HR Ratings determines was influenced by the conflict, and a description of the impact the conflict had on the prior rating action or actions.

The flow chart provided in **Appendix 2 “Post-employment follow-up”** of the Code of Conduct will be considered in reference to section VII.2.7 of the Code of Conduct.

h) Selection of Service Providers

To avoid potential conflicts of interest with individuals related to HR Ratings, the following procedure will be considered for the selection of services providers:

1. The Human and Material Resources departments and Treasury Department shall prepare a list of suppliers that render services to HR Ratings (the “List of Suppliers”).

2. The List of Suppliers will be sent to the Compliance Department for comparison with the list of clients or entities or issuers rated by HR Ratings.
3. If any supplier included on the List of Suppliers is a client or entity or issuer rated by HR Ratings, the Compliance Department will analyze whether there is a conflict of interest based on the relevance of the services rendered by the corresponding supplier.
4. If the Compliance Department determines there may be a conflict of interest with the corresponding supplier, it will evaluate the feasibility of replacing the supplier along with Senior Management.
5. The List of Suppliers shall be updated every time HR Ratings enters into a service agreement with a new supplier.

1.3. Disclosure of conflicts of interest

- All HR Ratings employees, managers and board members are required to disclose to the Compliance Department, in writing, any personal or financial relationship, whether their own or that of any other employee of which they have knowledge, which could generate a conflict of interest with respect to any entity, issuer and/or operation.
- Disclosure of conflicts of interest must be clear, transparent and complete in all cases. To this effect, all HR Ratings employees, managers and board members must follow the procedures for identifying, handling and disclosing any potential conflict of interest as set forth in the Code of Conduct.
- If any employee, manager, or board member fails to disclose any situation that could generate a conflict of interest in a timely manner, or attempts to hide any such situation, the Compliance Department, together with the Agency's Senior Management, with the opinion of the Board of Directors, will analyze the case and determine the measures and/or sanctions to be applied in accordance with the terms of Section XII "Applicable

Sanctions” of the Code of Conduct, considering the impact on the continuity of HR Ratings operations.

- Conflicts of interest must be disclosed using the form in **Appendix 4 “Disclosure of Conflicts of interest”** of the Code of Conduct.
- In addition, Agency employees and management will use the form in **Appendix 5 “Report of employment and/or positions held by family members”** of the Code of Conduct if their spouse, partner, or any second-degree blood relative holds any management or senior management position in any entity or issuer rated by HR Ratings. The second-degree family relationship includes the parents, children, grandparents, siblings and grandchildren of the employee.

All Agency employees and management will be required to sign this form every 6 (six) months, indicating the positions held by their spouse, partner, or any second-degree blood relative in any entity or issuer rated by HR Ratings.

For the purposes of the above, HR Ratings employees and management will make every effort to remain informed of the employment status of their spouse, partner or second-degree blood relatives.

1.4. Handling of conflicts of interest

- The Compliance Department, together with Senior Management, and where necessary, a legal advisor, will discuss and analyze real and potential conflicts of interest to determine the appropriate measures to handle such conflicts, which may include:
 - Prohibiting the individual involved in the conflict or potential conflict from participating in any manner in the analysis process for the entity, issuer and/or issue with which they have the conflict of interest until the conflict is resolved or confirmed; designating a different person to take their place in the analysis process.

- Suspending the person's access to all non-public or confidential information for the entity or issuer with which they have or could have a conflict of interest.

The above is additional to any sanctions that may be also applicable.

- The opinion of the Board of Directors will be heard on potential or real conflicts of interest of higher importance.
- When the person who discloses a conflict of interest due to participation in any phase of the analysis process for an entity, issuer and/or issue is the Head of a Department, they will be substituted in their functions by the Chief Credit Officer.
- If any employee involved in the analysis process already has an investment or loan prior to HR Ratings signing a service agreement which could cause a conflict of interest, the employees will refrain from participating in the related analysis process or they will be required to disinvest from the securities involved.
- If any situation involving possible conflict of interest occurs to the people responsible for resolving possible conflicts of interest, it will be analyzed by the other responsible parties, who will take appropriate measures. The opinion of the Board of Directors may be requested in the event of serious conflicts of interest.
- The Agency will refrain from entering into service agreements for rating services with entities or issuers that, directly or indirectly, hold an interest in the capital stock of HR Ratings unless such interest represents less than five percent of the ratings agency's capital stock.
- The Compliance Department will ensure all HR Ratings employees and board members adhere to the policies set forth in the Code of Conduct regarding the identification, handling and disclosure of conflicts of interest.



Potential conflicts of interest shall be handled in accordance with the flow chart in **Appendix 6 “Handling of potential conflicts of interest”** of the Code of Conduct.

Any relevant amendments to the policies for identifying and handling conflicts of interest in this section must be reported to the U.S. SEC using the NRSRO form the moment they enter into effect.



APPENDIX 1

Report on Securities Transactions

Date: _____

HR Ratings Compliance Department

In compliance with the obligation set forth in Section VII.2.3 of the Code of Conduct “Securities Transactions”, I hereby report the Securities Transactions the undersigned operates as of this date and those that my spouse, partner and/or dependent minors operate:

- I have no securities transactions to report
- I have the following securities transactions to report:

Securities transactions held

Full name of the issuer or company	Transaction Date	Volume, type, series, or class of Securities or certificates of deposit with a term equivalent to or less than a year.	Total transaction amount and, if applicable, term and rate	Holder of the investment (detail in the case of indirect investments)	Business name of the agent or broker that performed the transaction

Securities Transactions held by my spouse, partner and/or dependent minors

Full name of the issuer or company	Transaction Date	Volume, type, series, or class of Securities or certificates of deposit with a term of one year or less	Total transaction amount and, if applicable, term and rate	Holder of the investment (detail in the case of indirect investments)	Business name of the agent or broker that performed the transaction



I declare I am aware of the guidelines, policies and control mechanisms on Securities Transactions and the use of Privileged Information indicated in the HR Ratings Code of Conduct and I authorize HR Ratings to investigate, at its discretion, any potential conflict of interest.

I also authorize HR Ratings to disclose the information in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Name of employee or board member, position and signature)

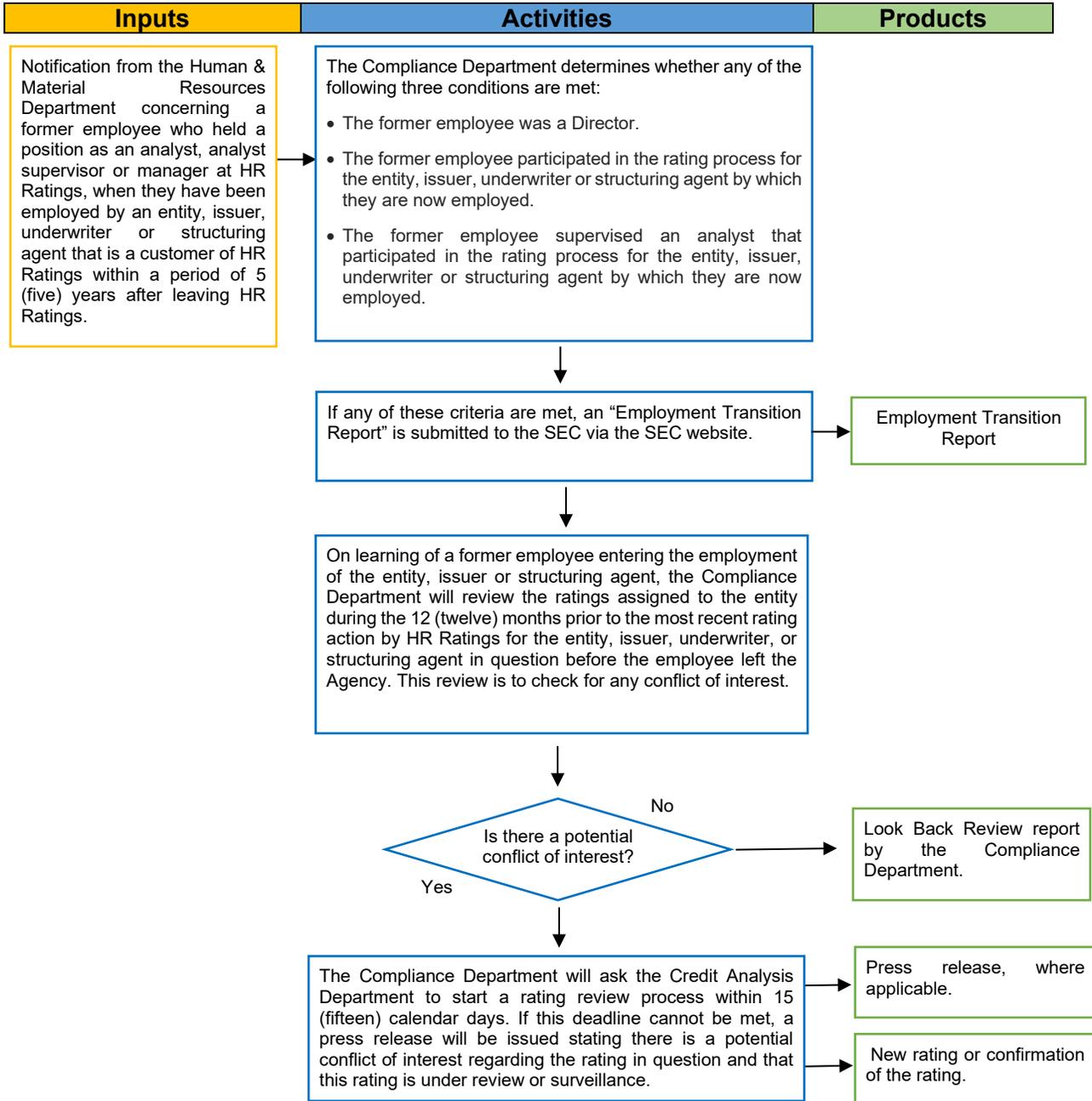
Instructions:

- (i) This form must be presented by all HR Ratings new employees.
- (ii) This form must be presented by all employees, management, or analysts who have performed Securities Transactions within 10 (ten) business days of performing the transaction.
- (iii) This form must be completed by analysis personnel whose spouse, partner or dependent minor(s) have performed a Securities Transaction.
- (iv) This form must be completed by all HR Ratings employees, board members, and management every 6 (six) months, indicating the securities transactions performed.
- (v) Securities Transactions are those performed directly or indirectly involving:
 - a) Securities registered in the Mexican National Securities Registry, or / and;
 - b) Certificates of deposit, commonly known as American Depositary Receipts (ADRs) or similar instruments on foreign markets, representing the Securities mentioned in the previous point, or similar or analogous instruments; or / and;
 - c) In accordance with Section 15 § 78c (10) of the United States Code ("USC"), the term "security" means any note, stock, treasury stock, security future, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker's acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited, and/or;
 - d) Derivative financial instruments provided their underlying assets are registered with the National Securities Registry, and / or;
 - e) Certificates of Deposit on a term equal to or less than 1 (one) year serviced by a credit institution.
- (vi) The following investments are not considered Securities Transactions:
 - a) Shares in mutual funds.
 - b) Securities issued by any sovereign entity
 - c) Indexed trust certificates (representing rights on securities, assets, derivatives, or other assets that seek to replicate the behavior of one or more indexes, financial assets, or reference parameters)
 - d) Certificates referring to a group or basket of shares or price indexes.
- (vii) Term renewable certificates of deposit representing debt on a term equal to or less than 1 (one) year serviced by a credit institution rated by HR Ratings must be reported only once, indicating this characteristic in the report.
- (viii) An indirect transaction is one operated by an HR Ratings employee or board member through a company in which the employee or board member holds control in accordance with the terms of article 2 of the Securities Market Act.
- (ix) A monthly account statement should be attached, dated not more than 3 (three) months prior to the present date, issued by the financial broker indicating the securities transaction.
- (x) If neither you nor your spouse, partner, or dependent minor(s) have performed Securities Transactions with entities or issuers rated by HR Ratings, please indicate "Do not have" or "not applicable".

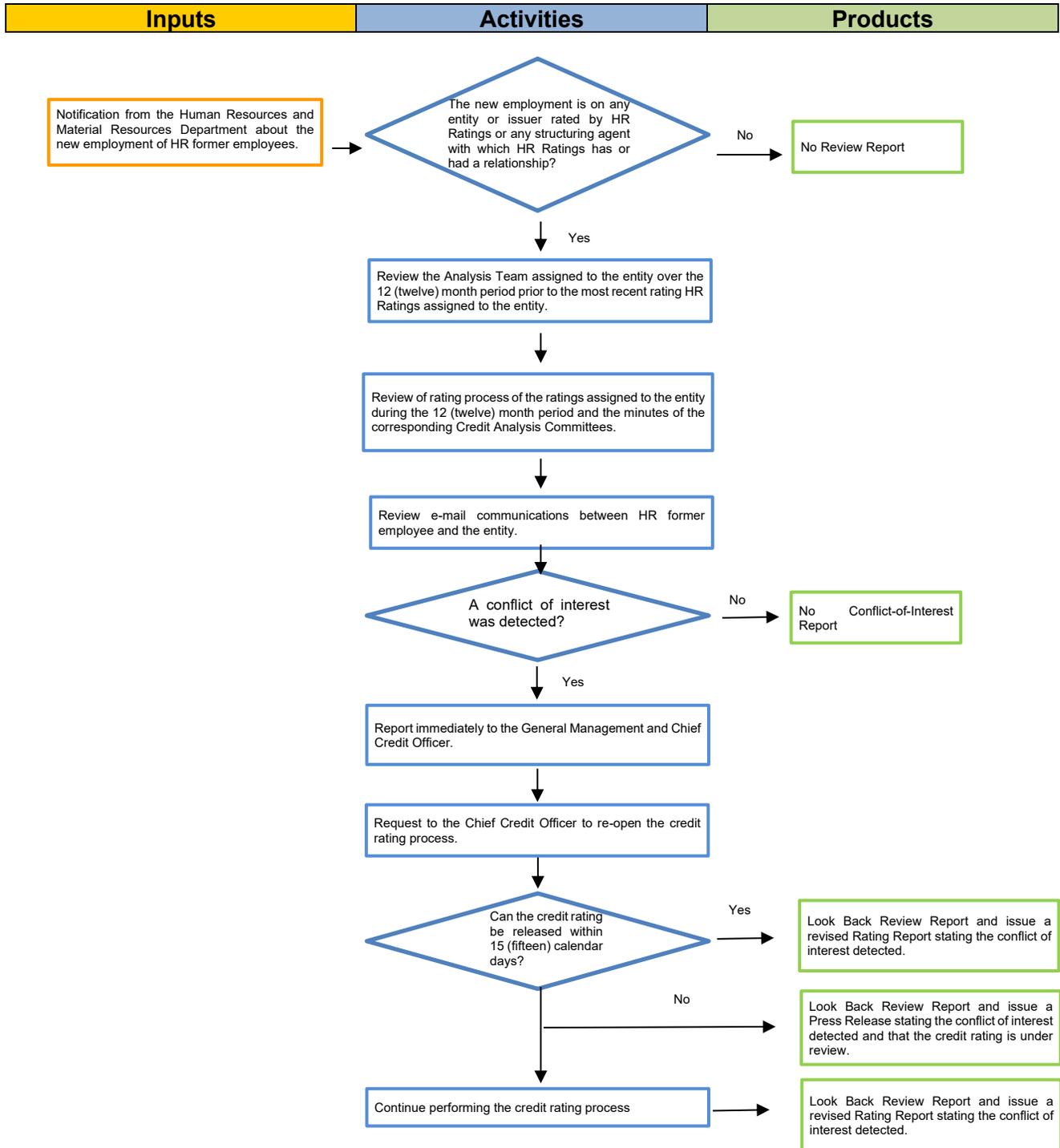


APPENDIX 2

Post-employment follow-up



APPENDIX 3 HR Ratings Back Review Detailed Flowchart



APPENDIX 4

Disclosure of conflicts of interest

Date: _____, _____

HR Ratings Compliance Department

In compliance with that established in Chapter VII "Conflicts of Interest", Section VII.3 "Disclosure of conflicts of interest" in the HR Ratings Code of Conduct, I hereby inform you of the following situation that could generate a conflict of interest:

I authorize HR Ratings to disclose the information contained in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

Name of the employee, shareholder, or board member reporting the potential conflict of interest

c.c. HR Ratings Senior Management

Instructions:

- (i) This form must be completed by any employee with knowledge of any situation, their own or that of another, that could generate a potential conflict of interest under the terms of Section VII "Conflicts of Interest" in the HR Ratings Code of Conduct.
- (ii) In general terms, any situation must be reported, usually economic or personal, that would presume an intention to influence the judgment of an individual, and which could unduly influence objective, fair and independent decision making.

APPENDIX 5

Report of the employment and/or positions held by family members

Date: _____, _____

HR Ratings Compliance Department

In compliance with the HR Ratings Code of Conduct, in relation to the obligation of employees of this rating agency to disclose whether their spouse, partner, or any second-degree blood relatives hold any management or senior management position in any entity or issuer rated by HR Rating, I hereby state as follows:

- Neither my spouse, nor my partner, nor any second-degree blood relative of mine holds any management or senior management position in any entity or issuer rated by HR Ratings.
- My (indicate relationship), by the name of: _____, has held the position of _____ since ___ at the following entity or company rated or in the process of being rated by HR Ratings: _____, and performs the following activities: _____.

I authorize HR Ratings to disclose the information in this report to the Agency's regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

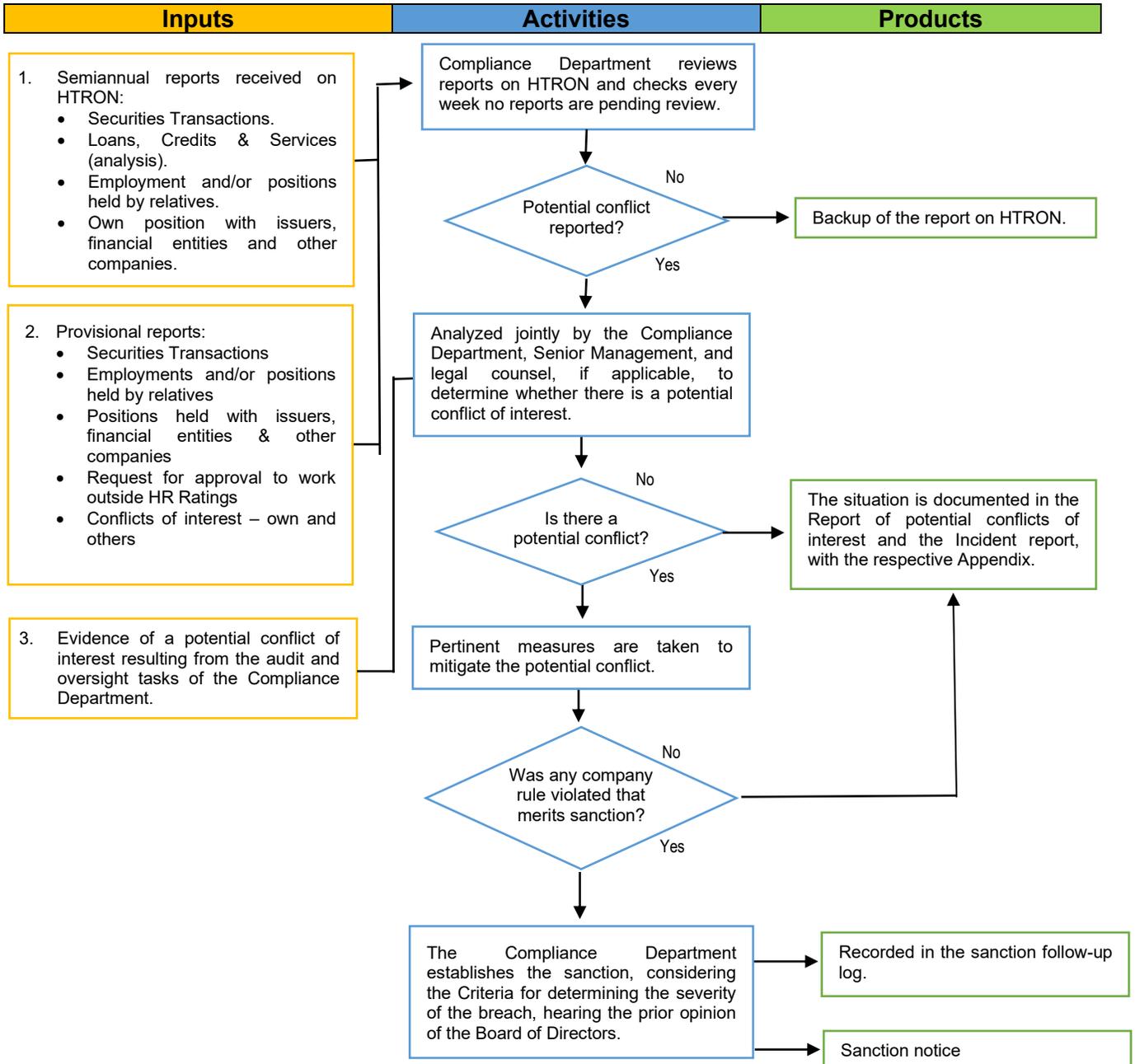
(Employee name, position and signature)

Instructions:

- (i) This form must be presented by new hires and by any employee with a family member that meets the condition indicated in the first paragraph of this form.
- (ii) In addition, all analysts must complete this form every 6 (six) months, indicating the positions held by their second-degree blood relatives in any entity or issuer rated by HR Ratings.
- (iii) The second-degree familial relationship includes the parents, children, grandparents, siblings and grandchildren of the employee.

APPENDIX 6

Handling of potential conflicts of interest



APPENDIX 11

Criteria for determining the severity of violations of company rules

Types of violations or non-compliance

- Of policies on Independence and Conflicts of Interest
- Of policies to prevent the misuse of Non-Public, Confidential, or Privileged Information
- Of policies included in the Manuals in general

Sanction according to the severity of the fault or violation

Severity	Sanction
Minor	Verbal warning
Moderate	Written warning
Serious	Suspension
Very serious	Dismissal

The following criteria will be considered when determining the severity of the violation or non-compliance:

Criteria	Severity
Sexual harassment	Very serious
There was intent (the person knowingly acted with the intention of committing a violation)	Very serious
There was personal gain or benefit for a third party	Very serious
The Agency's image or reputation was damaged	Serious or Very serious
A rating was affected	Serious
The violation was covered up	Moderate or Serious
Recommendations were not followed	Moderate or Serious
Recurrence	Moderate or Serious
First offense	Minor
Error without consequences	Minor

Note: The sanction may be reduced if the offender accepts that he or she committed the violation and makes amends.

--	--	--	--

Other business relations or dealings obtained, or in the process of being obtained, at better than market conditions

Entity or person	Business conducted with the client	Benefit that would be obtained at better than market conditions	Duration of the business	Date on which the business was finalized

I authorize HR Ratings to investigate, at its discretion, any potential conflict of interest related to this report.

I also authorize HR Ratings to disclose the information included in this report to the Agency’s regulatory authorities, both local and foreign, who may request this type of information within the scope of their authority.

Sincerely,

(Analyst name, position and signature)

Instructions:

- (i) This report must be presented by newly hired analysts.
- (ii) This report must also be completed by senior analysts or analysts that have received or are in the process of obtaining a loan, credit, or service from any HR Ratings Client, provided the loan, credit, or service has been or will be obtained at better than market conditions.
- (iii) If none of the conditions indicated in this Appendix apply to you, indicate "Not applicable".

APPENDIX 13

Gift Report

Date	Sent by:		Sent to:		Type of Gift			Observations
	Company	Person	Employee	Position	Description	Amount	Estimated Value	Date returned



EXHIBIT 8: CREDIT ANALYSTS AND SUPERVISORS INFORMATION

Total number of analysts

The total number of Credit Analysts (including Supervisors) as of February 28, 2026, is 66, of which 8 are Credit Analysts-Supervisors (Directors) and 58 are Analysts. A Supervisor means any Credit Analyst holding a title of Director or above.

Detailed Information of Minimum Qualifications Required for Credit Analysts and Credit Analyst Supervisors

Credit Analysts must have the appropriate knowledge, preparation and experience in order to be employed by HR Ratings. Analysts must exhibit several years of experience in a specific sector, or debt or credit markets, show analytical skills such as the ability to critically review any information received, determine and identify relevant quantitative and qualitative data and must exhibit other skills such as the ability to correctly apply rating methodologies. Additionally, a Credit Analyst level must show a full understanding of the rating methodology and criteria. All Credit Analysts, including Supervisors, have a university degree; some of them have earned a master's degree, PHD, and two have the Chartered Financial Analyst degree. A Credit Analyst and Associate Analyst must comply with the following criteria:

Credit Analyst

- Technical know-how according to the position
- Knowledge and understanding of the relevant methodologies to the ratings in which the analyst is involved
- Required expertise to effectively assess and process the relevant data for the credit quality of an entity or issuer (qualitative analysis)
- Required experience or expertise to understand the models and model inputs that are part of the methodologies (quantitative analysis)
- Knowledge of factors such as: geographic location, sector, industry and regulatory framework for the ratings in which the analyst is involved
- Proactive
- Attention to detail, accuracy, follow-up on processes
- Problem solving
- Analytical thinking
- Teamwork
- Discretion with delicate information
- Effective oral and written communication skills
- Participation and team collaboration





Associate Analyst

All the criteria required for Credit Analysts and:

- Anticipating problems and preventing or minimizing their impact
- Time and self-management
- Managing multiple priorities
- Able to develop and maintain effective working and professional relationships
- Leadership and initiative
- Work with minimal supervision
- Able to delegate
- Able to analyze, understand, evaluate, and form opinions on relevant topics

Manager:

All the criteria required for Associate Analysts and:

- Resolve special projects
- Support the Director in managing the department
- Able to orient and support analysts and associates
- Full understanding of the relevant methodologies to their department
- Able to supervise the work of others on assigned projects
- Full knowledge of the clients and relevant cases to their department
- Multicultural perspective
- Can adapt to change
- Negotiation skills
- Excellent level of English
- Understanding of operations in different countries
- Demonstrated skills in leading work meetings and presenting to key executives and senior management of the client
- Minimum 3 years' experience in credit or economic analysis

A Credit Analyst Supervisor must have proven expertise and analytical knowledge of the sector and must show evidence of strong knowledge of the dynamics of credit risk. Also, he or she must exhibit an analytical ability, problem solving, and decision-making capacity. Additionally, conflict management skills must be confirmed by this level. A Credit Analyst Supervisor or above level must guarantee consistency and effective application of methodologies and criteria and must exhibit strong team management skills in order to take a lead role in Credit Analysis Committees and any other supervisory roles. All HR Ratings' Analysts Supervisors are Credit Analysts with at least three years of proven experience in credit and risk





analysis. The Human Resources and Material Resources Department confirms this experience through the hiring process. The Credit Analyst Supervisor must comply with the following criteria:

Director

All the required criteria for Managers and:

- Full understanding of all the Agency's rating methodologies
- Problem solving
- Manage projects assigned and meet deadlines
- Sharing and receiving opinions
- Able to orient and support subordinate personnel

Executive Director

All of the above and:

- Strong experience and analytical expertise in the sector
- Able to set priorities
- Decision-making
- Conflict resolution
- Able to coordinate and supervise projects/work/products
- Manage and improve both internal and external relationships
- Able to train and develop personnel to take on responsibilities



EXHIBIT 9: INFORMATION REGARDING THE DESIGNATED COMPLIANCE OFFICER

HR Ratings designated Compliance Officer information is presented as follows:

Alejandra Medina Díaz was designated as Chief Compliance Officer of HR Ratings on February 24, 2020, and is responsible for meeting compliance requirements according to the procedures established in the company's Internal Rules. She is dedicated full-time to this assignment.

Ms. Medina has over 12 years of experience in regulatory compliance of financial entities. Before joining HR Ratings, she worked as Corporate Manager at Grupo Elektra from 2017 to 2018, where she was responsible for the compliance of the company's obligations before the Mexican Banking and Securities Commission ("CNBV") and the Mexican Stock Exchange ("BMV"), designed strategies to comply with new provisions and served as advisor to the various commercial areas of the group.

From 2016 to 2017 Ms. Medina worked at Chávez Vargas Minutti Abogados, S.C., in the planification and implementation of finance projects with banking institutions and the stock market and the implementation of corporate governance standards and regulatory compliance of issuers' obligations and other regulated entities, among others.

From 2013 to 2016 Ms. Medina worked at Promotora y Operadora de Infraestructura, S.A.B de C.V. ("PINFRA"), as a Legal Manager, responsible for the corporate governance of the subsidiaries of the company and the compliance of regulatory requirements before the CNBV and the BMV of the publicly traded company.

In 2012 she worked at Galaz, Yamazaki, Ruíz Urquiza, S.C. ("Deloitte"), reviewing service agreements and in the implementation of corporate structures.

She holds a Law Degree from the Instituto Tecnológico y de Estudios Superiores de Monterrey and a master's in financial law Institutions from the Universidad Panamericana (2017-2019). She also holds a certificate in Fintech from the Universidad Panamericana (2024).