

GBB-Rating Gesellschaft für Bonitätsbeurteilung mbH, Cologne
- Code of conduct -**§ 1 Mandate**

GBB-Rating Gesellschaft für Bonitätsbeurteilung mbH (referred to in the following as “GBB-Rating”) is an independent rating agency with the emphasis on banks, building and loan associations, leasing firms and small and medium-sized companies in other industries. Within its range of services GBB-Rating offers specially tailored rating procedures based on many years of rating experience and detailed knowledge of processes and risk systems. GBB-Rating issues a rating only at the request, or with the consent, of the entity that is to be rated.

§ 2 Shareholders

GBB-Rating is owned by the Auditing Association of German Banks (Prüfungsverband deutscher Banken e.V.), Cologne.

§ 3 Rating procedure

GBB-Rating performs rating for clients on the strength of its own research and an analysis of the documents and information provided to it by the entity concerned, particularly the annual financial statements, the response to a detailed questionnaire, plus further information and entity-specific data. GBB-Rating expects all the information that could have a bearing on the rating to be made available to it either on a solicited or unsolicited basis.

Rating is performed according to a prescribed procedure on the basis of written instructions. As GBB-Rating pursues no other business interests outside rating, impartiality is ensured.

The systematically structured rating procedure leads to an objective, comprehensible and professional assessment of financial standing. The subjective part of rating, particularly qualitative criteria, is objectified as far as possible by means of benchmarks, cross comparisons and the like. A comprehensive manual containing a keyword catalogue and detailed explanatory notes on assessment, together with supporting ratios, serve as a basis and allow plausibilisation. Rating is always performed by two analysts. Clearly defined responsibility for rating lies with the primary analyst, who is assisted by a back-up analyst.

In addition, the financial data and the plausibility of analyses and assessments of identical or similar circumstances are compared and examined by an independent controlling body.

The analyst in charge of rating presents his analyses to a rating committee and gives a rating recommendation. The rating committee is composed of experienced analysts, the management of GBB-Rating, as well as public accountants, and makes the final decision on the rating result.

§ 4 Confidentiality

All documents and information made available to GBB-Rating in the course of the rating procedure are handled confidentially and stored in a safe place that cannot be accessed by third parties. The same goes for the analysts' working documents.

Where such documents and information are made available electronically, appropriate measures have been taken to prevent access by third parties.

§ 5 Rating result

GBB-Rating determines the rating result with due professional care. The rating documents form the basis for an opinion on the date the rating is issued of the future viability and the chances and risks of the rated entity.

As future events are uncertain, the rating result is based on a prediction of these and thus inevitably also on estimates. The rating is therefore neither a statement of facts nor a recommendation for investors, customers or suppliers, but an opinion of the rating agency based on a detailed analysis.

GBB-Rating reserves the right to carry out monitoring that may lead to an adjusted rating result. Unless legally bound to do so, GBB-Rating assumes no liability whatsoever for the accuracy, completeness or appropriateness of its rating result vis-à-vis the client or any third party.

§ 6 Transparency

The rating result is presented to the client along with an explanation of the main decision-making factors and made available in written form (rating report).

§ 7 Disclosure

The decision on whether to disclose the rating result rests solely with the client. Should the client disclose his rating result, GBB-Rating must be informed thereof so that it can disclose the result in turn. Only the current rating result, indicating the rating date, is disclosed in each case. If its rating mandate from a client is terminated by disclosure of a rating, GBB-Rating will draw attention to such termination.

§ 8 Staff

GBB-Rating guarantees that ratings are issued by professionally qualified and trustworthy analysts.

Conflicts of interest are prevented by appropriate measures. Such conflicts include incentives and other benefits that exceed a certain benchmark.

GBB-Rating analysts make their judgements independently. Remuneration of staff depends neither on the type and number of ratings issued nor on placement of requested ratings in a particular rating category.

The information made available to GBB-Rating and its analysts is handled confidentially. The analysts have signed an undertaking to this effect that is customary in the public accounting profession.

§ 9 Rating methodology

GBB-Rating closely follows rating developments and adapts its own rating methodology, where necessary, to meet the demands of a state-of-the-art, largely objectified and transparent rating system.

§ 10 Significance of the code of conduct

This code of conduct is based on internal guidelines and does not form part of any contract with third parties. Its application cannot therefore be enforced either directly or indirectly by law. The code is made available to all interested parties. It may be revised at GBB-Rating's discretion whenever changes in the market situation, the legal framework or the internal guidelines make this necessary.

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