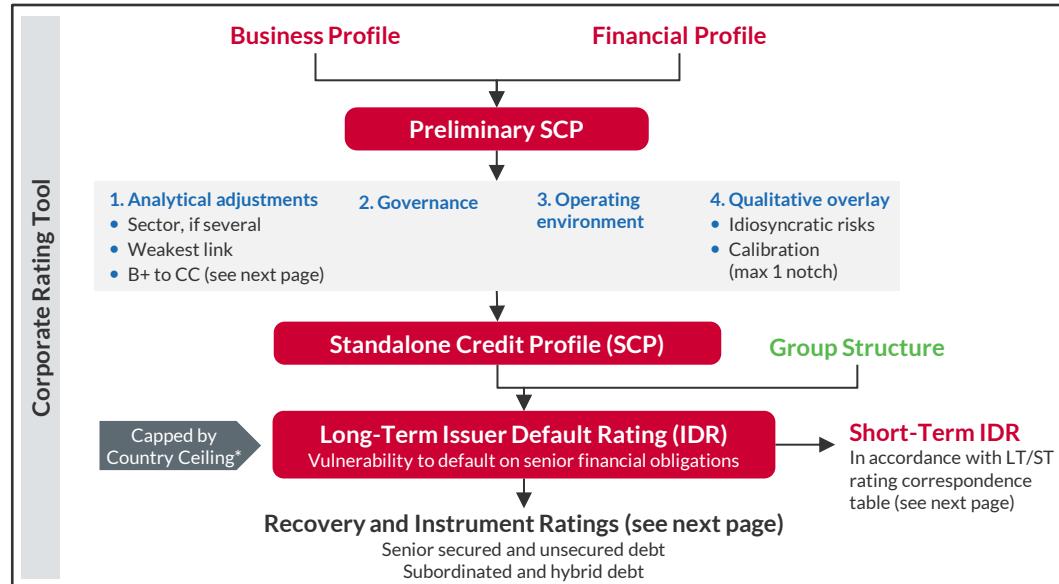


Criteria Essentials - Corporate Ratings (1/2)

Scan QR code or visit <https://www.fitchratings.com/criteria/corporate-finance> to view relevant criteria: (A) Corporate Rating Criteria; (B) Sector Navigators - Addendum to the Corporate Rating Criteria; (C) Parent and Subsidiary Linkage Rating Criteria; (D) Corporates Recovery Ratings and Instrument Ratings Criteria; (E) Country-Specific Treatment of Recovery Ratings Criteria; (F) Corporate Hybrids Treatment and Notching Criteria; (G) Government-Related Entities Rating Criteria

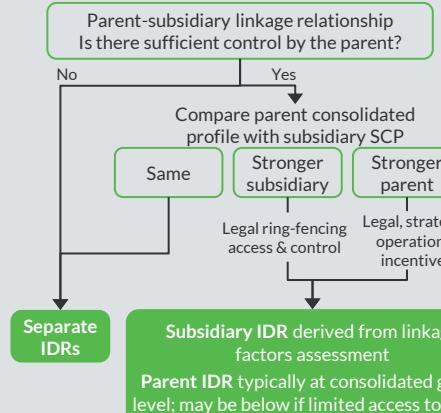


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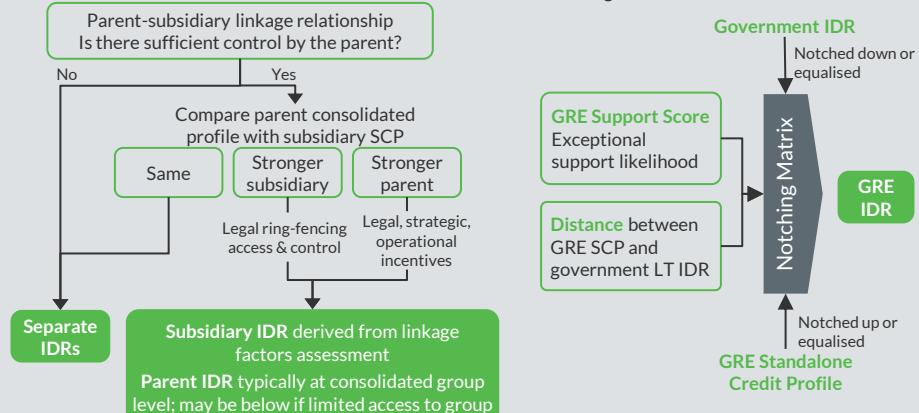


Group Structure

1 When there is parent/subsidiary relationship, linkage strength determines relative importance of consolidated or standalone credit profiles to derive IDRs



2 Entities directly owned by government sponsors are assessed under the Government-Related Entities (GRE) Rating Criteria



Business Profile and Financial Profile - Sector Navigators

50+ sector navigators define sector-specific factors, subfactors, financial ratios and related benchmark values.

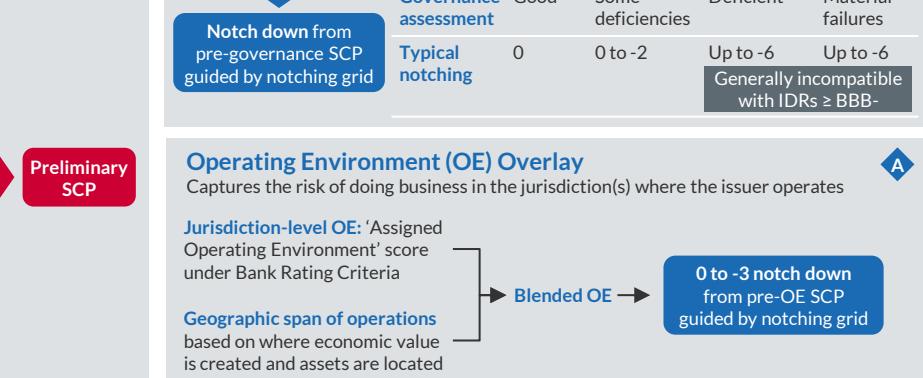
For issuers straddling several sectors, focus on navigator from primary sector

Factors	Subfactors (up to 5 per factor)
Business Profile**	<p>1. Management Capped at bbb (sound practices)</p> <p>2. Sector characteristics</p> <p>3. Market & competitive positioning</p> <p>4. Diversification & asset quality</p> <p>5. Company operational characteristics</p> <p>Defined in sector navigators</p>
	<p>• Risk tolerance</p> <p>• Management strategy</p> <p>• Management quality</p>
Financial Profile	<p>1. Profitability: Earnings stability and continuing cash flow</p> <p>2. Financial structure: Leverage and dependence on external financing</p> <p>3. Financial flexibility: Capitalisation, financial access, liquidity, coverage</p> <p>Defined in sector navigators</p> <p>• Cash flow metrics typically emphasised</p> <p>• Financial data adjusted (see next page)</p> <p>• Forward-looking metrics calculated with standard weights (may be adjusted):</p> <ul style="list-style-type: none"> - 20% latest historical year - 40% for each of forecasted years 1 and 2

Weights Derivation:

- Initial weights: 50%/50% Business/Financial Profiles Equal factor/subfactor weight in each profile/factor
- Factor relative importance assigned; drives weight multiplier:
 - Higher 5.0x
 - Moderate 1.0x
 - Lower 0.2x

Preliminary SCP



* The Country Ceiling indicates Fitch's view of the likelihood of transfer and convertibility restrictions being imposed to a country's domestic private sector. ** The REITs and investment holding company sectors have distinct business profile factors and subfactors.

This document is a summary of, and complementary material to, our current Corporate Rating Criteria report available on Fitch Ratings' public website. It does not replace our criteria and should be used in conjunction with it.

Criteria Essentials - Corporate Ratings (2/2)

Scan QR code or visit <https://www.fitchratings.com/criteria/corporate-finance> to view relevant criteria: (A) Corporate Rating Criteria; (B) Sector Navigators - Addendum to the Corporate Rating Criteria; (C) Parent and Subsidiary Linkage Rating Criteria; (D) Corporates Recovery Ratings and Instrument Ratings Criteria; (E) Country-Specific Treatment of Recovery Ratings Criteria; (F) Corporate Hybrids Treatment and Notching Criteria; (G) Government-Related Entities Rating Criteria



B+ to CC Considerations

Business model	Execution risk	Cash flow	Leverage	Financial policy	Refinancing risk	Liquidity
B+	Robust	Limited	Positive	Clear deleveraging	Committed	Limited
B	Sustainable	Moderate	Neutral to positive	Deleveraging capacity	Some deleveraging	Manageable
B-	Intact	Meaningful	Volatile	High	Aggressive	High
CCC*	Compromised	Uncertain	Consistently negative	Unsustainable	Uncommitted	Excessive
						Poor

* Descriptions for CCC+/CCC-/CC are available in the criteria report

Fitch Financial Adjustments

1. Leases

- Lease costs treated as an operating expense
- Lease liabilities: not classified as debt for most sectors; as reported for airlines, shipping, retail, hotel and leisure

2. Hybrids purchased by unaffiliated investors expected to exercise all available remedies may be assigned 0%, 50% or 100% equity credit for Fitch financial analysis (impact of leverage ratios)

3. Defined-benefit pension schemes: not viewed as a debt obligation and impact reflected in CF modelling

4. Debt factoring: typically added back to debt

5. Cash adjustments

- Restricted cash, blocked cash not included in readily available cash
- Haircut applied to the value of certain marketable securities

6. Consolidated profile for group structures

- Weak legal, operational or strategic linkages may result in deconsolidation of subsidiaries
- Re-consolidation of debt likely serviced by issuer
- Proportional consolidation of JVs

7. HoldCo PIK and shareholder loans: treated as debt or non-debt depending on the assessed instrument impact on the default probability of the rated entity debt.

8. Debt fair-value adjustments: debt is reflected at the amount payable on maturity; impact of fair value adjustments and derivatives are eliminated from debt

9. Adjustments for financial services activities

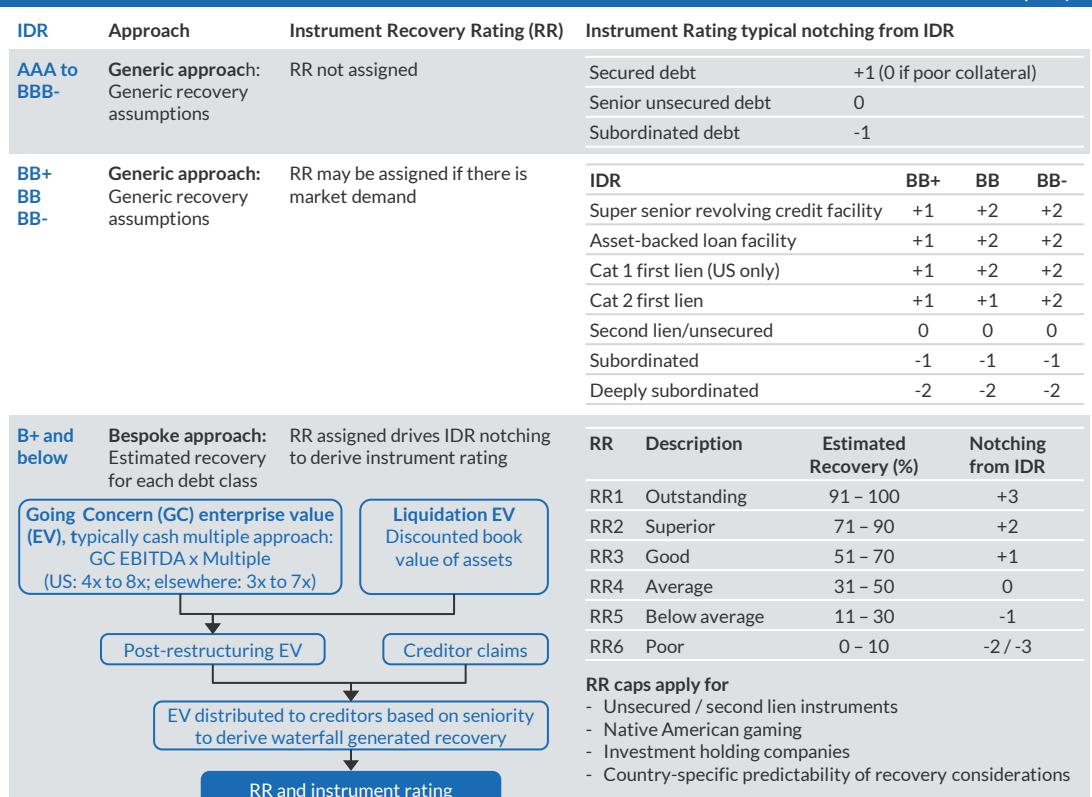
Financial services deconsolidated and capital reallocated to create a self-sustained capital structure

Derivation of Short-Term IDRs (initial maturity ≤ 13 months)

Correspondence table between Long- and Short-Term Ratings

Long-Term Rating	AAA to AA-	A+	A	A-	BBB+	BBB	BBB-	BB+ to B-	CCC+ to C
Short-Term Rating	Lower option	F1+	F1	F1	F2	F2	F3	F3	B
	Higher option		F1+	F1+	F1	F1		F2	C
Min required for higher ST option	Financial flexibility	aa-	aa-	a	a	bbb+			
	Financial structure	a	a	bbb	bbb	bbb-			
	OE	bbb-	bbb-	bbb-	bbb-	bbb-			

Recovery Ratings and Instrument Ratings (Approach applied depends on the IDR)



Uplift sectors, regulated utilities and REITs, may benefit from above-average recovery assumptions and receive an uplift.

Hybrid Instruments

1 If issuer rated BB- or above, hybrid instrument ratings notched from IDR of issuer based on table below

Typical notching relative to IDR in going concern

Hybrids subordinated or with deferral option	-1 at least
Hybrids that qualify for equity credit (deeply subordinated)	-2 at least
Hybrids with ability to write-down principal	-3 at least

2 If issuer rated B+ or below, bespoke approach applies as detailed above

When loss-absorption is triggered, instrument rated between 'CCC' to 'C' depending on severity of economic losses