

**RATING-AGENTUR EXPERT RA GMBH**  
**ANNUAL TRANSPARENCY REPORT FOR THE YEAR ENDED 31<sup>st</sup> OF DECEMBER 2020**  
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## INTRODUCTION

Rating-Agentur Expert RA GmbH (*hereinafter* – the Agency) is affiliated with the International group «RAEX». Rating-Agentur Expert RA GmbH was established in Frankfurt am Main in 2013 and is fully independent in its operational activities.

The European Securities and Markets Authority (ESMA), the EU’s direct supervisor of credit rating agencies (CRAs), has registered Rating-Agentur Expert RA GmbH as a CRA under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, with effect from 1 December 2015. The Agency is based in Frankfurt am Main, Germany, issuing solicited credit ratings on financial institutions, insurance undertakings and non-financial corporates as well as public finance.

This Transparency report has been prepared in accordance with the Article 12 and Part III of Section E of Annex I of the European Union (EU) Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies (*hereinafter* – the EU CRA Regulation). Rating-Agentur Expert RA GmbH will ensure that this Transparency report remains available on the Agency’s website for at least five years.

## 1. LEGAL STRUCTURE AND OWNERSHIP

Rating-Agentur Expert RA GmbH was included into the commercial register of Frankfurt am Main under the number HRB 97024 on the 16<sup>th</sup> of July 2013 in the form of GmbH (Gesellschaft mit beschränkter Haftung – Limited liability company).

Current registered office: Walter-Kolb-Strasse 9-11, 60594 Frankfurt am Main.

The ownership structure of the Agency is the following:

Owner	Percentage of capital	Nature of the holding: direct or indirect	Percentage of voting rights	Comments
“Expert RA” International Group of Rating Agencies	100%	Direct	100%	
Dmitry Grishankov	100%	Indirect	100%	Owner of “Expert RA” International Group of Rating Agencies (100%)

## 2. INTERNAL CONTROL MECHANISMS

The Agency has established internal control mechanisms and effective procedures in order to ensure the quality, integrity and thoroughness of the rating process, as well as to prevent and eliminate any possible conflicts of interest.

### 2.1. Advisory board

The Advisory board of the Agency operates in accordance with the Agency's Articles of Association and the Agency's Regulation on the Advisory board meetings.

The composition of the Agency's Advisory board is as follows:

- Dmitry Grishankov – Advisory board member, shareholders' representative;
- Svetlana Grishankova – Advisory board member, Managing director;
- Mathias Schepp – Independent Advisory board member;
- Victor Markov – Independent Advisory board member.

Two members of this Advisory board are independent and not involved in the rating activities of the Agency. They were selected for a fixed and not renewable period of 5 years according to the EU CRA Regulation. Due to the fact that this period has not expired for both independent members, the composition of the Advisory board has not changed within 2020.

The role of the Advisory board is to ensure that the Agency's credit rating activities are independent, including from all political and economic influences or constraints, that conflicts of interest are properly identified, managed and disclosed, and that the requirements of the EU CRA Regulation are fulfilled.

Independent Advisory board members have voting rights on the Methodological committee meetings, approving changes in the current rating methodologies and developments of the new methodologies.

### 2.2. Internal control officer

On a periodical basis the Internal control officer performs an internal audit of the Agency on subjects including the development of the credit rating policy, compliance and governance processes, as well as the effectiveness of the internal control system and procedures. Following the discussion of the audit results, the Advisory board can suggest some changes in the Agency's internal policies and procedures in order to address possible inefficiencies.

In May 2020 Internal control officer Jacqueline Curzon conducted an annual internal audit check which covered the period from the 1<sup>st</sup> of June 2019 to 31<sup>st</sup> of May 2020. Due to the COVID-19 pandemic, the internal audit was performed in online format via multiple video conference calls during the week of 11-15 May 2020. Based on the results of the internal audit check Ms. Curzon prepared the audit report. Internal control officer paid particular attention to the ESMA Consultation paper on Guidelines on Internal Controls for CRAs published on the 5<sup>th</sup> of December 2019, and how effective the internal controls put in place are in preventing or mitigation possible conflicts of interest that may impact the independence of

the credit ratings. Ms. Curzon came to the conclusion that the Agency has put in place adequate internal control systems in order to prevent or mitigate any possible conflicts of interest. The recommendations contained in the Report were discussed with the Managing director and the Advisory board, and did not significantly influence the main conclusion of the internal audit.

The next internal audit check is planned to be conducted in the beginning of May 2021 and will be focused on the procedure of methodology reviews and the work of the Review function officer.

### **2.3. Compliance function**

Rating-Agentur Expert RA GmbH has established and maintains an effective compliance function, which operates independently. The compliance function is not involved in the performance of credit rating activities of the Agency and the compensation of the Compliance officer is not linked to the Agency's performance, which ensures the independence of Compliance officer's judgment.

Main responsibilities of the Compliance officer include the following:

- Reviewing the activities of the Rating service and ensuring correspondence with internal documents of the Agency or applicable EU Regulations for credit rating agencies;
- Regular monitoring of correspondence of the internal regulations of the Agency with the provisions of national law and the law of European Union;
- Regular monitoring of the effectiveness of measures and procedures to ensure the identification and elimination of any conflicts of interest;
- Participation in the development of policies and procedures to implement all relevant regulatory requirements adopted in the EU into business practices of the Agency;
- Assisting all employees of the Agency to comply with the Agency's obligations under applicable EU Regulations and organizing trainings when necessary;
- Regular reporting on compliance of the Agency and its employees with the obligations of the EU CRA Regulation, and internal procedures to the Advisory board, Managing director, as well as to ESMA.

### **2.4. Review function officer**

Rating-Agentur Expert RA GmbH has established an independent review function, which is fulfilled by the Review function officer, who is not involved in the rating activities of the Agency.

Main responsibilities of the Review function officer are the following:

- Reviewing all methodologies, models and key rating assumptions, making sure that they are properly maintained and up-to-date, checking that their short descriptions are published on the official website of the Agency in a manner permitting comprehensive review and full understanding;
- Ensuring that the methodologies and assumptions used for rating assignments properly reflect the changing conditions in the underlying markets;

- Monitoring the process of informing general public about the changes in methodologies, models and key rating assumptions used by the Agency;
- Conducting scheduled and unscheduled review of methodologies, models and key rating assumptions related to these methodologies. Scheduled review shall be done in accordance with the pre-defined review schedule approved by the Advisory board. Each methodology and working instructions related to it shall be reviewed at least annually. Unscheduled review shall be done when some deficiencies in valid methodologies, models and key rating assumptions are identified;
- Participation in the Methodological committee meetings (without voting right);
- Reporting periodically on the topics listed above to the Advisory Board and when requested to ESMA.

Currently the Agency has five core credit rating methodologies and each methodology shall be reviewed at least annually.

## **2.5. Financial Audit**

Rating-Agentur Expert RA GmbH has appointed an independent audit company to carry out the annual audit of financial statements as of December 31, 2020. The audit is conducted in accordance with the generally accepted auditing standards. The results of the audit will be discussed with the Advisory board of the Agency and sent to ESMA.

## **2.6. Conflicts of interests**

Rating-Agentur Expert RA GmbH has established appropriate internal policies and procedures in relation to employees and other persons involved in the credit rating process in order to prevent, identify, eliminate or manage and disclose any conflicts of interest. The Agency has developed and keeps up to date the Policy on avoidance of conflicts of interest, which is available on the official website of the Agency: [https://raexpert.eu/files/Avoidance\\_of\\_Conflicts\\_of\\_Interest\\_Policy\\_06.08.2019.pdf](https://raexpert.eu/files/Avoidance_of_Conflicts_of_Interest_Policy_06.08.2019.pdf).

Potential conflicts of interest may arise from the employees of the Agency due to the following reasons:

- Direct ownership – ownership of financial instruments issued by the rating object, with exception of holdings in diversified collective investment schemes;
- Indirect ownership – ownership of financial instruments issued by any entity affiliated with the rating object, holding of which might cause or might be considered as causing conflicts of interest, with exception of holdings in diversified collective investment schemes;
- Experience of working relations – recent employment at the rating object or any other relations with the rating object, which might cause or might be perceived as causing conflicts of interests;
- Participation in negotiations on fees – initiation or participation in negotiations on determination of fees paid for the rating analysis or other fees paid by the rating objects, associated entities or any other persons directly or indirectly connected with the rating objects through control;
- Receiving money, presents or favors from the rating object.

Potential conflicts of interest which may arise from the owners of the Agency:

- Influence of the owners on the decisions of the Agency – direct or indirect ownership or other interests connecting owners of the Agency with the rating object;
- Holdings in other credit rating agencies.

Influence of the owners on the decisions made by the Agency is controlled by the Advisory board and its independent members. Moreover, information about the owners and beneficiaries of the Agency is disclosed to ESMA in accordance with the Article 8 of the Regulation (EU) No 449/2012 of 21 March 2012 supplementing Regulation (EC) No 1060/2009.

Any identified cases of potential or actual conflicts of interest shall be reported to Compliance officer who is responsible for eliminating, preventing and managing any conflicts of interest. Compliance officer shall report on any identified cases of conflicts of interest as soon as possible to the Managing director and Advisory board of the Agency.

## **2.7. Code of Conduct**

Rating-Agentur Expert RA GmbH has developed and keeps up to date a Code of Conduct, which defines the key principles and rules of activities carried out by the Agency supporting their objectivity and independence. It was adopted in accordance with the EU CRA Regulation currently in force and is based on the latest International Organization of Securities Commissions (IOSCO) Code of Conduct Fundamentals for CRAs. The Agency's Code of Conduct is publicly available on the Agency's website: [https://raexpert.eu/files/Code\\_of\\_Conduct\\_06.08.2019.pdf](https://raexpert.eu/files/Code_of_Conduct_06.08.2019.pdf)

The main rules contained in the document concern the quality and integrity of the rating process, independence and avoidance of conflicts of interests, transparency and disclosure principles as well as treatment of confidential information.

All employees of the Agency and members of its Advisory board follow the professional ethical standards and internal procedures aimed at ensuring the quality and integrity of the rating process as well as maintaining sound reputation of the Agency and its trustworthiness.

## **2.8. Credit rating process**

### **2.8.1. Credit rating process flow**

The Agency assigns the following types of credit ratings:

- Sovereign and public finance ratings;
- Corporate ratings:
  - Financial institution, including credit institutions and investment firms;
  - Insurance undertaking;
  - Corporate issuer that is not considered as a financial institution or an insurance undertaking.

The Agency has a Rating service department which is responsible for the rating analysis and rating assignment activities.



The rating process for each type of credit rating is described and publicly available on the official website of the Agency: <http://raexpert.eu>.

The Rating committee is the only body of the Agency authorized to perform rating actions. The Committee is conducted only if the quorum requirement is satisfied, which means that at least half of the Rating service employees and not less than three of them shall be present in order the Rating committee to take place. The Compliance officer of the Agency can participate in the Rating committee meeting for the purpose of compliance control and does not vote on the rating outcome.

### 2.8.2. Rating methodology

The Agency performs the rating assessment based on the following methodologies:

- [Methodology for assigning credit ratings to banks](#)  
Rating type: Financial institutions, including credit institutions and investment firms.
- [Methodology for assigning corporate credit ratings \(non-financial non-holding companies\)](#)  
Rating type: Corporate issuer that is not considered as a financial institution or an insurance undertaking.
- [Methodology for assigning credit ratings to regions](#)  
Rating type: Sub-Sovereign and public finance ratings.
- [Methodology for assigning reliability ratings to insurance companies](#)  
Rating type: Insurance undertaking.
- [Methodology for assigning sovereign government credit ratings](#)  
Rating type: Sovereign and public finance ratings.

In May 2020, the Agency has adopted the [Definitions and rules of the assignment of short-term credit ratings](#), the document which adds short-term international rating in local and foreign currency to the Methodologies of assigning ratings to banks, insurance companies, non-financial companies and sovereigns.

#### Supplementary methodologies:

- [Methodology for assigning credit ratings to debt instruments](#)
- [Methodology for assigning banking sector risk score](#)
- [Methodology for assigning country and industry score](#)
- [Methodology for assigning insurance sector risk score](#)

In order to improve the quality of the assessment and to ensure the reliability of decisions made based on these methodologies, the Agency performs a review cycle for each methodology at least once a year. Based on the results of the review cycle, Methodology discussion meetings (*hereinafter* – MDM) and Methodology committee meetings (*hereinafter* – MCM) are organized where rating methodologies, procedures, models and key rating assumptions are discussed and approved.

During 2020 year scheduled reviews of the methodologies were conducted:

- Methodology of assigning sovereign government credit ratings. The MCM took place on the 11<sup>th</sup> of March 2020. The rating analysts and the review function officer did not propose any changes to this Methodology for the 2019-2020 review cycle. The Review function officer outlined the long-term considerations for the 2020-2021 review cycle. In particular, he addressed the following issues: the evaluation of the size and structure of government debt, scoring inflation rate and its dynamics, assessment of profitability of banks, consideration of plans for privatization as a separate factor in evaluation of government capacities, exchange rate regime. The Independent Advisory board members agreed that the Methodology remains unchanged in the 2019-2020 review cycle.
- Methodology of assigning credit ratings to regions. During the MCM held on the 18<sup>th</sup> of May 2020 it was agreed that there is no need in changing the Methodology. Independent Advisory board members agreed that the Methodology remains unchanged.
- Methodology of assigning credit ratings to banks. The Rating service and the Review function officer agreed that there is no need to change the methodology after a series of amendments introduced in 2019. During the MCM on the 18<sup>th</sup> of August 2020 Independent Advisory board members agreed that the Methodology of assigning credit ratings to banks remains unchanged. The Review function officer addressed the long-term proposals which can be considered in the next review cycle.
- Methodology of assigning corporate credit ratings. Due to the fact that the Methodology has been adjusted over the previous years, the Rating service and the Review function officer did not see a need for changes in the current review cycle. However, the Review function officer has listed some of the pending issues with the methodology that should be addressed in the next review cycle. In particular, he suggested a few adjustments to the methodology sections on debt load, profitability, currency risk and corporate risk. At the MCM held on the 8<sup>th</sup> of October 2020 Independent Advisory board members agreed that the Methodology for of assigning corporate credit ratings remains unchanged.
- Methodology for assigning reliability ratings to insurance companies. It was agreed by the Rating service and Review function officer that no changes should be introduced to the Methodology in this review cycle. The Review function officer suggested to increase the weight solvency margin factor considering the Solvency II Regulation in the EU and recommended to review the Methodology on its consistency with the Solvency II regulation. New modules of the Methodology for life and health insurers continue to be developed in order to be prepared for potential clients from those sectors. At the MCM held on the 17<sup>th</sup> of December 2020 Independent Advisory board members agreed that the Methodology for assigning reliability ratings to insurance companies remains unchanged.

Despite the fact that the methodologies have not been amended on an individual basis in 2020, there were changes which were introduced to methodologies outside the normal review cycles:

- Adding of the short-term international rating in local and foreign currency to the Methodology of assigning credit ratings to banks, Methodology of assigning corporate credit ratings, Methodology for assigning reliability ratings to insurance companies, Methodology of assigning sovereign government credit ratings. Short term ratings help to assess default risks of an issuer in the short-term horizon with an increased accuracy. In order to facilitate this assessment in the short-term horizon, the Rating service and the Review function officer offered to use a transfer scale from long-term international rating to the short-term international rating. The proposal was discussed on the MCM held on the 18<sup>th</sup> of May 2020. The public consultation on the proposed changes was launched on the 18<sup>th</sup> of May 2020 and closed on the 18<sup>th</sup> of June 2020. No comments were provided. The short-term international rating in local and foreign currency was added to the above mentioned methodologies.
- Changes related to the rules for determination of the developing outlook on all credit ratings assigned by the Agency. The Rating service noted the need to make a change in the time limit of the “developing outlook” and to add definition of “rating on watch”. The case with an Agency’s client has shown that the 3 month limit on developing outlook included in the methodologies is inconsistent with market practices and may impose additional limitations on the rating service actions. The description of the “rating on watch” action was included in the methodologies in order to provide additional transparency. The proposal was discussed on the MCM held on the 18<sup>th</sup> of August 2020. The public consultation on the proposed changes was launched on the 27<sup>th</sup> of August 2020 and closed on the 27<sup>th</sup> of September 2020. No comments were provided. The developing outlook review horizon was changed from 3 months to 12 months and the definition of “on watch” status was added to all methodologies of the Agency.

### **2.8.3 Rating monitoring**

The duties of the experts responsible for the credit rating assignment and review include monitoring of the rated entity’s activities within one year from the assignment of rating.

Monitoring process includes tracking information in the media, regular monitoring upon receipt of market overviews, as well as regular monitoring of companies’ activities.

The reaction on material events which potentially may influence the creditworthiness of the rated entity is the following:

- Sending questions and a request for information to the rated entity;
- The evaluation of the answers and documents received;
- Decision to launch the unscheduled full review of the credit rating;
- The full procedure of credit rating review accompanied by all necessary compliance checks;
- Distribution of Press release with the opinion of the Agency;
- Preparation of the report on rating withdrawal and its consideration on the Rating committee.

### 3. STATISTICS ON PERSONNEL ALLOCATION

As of the 31<sup>st</sup> of December 2020, total number of employees working on a full-time basis in Frankfurt am Main office counted 7 people, 5 of which are engaged in credit rating activities:

- 1 Managing director;
- 1 Compliance officer;
- 5 employees of the Rating service;

Furthermore, there are four positions, which are performed on a non-full-time basis:

- 1 Review function officer;
- 2 Independent Advisory board members;
- 1 Internal control officer;
- 1 Rating trainee.

Statistics on the allocation of the Agency's staff to new credit ratings, credit rating reviews, methodology or model appraisal and senior management is as follows:

- New credit ratings and monitoring and verification of the existing ratings – 5 employees of the Rating service;
- Review and validation of the rating methodologies used – 1 Review function officer;
- Compliance with law and internal regulations – 1 Compliance officer;
- Senior management – 4 (Managing director, 2 independent Advisory board members and 1 Internal control officer).

#### 4. RECORD-KEEPING POLICY

The Agency established the record keeping rules regarding the documents prepared throughout the Agency's operational activities.

Timeframe for record keeping may vary depending on the nature of the document:

- Records and audited rating history are stored in the premises of the Agency for at least 5 years;
- Records establishing respective rights and responsibilities of the Agency and rating object according to the agreement on credit rating services shall be stored at least for the full duration of the relationship with this rating object and at least for 5 years after termination of contractual relationship with the rating object;
- In case the registration of the Agency is withdrawn, the records shall be kept for an additional term of at least 3 years;
- The records of the Agency shall be provided upon request to the relevant regulatory authorities of the country of Agency's registration and of the EU in general.

Documents circulated in the Agency are divided into three types:

- Records of the rating activities – employees of the Rating services are responsible for keeping these records; Compliance officer monitors that the storage is performed in a timely and proper manner;
- Records on compliance checks – the Compliance officer is responsible for keeping these records; the Managing director and Internal control officer monitor that the storage is performed in a timely and proper manner;
- Records of contracts and agreements as well as financial accounting – the Managing director is responsible for keeping and filing of these records. Compliance officer checks that keeping and filing is done in accordance with the internal regulations, in a proper and timely manner.

Main principles regarding keeping records on rating activities are the following:

- The information on date of a final decision on the credit rating, the identity of the rating experts participating in the determination of the credit rating and who have approved the credit rating, information as to whether the rating was solicited or unsolicited shall be recorded for each credit rating decision;
- Compliance officer shall check the records created during rating activity process on the regular basis and make sure they comply with the internal regulations of the Agency and applicable EU CRA Regulation;
- Internal audit of history of the credit rating activities shall be done by the Internal control officer.

## 5. INTERNAL AUDIT AND THE COMPLIANCE FUNCTION

Within the framework of performing the annual internal audit of the Agency's activities, the check of compliance function will be performed in May 2021 by the Internal control officer.

In addition, Compliance officer and Internal control officer organized teleconference calls on a quarterly basis in order to monitor the current compliance activities performed in the Agency.

The Compliance work for 2021 has four main components:

1. Compliance checks/monitoring per activity:
  - Credit Rating Assignment/Review Procedure;
  - Personnel topics;
  - Informations security & Business continuity
  - Transparency – Disclosures & Conflicts of Interests
2. Fulfillment of regulatory requirements;
  - Implementation of the Guidelines on Internal Control for CRAs as of 30 September 2020;
  - Monitoring changes in the EU CRA Regulation; ESMA's Guidelines; Reporting Calendars;
  - Addressing requests of ESMA (in the framework of requests for information, general investigations, etc.)
3. Periodic disclosures to ESMA and to public;
  - Submission of qualitative and quantitative data to the RADAR system;
  - Periodic reporting to ESMA - scheduled submission of reporting items;
  - Submission of the annual transparency report;
  - Submission of files on fees for credit rating services;
  - Submission of the audited financial statements;
  - Submission of the sovereign rating calendar;
  - Fulfillment of ad-hoc reporting requirements;
4. Ad-hoc provision of consultancy and support to RAEX-Europe's Rating service and Management; conducting compliance trainings.
  - Conducting compliance trainings;
  - Providing Rating service employees with clarifications regarding the EU CRA Regulation;
  - Checking compliance of the Agency with the GDPR;
  - Checking the accuracy of contracts with rated entities;
  - Checking the accuracy of the data related to the Agency's credit rating activities in the prospectuses, the press or other communication means.

The main aspects that will be assessed in the course of the internal audit check scheduled for May 2021 include the following:

- The adherence of the methodology reviews to the EU CRA Regulation and internal procedures; the independence of the Review function officer;
- The effectiveness of the internal control system in relation to credit rating activities (compliance with the Guidelines on Internal Control for CRAs as of 30 September 2020);
- Staff awareness of the Agency's internal procedures and the EU CRA Regulation, the frequency of internal trainings;
- The effectiveness of measures and procedures instituted to ensure that any conflicts of interest are identified, eliminated or managed and disclosed;
- The presence and effectiveness of the Risk Management component within the Agency;
- Implementation of the last year audit recommendations.

The results of this audit will be reported to the Managing director, Advisory board and ESMA.

## 6. MANAGEMENT AND RATING ANALYST ROTATION POLICY

In compliance with the EU CRA Regulation, the term of office of the Independent members of the Advisory board shall be a pre-agreed fixed term period not exceeding five years and shall not be renewable. Therefore, in order to follow the requirement, the Agency has arranged rotation of independent Advisory board members. This year the composition of the Advisory board has not been changed.

Regarding the rotation of analysts within the Rating service, the Agency has established the policy of Rotation of rating experts. According to the requirements of the EU CRA Regulation, lead analysts and rating analysts are required to be rotated every 4 years and 5 years respectively, while maximum term to be a reviewer for the same rating object is 7 years.

The records of responsible experts and reviewers are periodically checked by the Compliance officer for correspondence with these rotation requirements.



## 7. INFORMATION ON REVENUES

During the year 2020 Rating-Agentur Expert RA GmbH was assigning and reviewing unsolicited sovereign credit ratings. The assessment was based on publicly available information. The rated entity did not participate in the rating process. The Research reports as well as respective press-releases on rating actions are available on the web-site of the Agency.

The Agency prolonged contractual relationships and actualized credit ratings of one bank, one insurance company, one corporate. A new agreement on credit rating assignment has been signed with one company. Agreement on ESG rating services has been prolonged with one bank.

The sales revenues for the year 2020 are as follows:

Total sales revenue in 2020 <sup>1</sup>	Percentage
Credit rating activities	19,38%
ESG ratings	3,42%
Events	5,37 %
Equipment* lease	71,84 %

\*Rating-Agentur Expert RA GmbH owns a 3D-scanning equipment set designed for Airborne laser scanning of cities and regions, providing additional assessment of some important regional ESG metrics. There are no potential conflicts of interests, which could arise from the equipment rental activity as the Agency checks that the companies who are renting the equipment set are not involved in credit rating activities, they do not have affiliations with our current or potential credit rating clients.

<sup>1</sup> This information is taken from draft internal financial statements of the Agency and can be updated in case the audited figures differ from the aforementioned.

## 8. CORPORATE GOVERNANCE

The Agency is a limited liability company located in Frankfurt am Main and registered in accordance with the German corporate law. The corporate governance of the Agency is outlined by the Articles of Association which is duly notarized and registered.

In order to comply with the international standards regarding credit rating activities, the Agency has a Code of Conduct, which constitutes the basis for all other internal procedures established in the Agency, and which is publicly available on the Agency's website: [https://raexpert.eu/files/Code of Conduct 06.08.2019.pdf](https://raexpert.eu/files/Code_of_Conduct_06.08.2019.pdf).

For more information regarding the Code of Conduct refer to the point 2.7 of this Report.

Description of the Agency's internal control mechanisms is provided in the point 2 of this Report.

Information on the operation of the shareholders is provided in point 1 of the report, and the composition and operation of the Advisory board as of the end of 2020 is in accordance with the information provided in the section 2.1.