

Procedure for Withdrawal of Credit Ratings

Issued by: MIS Compliance Department
Applicable to: All MIS Employees and
Moody's Shared Services Employees
involved in the ratings process.
Effective Date: February 4, 2011

I. DEFINED TERMS

Analyst

Analyst is any MIS Employee assigned to a ratings team with the title of Associate Analyst or higher whose function is to a) assign or monitor Ratings, b) assist in drafting materials or developing models being considered for rating committees, or c) supervise MIS Employees included in (a) or (b) of this definition. The definition of Analyst excludes any MIS Employee assigned to a ratings team who: (1) is not involved in the Ratings process or (2) supports the rating process solely through administrative tasks, such as entering information into internal systems.

MIS

MIS refers to Moody's Investors Service, Inc. and the wholly owned subsidiaries of MCO that engage in Credit Rating Services and that also might engage in Ancillary Services or Other Permissible Services.

Credit Rating

A Credit Rating is an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an Issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.

Credit Rating Announcement

Those written communications that publicly announce Credit Rating Actions.

II. PROCEDURES FOR ASSIGNING A WR

A. WRs That Require Credit Rating Committees

Subsequent to the relevant Managing Director being made aware of the circumstances, a WR that is withdrawn due to: (i) incorrect, insufficient or otherwise inaccurate information; (ii) bankruptcy, liquidation or debt restructuring; (iii) reorganization; or (iv) small pool factor, must be assigned by a Credit Rating committee. All such Credit Rating committees must be conducted in accordance with all relevant policies, procedures and guidelines relating to MIS's assignment of Credit Ratings.

B. WRs That Do Not Require Credit Rating Committees

A WR assigned since the obligation is no longer outstanding shall be issued at the instruction of the Analyst then responsible for such Credit Rating, or automatically by the Global Middle Office upon learning that the obligation is no longer outstanding. Ratings that are associated with "primary" Ratings that have been withdrawn – for example, ratings that are inputs to Credit Ratings or that would not be assigned on a stand-alone basis in the absence of other Ratings – should be withdrawn at the same time as their "primary" Ratings. If they are withdrawn following the withdrawal of the "primary" Rating, they will be considered withdrawn as a result of the obligation no longer being outstanding and will not require a separate rating committee or Senior Management approval.

A WR assigned due to business reasons first requires a Managing Director with the role of Group Head or higher to be informed of the proposed WR. Senior management will make the final determination about whether to withdraw the Credit Rating

C. Conflicts of Interest

In case any of the situations listed in Section II.F of the Ratings Withdrawal Policy arises, the Legal and Compliance Departments must first be notified that a conflict of interest may have arisen. After reviewing the situation, the Legal and Compliance Departments will provide further instruction about what procedures should be followed and whether it is necessary to issue a WR.

D. Regulatory Requirements

In case any situation listed in Section II.G of the Ratings Withdrawal Policy arises, the Legal and Compliance Departments must first be notified. After reviewing the situation, the Legal and Compliance Departments will provide further instruction about what procedures should be followed and whether it is necessary to issue a WR.

E. Withdrawal of Credit Ratings on Review

A Credit Rating that is on review may be withdrawn without concluding the review if the Credit Rating committee lacks adequate information to reach an accurate Credit Rating decision and concludes that it will be unlikely to receive adequate information in the future.

III. PUBLIC ANNOUNCEMENTS REGARDING WR ACTIONS

- a. Not later than ten (10) business days after the beginning of each calendar month, MIS will publish a public announcement that includes a list of every Credit Rating that was withdrawn during the previous calendar month pursuant to Section II.B-D of the Ratings Withdrawal Policy that contains, at minimum, the following information about each WR listed:
1. Rated Entity name;
 2. debt name;
 3. date of withdrawal; and
 4. reason for withdrawal for each WR.

Other information deemed necessary or appropriate may also be included.

- b. For any Credit Rating withdrawn because of incorrect, insufficient or otherwise inaccurate information, the following sentence must appear in the public announcement:

The Credit Rating has been withdrawn because Moody's Investors Service believes it has insufficient or otherwise inadequate information to support the maintenance of the Credit Rating. Please refer to Moody's Investors Service's Withdrawal Policy, which can be found on our website, www.moody.com.

For any Credit Rating withdrawn due to business reasons, the following sentence must appear in the public announcement:

- » Moody's Investors Service has withdrawn the Credit Rating for its own business reasons. Please refer to Moody's Investors Service's Withdrawal Policy, which can be found on our website, www.moody.com.
 - » NOTE: for Credit Ratings withdrawn as the result of a clerical error, the following sentence must appear in the public announcement instead of the immediately preceding sentence listed in this Section IV.C:
 - » Moody's Investors Service assigned a rating to [details of Rated Entity/debt(s)] as a result of an internal clerical error. Moody's Investors Service does not rate [details of Rated Entity/debt(s)]. As such, Moody's Investors Service cannot give its current view of the credit at the time of withdrawal in accordance with Moody's Investors Service's Withdrawal Policy, which can be found on our website, www.moody.com.
- c. For any Credit Rating withdrawn due to a conflict of interest, the following sentence must appear in the public announcement:
- » Moody's Investors Service has withdrawn the Credit Rating because of a conflict of interest. Please refer to Moody's Investors Service's Withdrawal Policy, which can be found on our website, www.moody.com.
- d. For any Credit Rating withdrawn due to a regulatory requirement, the following sentence must appear in the public announcement:

- » Moody's Investors Service has withdrawn the Credit Rating because of a regulatory requirement. Please refer to Moody's Investors Service's Withdrawal Policy, which can be found on our website, www.moodys.com.
- e. For any Credit Rating withdrawn due to the small size of the asset pool, the following sentence must appear in the public announcement:
 - » Moody's Investors Service has withdrawn the Credit Rating pursuant to published Credit Rating methodologies that allow for the withdrawal of the Credit Rating if the size of the pool outstanding at the time of the withdrawal has fallen below a specified level. Please refer to Moody's Investors Service's Withdrawal Policy, which can be found on our website, www.moodys.com.
- f. Except those issued pursuant to Section III.A above, any public announcement regarding a WR action must comply with the MIS Code and MIS's Procedures for Disclosure in Public Announcements of Credit Rating Actions