

Ratings Process Detail

1 Rating Application

The rating process begins with an introductory meeting or teleconference call. The purpose of this meeting is to introduce Moody's ratings process, methodology, and products. After the discussion, when the issuing organization is ready to move forward, it will request the appropriate ratings application from Moody's. Once the customer has signed and returned this application, Moody's will begin the ratings process.

2 Analytical Team Assigned

Moody's assigns a lead and back-up analyst to the customer. All analysts involved must clear an internal conflict attestation check prior to beginning the analysis. This check is intended to ensure that analysts do not have any conflicts of interest before viewing any confidential information or information pertaining to the customer/rating.

3 Provision of Information

The customer will be asked to provide relevant financial and non-financial information. The precise list of information may vary according to the sector and market information.

4 Management Meeting

Management Meeting: For a first-time rating, the initial management meeting is generally held at a company's head office location, and may last from a half day to a full day. We may also conduct site visits. The lead analyst will discuss the meeting agenda with the customer in advance of the meeting. The discussion at the management meeting generally focuses on the following subjects:

- » Background and history of the company/entity
- » Industry/sector trends
- » National political and regulatory environment
- » Management policies, experience, track record, and attitude toward risk-taking
- » Management structure
- » Basic operating and competitive position
- » Corporate strategy and competitive philosophy
- » Debt structure, including structural subordination and priority of claim
- » Financial position and sources of liquidity, including:
 - cash flow, stability, and sources of liquidity
 - operating margin; and
 - a balance sheet analysis in terms of debt profile and maturity

5 Analysis

Following the management meeting, Moody's analytical team will begin to analyze the information provided by the customer, and will obtain follow-up information and clarification from the customer as necessary. Upon completion of the analysis, the Moody's analyst will contact the customer to ensure the facts are correct and understood before making a recommendation to a Moody's rating committee.

6 Rating Committee

The lead analyst will convene a rating committee once the team has completed its analysis. The rating committee will be comprised of a number of credit risk professionals who have the appropriate knowledge and experience to address all of the analytical perspectives relevant to the customer. The analyst will determine who to include based on the size of the customer, the complexity of the credit analysis, and whether rating the customer introduces a new instrument to market. The analyst will also consider any issues that will affect the market or relevant particular sovereign. Moody's follows the same decision-making process globally to ensure ratings consistency. The role of the lead analyst at the rating committee meeting is to present the rating recommendation and rationale, and to

ensure that all relevant issues related to the credit are presented and discussed. Rating committee discussions are strictly confidential and only certain Moody's analysts may serve on rating committees.

7 Rating Notification

Once the rating committee has made its decision, the lead analyst communicates the rating and Moody's rationale to the customer according to the regional practice in addition to verifying with the customer that the intended press release is factually correct and does not contain confidential information.

8 Rating Dissemination

Moody's disseminates new ratings via press release to the major newswires. This press release will simultaneously also appear on moodys.com as well as other relevant regional and local Moody's websites.

9 Surveillance

The rating process involves active, ongoing dialogue between the customer and Moody's analysts. Once published, Moody's ratings are continuously monitored and updated through regular dialogues and meetings, during which customers are encouraged to raise any concerns and present all material that is pertinent to the analysis. Following the assignment and publication of the rating, Moody's will meet the management periodically as events and industry developments warrant. The Moody's analyst will maintain regular contact with the customer both electronically and via telephone, and will be available to respond to a customer's needs

or questions. For certain very active customers, Moody's will also publish an annual in-depth analysis. Moody's will issue press releases to announce any subsequent rating actions or outlook changes.