

## Policy on Anticompetitive Rating Practices (SEC Rule 17g-6)

Issued by: Compliance Department  
Applicable to: All MIS Employees  
Scope: Global  
Effective Date: December 27, 2016

### POLICY

As reflected in Moody's Code of Business Conduct, Moody's is committed to compliance with the competition laws of any country that apply to the Company's business. Moody's will not tolerate any business transaction or activity that violates those laws. The competition laws define acceptable behavior for competing in the marketplace. The general aim of these laws is to promote free and open competition based on quality, price and service.

Under SEC Rule 17g-6 MIS is prohibited from engaging in certain unfair, coercive, or abusive practices with respect to its Credit Ratings. In particular, MIS and its Employees are prohibited from doing any of the following:

- a. conditioning or threatening to condition the issuance of a Credit Rating or a Credit Rating Action on the Rated Entity contracting for any other Rating Services or other products or service offered by MIS or MCO;
- b. issuing, offering or threatening to issue a Credit Rating or take a Credit Rating Action not in accordance with MIS's methodologies based on whether the Rated Entity purchases or will purchase any other Rating Services or other products or services offered by MIS or MCO; or
- c. modifying, offering or threatening to modify a Credit Rating not in accordance with MIS's methodologies based on whether the Rated Entity purchases or will purchase any other Rating Services or other products or services offered by MIS or MCO.

In addition, in connection with the Credit Rating of any Structured Finance Instrument, MIS and its Employees are prohibited from doing any of the following for an anticompetitive purpose:

- a. downgrading or threatening to downgrade an existing Credit Rating unless all or a portion of the assets within the Structured Finance Instrument also are rated by MIS;
- b. issuing or threatening to issue a lower Credit Rating unless all or a portion of the assets within the Structured Finance Instrument also are rated by MIS;

- c. refusing to issue a Credit Rating unless all or a portion of the assets within the Structured Finance Instrument also are rated by MIS; or
- d. withdrawing or threatening to withdraw a Credit Rating unless all or a portion of the assets within the Structured Finance Instrument also are rated by MIS.

Nothing in this Policy is intended to prevent MIS and/or its Employees from taking or refraining from taking a Credit Rating Action, or from initiating or concluding a review of a Credit Rating, based on credit considerations in accordance with MIS's policies, procedures and methodologies.

## DEFINED TERMS

### Credit Rating

A Credit Rating is an opinion from MIS 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 Action

A Credit Rating Action is any one of the items below:

- i. the assignment of a Credit Rating to a Rated Entity or obligation, including Anticipated/Subsequent Credit Ratings
- ii. a change in a Credit Rating (i.e., upgrade or downgrade);
- iii. placing a Credit Rating on Review, changing the direction of an existing Review or taking a Credit Rating off Review (i.e., Credit Rating Confirmation);
- iv. the assignment or change in an Outlook associated with a Rated Entity or one or more Credit Ratings;
- v. an Affirmation of a Credit Rating; and
- vi. a Withdrawal of a Credit Rating.

### MCO

MCO refers to Moody's Corporation and its majority-owned affiliates.

### MIS

MIS refers to Moody's Investors Service, Inc. and its affiliates that issue Ratings under the "Moody's Investors Service" brand name.

### MIS Employee

The term MIS Employee means any full-time or part-time employee of MIS.

### Rated Entity (ies)

A Rated Entity means any entity rated by MIS or any entity that issues securities rated by MIS or any entity that is seeking a Credit Rating from MIS.

### Rating

A Rating is any rating or assessment with respect to Credit Rating Services, Ancillary Services, and Other Permissible Services.

### Rating Services

Rating Services means any or all of the following: Credit Rating Services, Ancillary Services and/or Other Permissible Services.

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## Structured Finance Instruments (SFI)

An SFI is a financial instrument that is defined in the MIS Structured Finance Definition Analyst Document.

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