

Policy for Designating and Assigning Unsolicited Credit Ratings in the Kingdom of Saudi Arabia

Issued by:	MIS Compliance Department
Applicable to:	All MIS Employee and relevant Moody's Shared Services Employees
Scope:	MIS KSA Ratings
Effective Date:	March 19, 2018

STATEMENT OF PURPOSE

As a publisher of opinions about credit, Moody's Investors Service ("MIS") reserves the right to issue Unsolicited Credit Ratings. The purpose of this policy is to provide greater transparency to market participants with respect to Unsolicited Credit Ratings published by MIS KSA Branch.

POLICY

MIS would consider issuing an Unsolicited Credit Rating when, among other things:

- » The Unsolicited Credit Rating would provide an informational benefit to market participants; or
- » The amount of total debt or debt-like obligations issued is significant; or
- » The type of security or the issuer is new to the market; or
- » The Credit Rating is analytically relevant for other analysis that MIS provides to the market.

The recommendation to publish a new Unsolicited Credit Rating (or a group of) not initiated at the request of the Rated Entity and/or its Agents will be made by the Managing Director of the relevant Rating Group and approved by the relevant Rating Group Head.

In the KSA, Unsolicited Credit Ratings are those Credit Ratings not initiated or not maintained at the request of the Rated Entity and/or its Agents.

This designation shall apply at the Rated Entity level and/or the security level.

When a Credit Rating is an Unsolicited Credit Rating, MIS will not seek or accept remuneration for the relevant Credit Rating from the Rated Entity and/or its Agents for at least one year after publication of such Credit Rating. If, more than one year after the publication of such Credit Rating, MIS receives a subsequent solicitation for that Credit Rating from the Rated Entity and/or its Agents, MIS shall no longer designate the Credit Rating to be unsolicited. Solicitation can be evidenced by a request, rating application or contract, payment of fees or other form of confirmation from the Rated Entity and/or its Agents. MIS's publication of an Unsolicited Credit Rating will be conditioned, among other factors, on its determination that sufficient

information is available to allow MIS to assign and maintain the Credit Rating.¹ MIS does not distinguish between solicited and Unsolicited Credit Ratings with respect to its credit rating methodologies.

As noted in the Policy for the Ability of Entities to Decline Publication of Requested Ratings, a Rated Entity does not have the ability to decline publication of an Unsolicited Credit Rating.

DISCLOSURE OF UNSOLICITED CREDIT RATINGS

1. For the disclosure language, employees should refer to the Reference for Disclosure Language.
2. Disclosure on www.moodys.com under the “Ratings” tab and in the Disclosure Form

The unsolicited nature of the Credit Rating is indicated on the detailed Debt List under the “Ratings” tab and in the Disclosure Form. The Disclosure Forms use disclosure language set forth in the reference for disclosure language.

3. Disclosure in Credit Rating Announcements

Disclosure of an Unsolicited Credit Rating in KSA is made in the Arabic version of the Credit Rating Announcements. Refer to the Reference for Disclosure Language for additional details.

4. Change in status to solicited

If a Credit Rating initiated by MIS ceases to be an Unsolicited Credit Rating as a result of a subsequent solicitation at a time more than one year following publication of that Credit Rating, MIS KSA Branch will no longer designate the Credit Rating as unsolicited.

DEFINED TERMS

Agent

Any party working on behalf of a Rated Entity, or working on behalf of an agent of the Rated Entity.

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 Announcement

A Credit Rating Announcement is a written communication that may be used to announce the publication of a Credit Rating Action related to public Credit Ratings, Unpublished Monitored Loan Ratings or Unpublished Monitored Private Placement Ratings. MIS may also publish a Credit Rating Action on related to public Credit Ratings www.moodys.com that is not accompanied by a Credit Rating Announcement.

Disclosure Form

The Disclosure Form is a form that contains regulatory disclosures and is published on www.moodys.com for public Credit Ratings and in the rating folder of the Electronic Platform for Unpublished Monitored Loan Ratings and Unpublished Monitored Private Placement Ratings at the time a Credit Rating Action is published.

¹ To the extent that MIS has access to the same information about an issuer or security as investors in any particular jurisdiction, MIS would generally expect to have sufficient information to assign and maintain a Credit Rating.

Electronic Platform

An Electronic Platform is the private web based electronic platform designated by MIS for certain communications to appropriate recipients relating to MIS's provision of private and/or unpublished products and services, such as Unpublished Monitored Loan Ratings, and Unpublished Monitored Private Placement Ratings.

Issuer

The term Issuer means any entity by which a Security has been issued, guaranteed, or by which the credit underlying a Security has been otherwise supported. The term Issuer also includes the corporate parent or majority-owned subsidiary of an Issuer.

KSA

The Kingdom of Saudi Arabia.

Lead Rating Analyst, Lead Analyst or Lead

A Lead Rating Analyst, Lead Analyst, or Lead is the MIS Employee who is currently assigned the primary responsibility for assigning or monitoring a given Rating and, if applicable, the related Outlook or rating Review.

Managing Director

A Managing Director means those MIS Employees who hold that title.

Moody's Investors Service, Inc. (MIS)

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

MIS KSA Branch

MIS KSA Branch refers to Moody's Investors Service Middle East Limited Kingdom of Saudi Arabia Branch.

MIS Employee

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

Moody's Shared Services Employee

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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 Group

Rating Group refers to one of MIS's global analytical rating teams within Ratings and Research, for example, Global Financial Institutions (FIG).

Rating Group Head

A Rating Group Head is the Managing Director in charge of a global analytical rating team, for example, the Managing Director in charge of Global Financial Institutions (FIG), who reports to the Global Head of Ratings and Research.

Related Third Party

Any party (including the originator, arranger, sponsor, or other party) that interacts with Moody's on behalf of a Rated Entity in connection with a Credit Rating Action for such Rated Entity, including any person directly or indirectly linked to that Rated Entity by control.

Unsolicited Credit Ratings - KSA

In the Kingdom of Saudi Arabia, Unsolicited Credit Ratings are those Credit Ratings not initiated or not maintained at the request of the Rated Entity and/or its Agents.

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