



Policy Banning Recommendations Associated with Credit Ratings

Issued by: Compliance Department

Applicable to: All MCO Employees

Effective Date: April 3, 2017

POLICY

MIS is prohibited from issuing or maintaining a Credit Rating and, if applicable, the related rating Outlook or rating Review¹ where any Employee made recommendations to the Rated Entity or its Agent about the corporate or legal structure, assets, liabilities or activities of the Rated Entity, on how to achieve a better rating.

In addition to the prohibition above, Credit Rating Personnel must not make proposals or recommendations, either formally or informally, regarding the design of financial instruments on which MIS is expected to issue a Credit Rating. These prohibitions do not apply to explanations and feedback provided on MIS's publicly disclosed methodologies.

Any Employee who believes he or she may have received a request for a Prohibited Recommendation must consult the *Procedure Banning Recommendations Associated with Credit Ratings* to determine what, if any, additional steps need to be taken.

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 Personnel

Credit Rating Personnel are MIS Analysts, Managers of MIS Analysts, and any other MIS Employees in credit rating analytical roles who are involved in the development or approval of procedures or methodologies used in providing Credit Rating Services, Ancillary Services or Other Permissible Services. The definition of Credit Rating Personnel excludes any MIS Employee assigned to a rating team who: (1) is not involved in the Rating process or (2) supports the Rating process solely through administrative tasks, such as entering information into internal systems.

¹ All references to a Credit Rating in this document shall include the Credit Rating and to the extent applicable, any related rating Outlook or rating Review.

Employee(s)

An Employee is any full-time or part-time employee of Moody's Corporation or any of its wholly-owned subsidiaries, wherever located.

MCO

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

MIS Employees

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

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.

Outlook

An Outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. For further information, please consult the Rating Symbols and Definitions document.

Prohibited Recommendation

Any formal or informal recommendations by an employee provided to a Rated Entity or its Agent about the corporate or legal structure, assets, liabilities or activities of the Rated Entity for the purpose of achieving a better rating, and proposals or recommendations, made either formally or informally, regarding the design of financial instruments on which MIS is expected to issue a Credit Rating.

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.

Review

A Review is an indication that a rating is under consideration for a change in the near term. For further information see the Ratings Symbols and Definitions document.

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