



Policy Banning Structuring Recommendations Associated with Credit Ratings

Issued By: Compliance Department
 Applicable to: All MCO Employees
 Scope: Global
 Effective Date: October 21, 2020

POLICY

MIS and Moody's Local (ML)¹ are prohibited from issuing or maintaining a Credit Rating² and, if applicable, the related rating Outlook or rating Review³ 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 or ML 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 Structuring 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.

¹ All references to Moody's Local apply to all Moody's Local entities except Bolivia, Panama and Peru.

² References to Credit Ratings include Risk Ratings offered by Moody's Local Argentina and Moody's Local Uruguay.

³ 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.

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.

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.

Moody's Local (ML)

ML refers to Moody's Local and its affiliates that issue Ratings under the "Moody's Local" brand name. A suffix will be added to specify each jurisdiction using the brand name.

Moody's Local – AR

Moody's Local – AR refers to Moody's Latin America Agente de Calificación de Riesgo S.A., whose corporate name will be changed to "Moody's Local AR Agente de Calificación de Riesgo S.A.", after the registration process before the Public Registry of Commerce.

Moody's Local - Uruguay (Moody's Local – UY, ML-UY)

Moody's Local – UY is the term used in policies and procedures to refer to Moody's Latin America Agente de Calificación de Riesgo S.A. ("MLA") as a rating agency providing its services in Uruguay under the brand name "Moody's Local - Uruguay". The corporate name of MLA will be changed to "Moody's Local AR Agente de Calificación de Riesgo S.A." ("Moody's Local - AR"), after the registration process before the Public Registry of Commerce in Argentina.

Other Risk (ML-AR, ML-UY)

Other Risks are any other risks different from credit risks, which can be requested by a customer of Moody's Local – AR or Moody's Local - UY to rate, and for which Moody's Local – AR or Moody's Local UY has a corresponding risk rating methodology registered before the Comision Nacional de Valores and the Banco Central del Uruguay accordingly.

Other Risk Assessments, Ratings or Related Activities (ML-UY)

Other Risk Assessments, Ratings or Related Activities are risk assessments, ratings or related activities other than Credit Ratings conducted by Moody's Local-UY.

Outlook

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

Outlook (ML – AR, ML - UY)

An Outlook is an opinion regarding the likely direction of an issuer's Risk Rating over the medium term. For further information, please consult the applicable Rating Scales 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 a Moody's credit rating agency or any entity that issues securities rated by a Moody's credit rating agency.

Related and Complementary Activities ("Actividades Afines y Complementarias for Argentina") (ML - AR)

Related and Complementary Activities ("actividades afines y complementarias for Argentina") (Moody's Local-AR) are products and services provided by Moody's Local – AR that are not Risk Rating Services, and shall not generate a conflict of interest with Moody's Local – AR Risk Rating Services. Related and Complementary Activities ("Actividades Afines y Complementarias for Argentina") must be authorized by the Comisión Nacional de Valores, prior to its offering to the interested entities. The inexistence of conflicts of interest must be stated by Moody's Local – AR Regulatory Compliance Officer through a report that shall be filed along with the approval request to the Comisión Nacional de Valores.

Risk Ratings (ML-AR)

Risk Rating (ML-AR) refers to Moody's Local – AR professional activity, as requested by interested entities, provided according to registered Risk Rating Methodologies and a defined risk rating system for risk rating categories, that includes:

- (i) Credit Risk Rating – opinions on the solvency of an institution, a credit commitment, a debt security or similar, or an issuer; and
- (ii) Rating of Other Risks - opinions on Other Risks.

Risk Ratings are not recommendations to purchase, sell nor maintain any tradable security. Risk Ratings exclude all Related and Complementary Activities ("Actividades Afines y Complementarias").

Risk Rating (ML-UY)

Risk Rating (ML-UY) refers to Moody's Local – UY professional activity, provided according to registered Risk Rating Methodologies and a defined risk rating system for risk rating categories, that includes:

- (i) Credit Rating is an opinion from Moody's Local – UY 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; and
- (ii) Other Risk Assessments, Ratings or Related Activities are risk assessments, ratings or related activities other than Credit Ratings by Moody's Local - UY.

Review

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

Review (ML – AR, ML - UY)

A Review is an indication that a Risk Rating is under consideration for a change in the near term. For further information, please consult the applicable Rating Scales document.

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