

## Policy for the Ability of Entities to Decline Publication of Requested Ratings

Issued by: MIS Compliance Department  
 Applicable to: All MIS Employees and relevant Moody's Shared Services Employees supporting the MIS ratings process  
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### POLICY

This policy explains an entity's ability to decline the publication of a requested rating (known colloquially as the "right of refusal"). An entity domiciled outside the United States and issuing debt outside the United States may decline the publication of a requested rating, regardless of the entity's ultimate decision on whether to issue debt. Moody's reserves the right to publish requested ratings of US-domiciled entities and non-US Issuers of securities into the US market.

### Which Class of Entities Have the Ability to Decline Publication of a Requested Rating?

The ability to decline publication of a requested rating applies to non-US domiciled entities issuing outside the US that apply for a Moody's rating. This includes non-US domiciled subsidiaries of parent companies domiciled in the US. This policy applies to all instruments, and all classes of entities (corporate, financial institution, regional and local government, sovereign, structured finance, project finance, and managed funds). It applies regardless of the rating level indicated (investment or speculative grade), or the amount of debt an entity has outstanding or may intend to issue.<sup>1</sup>

### Where Does "Right of Refusal" Not Apply?<sup>2</sup>

The ability to decline publication of a requested rating does not apply to US domiciled entities and to non-US Issuers issuing into the US market (including any 144A issuance, regardless of currency).

Moody's also reserves the right to publish ratings in connection with a requested rating where such ratings are relevant to the rating analysis. For example, when an insurance company requests a debt rating, they are assigned insurance financial strength rating as an underlying and explanatory component of its debt rating. Moody's also reserves the right to publish inputs to ratings services which are used in helping assign credit ratings (such as Baseline Credit Assessments).

<sup>1</sup> For Credit Ratings and Indicative Ratings issued in Brazil, please refer to the Policy for Disclosure of Requests for Rating Assignments in Brazil.

<sup>2</sup> The Japanese regulation requires Credit Rating Agencies to disclose Credit Rating without delay after the "Fuyo" is made. Moody's interprets that a provision of Credit Rating to the Rated Entity and/or its Agents is deemed as Fuyo\*. In this regard, once the final draft of a Press Release that includes the determined Credit Rating is provided to the Rated Entity and/or its Agents, such entities are no longer allowed to refuse the disclosure of the Credit Rating that Moody's has determined.

\*"Fuyo", Japanese term, is construed by the JFSA that a credit rating is finally determined by means of the CRA's own authority.

From time to time, Moody's may determine, due to the nature of a particular asset class and/or the degree and nature of credit risk posed to investors, that it intends to express its opinion to the market by rating such securities where possible, in accordance with our current policies and procedures, including in certain instances where our rating has not been requested by the Issuer. In these situations, the Issuer will not have the ability to decline the publication of the rating, regardless of whether the rating is requested by the Issuer or issued by Moody's without a specific request from the Issuer.

In all situations, if Moody's determines that it is proceeding with the issuance of an Unsolicited Credit Rating pursuant to its Policy for Designating and Assigning Unsolicited Credit Ratings in the European Union and the Policy for Designating and Assigning Unsolicited Credit Ratings Outside Argentina, Bolivia, Canada, European Union, Japan and Mexico, the Issuer does not have the ability to decline publication of an Unsolicited Credit Rating.

### How Long is the Ability to Decline the Rating Effective?

For entities that decline the publication of their rating, Moody's will forego publishing ratings for at least one year from the time the initial rating is communicated to the issuer/its agent, unless otherwise requested to do so by the entity. Should there be any revision to this policy at a future date, such changes will apply prospectively, unless otherwise required by law or regulation.

## 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.

### 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.

### MIS Employee

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

### Moody's Investor Service, Inc. (MIS)

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Affairs, Finance, Information Technology, and Human Resources.

### 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.

### Unsolicited Credit Ratings

- a. **Global [except Argentina, Bolivia, Canada, the EU, Japan and Mexico]:** An Unsolicited Credit Rating is a Credit Rating which is initiated by MIS and not requested by the Rated Entity and/or its Agents.
- b. **Canada:** Unsolicited Credit Ratings are those Credit Ratings not initiated at the request of the Rated Entity and/or its Agents.
- c. **The EU,** Unsolicited Credit Ratings are those Credit Ratings not initiated or not maintained at the request of the Rated Entity and/or its Agents.
- d. **In Japan (for both MJKK and MSFJ):** Unsolicited Credit Ratings are those Credit Ratings not initiated at the request of the Rated Entity and/or its Agents. A solicited rating needs to meet the two elements:
  - i. it has to be issued upon request from the Rated Entity and/or its Agents; and
  - ii. the request has to remain valid at the time of providing or publishing such rating.

The existence of the effective contract agreement is the key to distinguish between “unsolicited” and “solicited”.

- e. **Argentina, Bolivia and Mexico:** Unsolicited Credit Ratings are not permitted as a signed rating services contract must be in place in order to initiate a rating relationship.

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