

Outside Business Interest Policy

Issued by:	Compliance Department
Applicable to:	All MCO Employees
Scope:	Global
Effective Date:	December 5, 2016

POLICY

Moody's permits Employees to maintain Outside Business Interests as long as: (i) the Outside Business Interest does not create an actual or potential conflict of interest; (ii) the Outside Business Interest does not affect the ability of Employees to perform their obligations to Moody's, including obligations under their employment contracts with Moody's; and (iii) for MIS Employees, the MIS Employee does not participate in or otherwise influence a Credit Rating that is associated with such Outside Business Interest.

An Employee may not participate in the selection of vendors, business partners or contractors, and MIS Employees may not approve, participate in or otherwise influence the determination of the Credit Rating of any particular entity or obligation, where an actual or potential conflict might arise from an Outside Business Interest of the Employee or the business interests of the Employee's immediate relations (i.e., a spouse, partner, parent, child or sibling) or other close personal relationship. An Employee may not engage in Outside Business Interests without prior written approval from their Manager and Compliance, as set forth in the related Outside Business Interest Procedures. Further, Employees may not use Company resources, including telephones, fax machines and computers, to engage in activities related to an Outside Business Interest.

An actual or potential conflict of interest between the professional activities of a Moody's Employee and an Outside Business Interest can potentially arise with an Outside Entity:

- » That is a vendor, supplier or service provider to, or customer of, Moody's
- » That may be a competitor of Moody's, or offers a product or service similar to a product or service offered by Moody's
- » That is a Rated Entity, or that is an affiliate of a Rated Entity
- » That interacts with MIS on behalf of a Rated Entity (*e.g.* as Agent, underwriter, arranger, sponsor, originator, etc.)
- » That receives non-Credit Rating Services from MIS
- » That provides compensation or remuneration for services as a board member

Additionally, an actual or potential conflict of interest could arise where the activities of the Moody's Employee's immediate relations or other close personal relationships could otherwise affect the Employee's ability to perform his or her employment obligations.

MIS Employees must be aware of the [MIS Policy on Conflict of Interest Certification](#) and the [MIS Procedure for Conflict of Interest Self-Certification and Attestation Acknowledgement](#) in connection with the requirements of this Policy.

OUTSIDE POSITIONS OF MOODY'S EMPLOYEES

An Employee serving as a consultant, contractor, employee, officer, or director of an Outside Entity may be regarded as a representative of Moody's and might find his or her duties with such Outside Entity to be in conflict with Moody's interests. An Employee should, therefore, not assume any part-time, or second position, or other Outside Position, with any Outside Entity that may create an actual or potential conflict of interest with the duties that the Employee performs for Moody's regardless of whether the Employee is compensated for such outside activities.

Employees can only accept Outside Positions after receiving express approval from their Managers and Compliance as set forth in the Outside Business Interests Procedures. In general, board nominations or memberships for Rated Entities will not be approved. Further, requests by MIS Employees to be nominated for or to serve on the board of directors of any entity (regardless of whether it is a for-profit or not-for-profit entity) generally will not be approved if such service includes any compensation or remuneration.

RECENT EMPLOYMENT OF MOODY'S EMPLOYEES

Employees who are new hires are required to report to their Manager any employment, or other relevant engagement as a director, officer, consultant or contractor, in the 12 months prior to joining Moody's, as set forth in the Outside Business Interest Procedures.

Employees may be instructed by their Manager to refrain from participating in certain professional activities if the Employee has served within the past 12 months as a consultant, contractor, employee, officer, or director with a vendor, business partner, contractor or customer of Moody's.

MIS Employees cannot approve, participate in or otherwise influence the determination of the Credit Rating of any particular entity or obligation if the MIS Employee has, or had, served within the past 12 months as a consultant, contractor, employee, officer or director of a Rated Entity or an affiliate of a Rated Entity (or that interacts with MIS on behalf of a Rated Entity, e.g. as Agent, underwriter, arranger, sponsor, originator, etc.) that either constitutes a conflict of interest or creates the impression of a conflict of interest that MIS deems unacceptable.

SIGNIFICANT BUSINESS INTERESTS OF MOODY'S EMPLOYEES

Employees must disclose to their Manager any Significant Business Interests held by the Employee over the last 12 months that may involve a Rated Entity, or a vendor, business partner, contractor or customer of Moody's, as set forth in the Outside Business Interest Procedures.

Employees may be instructed by their Manager to refrain from participating in certain professional activities if the Employee has, or had within the last 12 months, a Significant Business Interest in a vendor, business partner, customer or contractor of Moody's.

MIS Employees cannot approve, participate in or otherwise influence the determination of the Credit Rating of any particular entity or obligation if the MIS Employee has, or had within the last 12 months a Significant Business Interest with the Rated Entity or an affiliate of a Rated Entity (or that interacts with MIS on behalf of a Rated Entity, e.g. as Agent, underwriter, arranger, sponsor, originator, etc.) that either constitutes a conflict of interest or creates the impression of a conflict of interest that MIS deems unacceptable.

BUSINESS INTERESTS OF IMMEDIATE RELATIONS

Actual or potential conflicts of interest may arise from the business interests of immediate relations (i.e., a spouse, partner, parent, child or sibling). This can include employment by, or consulting, contracting or advising for an Outside Entity by an immediate relation, as well as a Significant Business Interest of immediate relations.

As set forth in the Outside Business Interest Procedures, Employees are required to disclose to their Manager any business interests of immediate relations of which they are aware that could cause an actual or potential conflict of interest with the Employee's professional activities at Moody's.

Employees may be instructed by their Manager to refrain from participating in certain professional activities where an immediate relation has a business interest with a Rated Entity (or that interacts with MIS on behalf of a Rated Entity (e.g. as Agent, underwriter, arranger, sponsor, originator, etc.), or with a contractor, supplier or vendor of Moody's.

OTHER RELATIONSHIPS

Actual or potential conflicts of interest also may arise from the business interests of those with whom the Employee has a close personal or other relationship (e.g., the employment of a close personal friend). As set forth in the Outside Business Interest Procedures, Employees are required to disclose to their Manager or Compliance any such actual or potential conflicts of interest of which they are aware.

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 Services

Credit Rating Services are those products and services offered with respect to Credit Ratings and, if applicable the related rating Outlook or rating Review. Credit Rating Services specifically exclude all Ancillary Services and Other Permissible Services.

Employee

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

Manager, Management or Managers

A Manager is an Employee with personnel management responsibilities.

MCO

Refers to Moody's Corporation.

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.

Outside Business Interest

Outside Business Interest includes a Significant Business Interest in, or an Outside Position with, an Outside Entity that is not owned by Moody's.

Outside Entity

An Outside Entity refers to any for profit or not for profit entity not affiliated with Moody's, whether publicly or privately held, including charitable and government organizations, professional and trade organizations, or educational institutions. This may also include any unincorporated businesses or self-employment, including family or private businesses. Notwithstanding, an Outside Entity would not include local community organizations; for example, local churches, homeowners associations, rotary clubs, local charities or other local community organizations.

Outside Position

An Outside Position is employment of an Employee (full-time or part-time) by an Outside Entity, or working or acting (as a consultant, contractor, advisor, officer, director or otherwise) for the benefit of any Outside Entity, whether compensated or not. This includes when the Employee is engaging in part-time or secondary employment with an Outside Entity, but also in cases where an Employee is running his or her own business, participating in a family business, acting as a publisher of articles or holding outside lectures, or any other similar business activity, or selling products (to Moody's Employees or outside customers).

Notwithstanding the above, Outside Position does not include instances where an Employee has been requested by Moody's management to represent Moody's on an industry council, advisory board or other Outside Entity in furtherance of Moody's interests.

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.

Significant Business Interest

A Significant Business Interest is any interest in another company that would influence a Moody's employee to make a decision based on that company's or his or her own interests rather than Moody's. Such an interest can be financial, such as owning stock, or personal, such as a family or other close relationship with an owner of a company.

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