

Code of Professional Conduct

June 2005

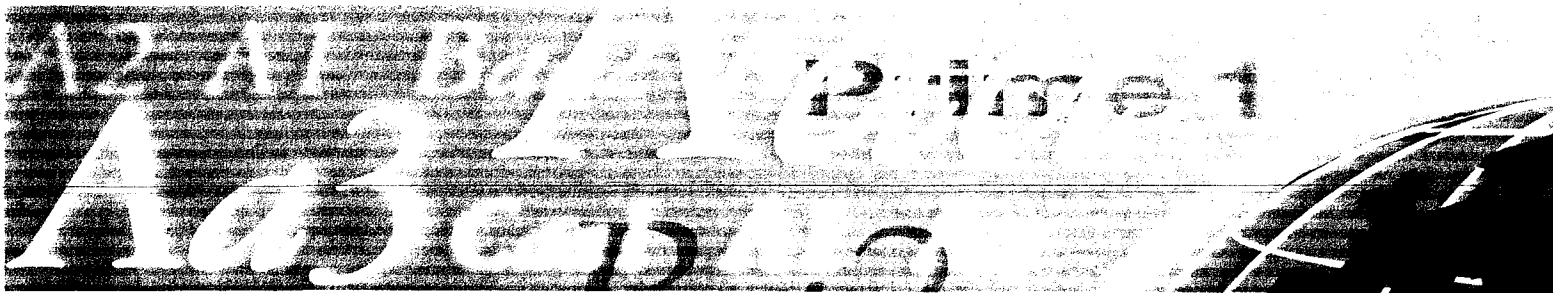


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Financial markets should be efficient and fair to all market participants. Credit rating agencies play an important information role in these markets. Moody's Investors Service ("Moody's") provides opinions in the form of credit ratings and related research about the creditworthiness of Issuers of securities and their financial obligations. Our credit ratings are forward-looking opinions that speak to the relative probability that principal and interest will be repaid in a timely manner. Given the vast amount of information available to investors today — some of it valuable, some of it not — Moody's helps investors and others sift through this information and analyze the credit risks they face when lending to a particular borrower, or when purchasing an Issuer's debt and debt-like securities.¹ For public debt instruments, Moody's makes our credit ratings available to investors globally on a contemporaneous basis, publicly and free of charge.

In order to enhance market understanding and confidence in Moody's credit ratings, Moody's has adopted this Code of Professional Conduct (the "**Moody's Code**" or "**Code**"). Through this Code, Moody's seeks to protect the integrity of the rating process, to ensure that investors and Issuers are treated fairly, and to safeguard confidential information provided to us by Issuers. To use Moody's ratings effectively, the market should be informed of both their attributes and limitations. It is our responsibility to be as transparent as practicable with respect to our:

- analytical methodologies;
- rating policies and practices; and
- overall track record.

This Code, as well as associated policies, is accessible on Moody's public website, moodys.com.²

The Moody's Code is organized into three sections:³

- the Quality and Integrity of the Rating Process;
- Moody's Independence and the Avoidance of Conflicts of Interest; and,
- Moody's Responsibilities to Investors and Issuers.

¹ Moody's provides credit ratings for different types of debt and financial obligations - including, for example, private loans, publicly and privately traded debt securities, preferred shares and other securities that offer a fixed or variable rate of return. For simplicity's sake, the term "debt and debt-like securities" is used herein to refer to debt securities, preferred shares, and other financial obligations of these sorts.

² Although, in the interest of transparency, we have posted this Code and other related policies on moodys.com, Moody's does not assume, as a result of such public disclosure, any responsibility or liability to any third party arising out of or relating to this Code or those policies. The Moody's Code is not part of any contract with any third party, and no third party shall have any right to enforce any of its provisions. Moody's also retains complete discretion to revise this Code at any time to reflect changes in Moody's ratings policies and procedures or to address changes in market, legal, or regulatory circumstances.

³ The Moody's Code has been structured in this manner in order to track the International Organization of Securities Commissions' Code of Conduct Fundamentals for Credit Rating Agencies (the "IOSCO Code") as closely as possible.

I. Definitions

For the purposes of this document, the terms below are defined as follows:

- **International Organization of Securities Commissions' Code of Conduct Fundamentals for Credit Rating Agencies ("IOSCO Code")** is a framework Code of Conduct published on December 23, 2004 by the International Organization of Securities Commissions. It was developed through cooperative efforts of international securities regulatory authorities, rating agencies, Issuers and other market participants. Moody's has publicly endorsed the IOSCO Code.
- **International Organization of Securities Commissions' Principles Regarding the Activities of Credit Rating Agencies ("IOSCO Principles")** is a set of broad principles developed by the international regulatory community and published on September 25, 2003. The IOSCO Principles is the document upon which the IOSCO Code is based. Moody's has publicly endorsed the IOSCO Principles.
- **Moody's** is Moody's Investors Service, Inc., each of its wholly-owned subsidiaries, and any specifically identified partially owned subsidiaries or other affiliated entities. Moody's primary business is the issuance of credit ratings on an alpha-numeric scale ranging from Aaa to C, together with related research for the purposes of evaluating the credit risk of Issuers of debt and debt-like securities.
- **Moody's Corporation** is the listed parent company of Moody's.
- An **Employee** is any individual who works for Moody's in any capacity.
- An **Analyst** is an Employee whose primary function is participation in the Credit Rating analysis process.
- **Management** or **Managers** are those Employees who have personnel management responsibilities.
- **Moody's Code of Professional Conduct ("Moody's Code" or the "Code")** is this code of conduct for Moody's Credit Rating business. The Moody's Code governs the conduct of:
 - a) Moody's; and
 - b) all Moody's Employees whether employed by Moody's in a full-time or part-time capacity.
- An **Issuer** is any entity that issues debt, a credit commitment or debt-like securities.
- A **Credit Rating** is Moody's current opinion regarding the relative future creditworthiness of an entity, a credit commitment, a debt or debt-like security, or an Issuer of such obligations, as determined by a rating committee and expressed using its established Aaa to C alphanumeric rating scale, or other Credit Rating scales as identified from time to time by Moody's.

- **Unsolicited Credit Ratings** are those Credit Ratings published under the following two conditions:
 - a) the Credit Rating is a first-time assignment related to a given Issuer; and,
 - b) the Credit Rating was not requested by the Issuer, and was initiated by Moody's.
- **Non-Participating Credit Ratings** are those published Credit Ratings in which the Issuer:
 - a) has not participated in the rating process for the past 12 months; and,
 - b) has declined Moody's offer to participate in the rating process on a going-forward basis.
- **Confidential Information** is any information received by Moody's from an Issuer or its authorized agent in connection with the rating process in respect of which Moody's has received written notice specifically indicating the proprietary and confidential nature of the information. However, the term "Confidential Information" shall not include:
 - a) information that is or later becomes publicly known;
 - b) information available to Moody's on a non-confidential basis prior to disclosure by the Issuer or its agents;
 - c) information that becomes available to Moody's on a non-confidential basis from a third party not reasonably known by Moody's to be bound by a confidentiality agreement with the Issuer or otherwise prohibited from making available such information; or
 - d) information developed independently by Moody's without reference to the Confidential Information.
- **The Office of Compliance** is the office designated by Moody's to be responsible for Moody's and its Employees' compliance with the policies and procedures described in this Code.
- **The Credit Policy Committee** is the committee which formulates high level rating policies for each of the rating groups. The composition of the committee may change from time to time in response to changing conditions.
- For the purposes of this Code, the terms **Security** and **Derivative** shall not include those securities listed as "exempt" in Moody's internal securities trading policies, including:
 - a) holdings in widely diversified, open-end mutual funds and exchange-traded funds or derivative securities thereof; and
 - b) securities in a "blind trust" held for the benefit of an Employee or his/her family members.

II. What Are Credit Ratings?

Credit Ratings are Moody's current opinions of the relative future creditworthiness of entities or instruments, not statements of current or historical fact. Credit Ratings do not constitute investment or financial advice, and Credit Ratings are not recommendations to purchase, sell, or hold particular securities. Credit Ratings do not comment on the suitability of an investment for any particular investor. Moody's issues its Credit Ratings with the expectation and understanding that each investor will make its own study and evaluation of each security that is under consideration for purchase, holding, or sale.

Moody's Credit Ratings are based on information obtained by Moody's from sources believed by Moody's to be accurate and reliable, including but not limited to Issuers and their agents and advisors (e.g., accountants, legal counsel, and other experts). Moody's relies on Issuers and their agents to provide accurate, timely, and complete information.

Moody's has no obligation to perform, and does not perform, due diligence with respect to the accuracy of information it receives or obtains in connection with the rating process. Moody's does not independently verify any such information. Nor does Moody's audit or otherwise undertake to determine that such information is complete. Thus, in assigning a Credit Rating, Moody's is in no way providing a guarantee or any kind of assurance with regard to the accuracy, timeliness, or completeness of factual information reflected, or contained, in the Credit Rating or any related Moody's publication.

In the rating process, Moody's maintains independence in its relationships with Issuers and other interested entities. Moody's does not have a fiduciary relationship with the Issuer whose security is being rated (or any other party). Nor does Moody's act as an advisor to the Issuers it rates. Moody's may comment on the potential credit implications of proposed structural elements of a security, but Moody's does not participate in the actual structuring of any security under consideration for a Credit Rating.

As a matter of policy, and in keeping with its role as an independent and objective publisher of opinions, Moody's retains complete editorial control over the content of its Credit Ratings, credit opinions, commentary, and all related publications. Moody's reserves the right at any time to suspend, modify, lower, raise or withdraw a Credit Rating, or place it on the watchlist in accordance with Moody's policies and procedures. Moody's editorial control includes its right to decide whether, and when, to issue a Credit Rating or publish any information or commentary, except in those rare instances where the public disclosure of a Credit Rating has been contractually limited. (See Section 3.3 below.)

III. The Provisions

1. Quality and Integrity of the Rating Process

As described in the IOSCO Principles, Moody's will endeavor to provide forward-looking opinions on the relative creditworthiness of Issuers of debt and debt-like instruments in order to help reduce the information asymmetry that exists between those Issuers and potential purchasers of their debt.

A. Quality of the Rating Process

- 1.1 Since Credit Ratings are probabilistic opinions about future creditworthiness, the performance of an individual Credit Rating opinion will not be judged on the basis of the individual outcome, but on whether the individual Credit Rating was formed pursuant to Moody's established processes. Where possible, the performance of Credit Ratings collectively will be evaluated on the basis of how they perform on a statistical basis ex post (e.g., default studies, accuracy ratios and stability measures).
- 1.2 Moody's will develop and maintain rigorous and systematic rating methodologies. Where possible, resulting Credit Ratings will be periodically subjected to objective validation based on historical experience. The Credit Policy Committee will be responsible for monitoring the appropriateness and completeness of rating methodologies and procedures, and for approving any significant changes to Moody's rating methodologies and procedures.
- 1.3 In assessing an Issuer's creditworthiness, Analysts involved in the preparation or review of any Credit Rating action will use Moody's methodologies. Analysts will apply a given methodology in a consistent manner, as determined by Moody's.
- 1.4 Credit Ratings will be determined by rating committees and not by any individual Analyst.⁴ Credit Ratings will reflect consideration of all information known, and believed to be relevant, by the applicable Moody's Analyst and rating committee, in a manner generally consistent with Moody's published methodologies. In formulating Credit Ratings, Moody's will employ Analysts who, individually or collectively, have appropriate knowledge and experience in developing a rating opinion for the type of credit being analyzed.
- 1.5 Moody's will maintain internal records to support its Credit Ratings in accordance with Moody's internal record retention policies and applicable law.

⁴ Once a rating committee has determined the appropriate ratings to be assigned to an Issuer's debt classes (e.g., senior unsecured), or to debt issued under specific program documents, Moody's will assign such ratings to such classes unless and until a subsequent rating committee determines otherwise. Debt issuance by an Issuer or under specific program documents may be routine (e.g., refinancing) or may be material to the Issuer's creditworthiness or the program structure, (e.g., a material change in the Issuer's leverage). It is the responsibility of the Analyst to monitor the Issuer's debt issuance and leverage and changes to program documents and to bring material changes to the rating committee's attention.

- 1.6 Moody's and its Analysts will take steps to avoid issuing any credit analyses, ratings or reports that knowingly contain misrepresentations or are otherwise misleading as to the general creditworthiness of an Issuer or obligation.
- 1.7 Moody's will invest resources sufficient to carry out high-quality credit assessments of obligations and Issuers. When deciding whether to rate or continue to rate an obligation or Issuer, Moody's will assess whether it is able to devote sufficient personnel with appropriate skills to make a proper rating assessment, and whether its personnel likely will have access to sufficient information needed in order to make such an assessment.
- 1.8 Moody's will organize its rating committees to promote continuity and avoid bias in the rating process.

B. Monitoring and Updating

- 1.9 Except for Credit Ratings that clearly indicate they do not entail ongoing surveillance, once a Credit Rating is published, Moody's will monitor the Credit Rating on an ongoing basis and update it by:
 - 1.9.1 periodically reviewing the creditworthiness of the Issuer or other relevant entity;
 - 1.9.2 initiating a review of the status of the Credit Rating upon becoming aware of any information that might reasonably be expected to result in a Credit Rating action (including termination of a Credit Rating), consistent with the applicable rating methodology; and
 - 1.9.3 updating on a timely basis the rating, as appropriate, based on the results of such review.
- 1.10 In accordance with Moody's published Rating Withdrawal Policy Moody's will announce via press release if it discontinues a public Credit Rating on an Issuer or obligation.

C. Integrity of the Rating Process

- 1.11 Moody's and its Employees will comply with all applicable laws and regulations governing their activities in the jurisdictions in which Moody's operates.
- 1.12 Moody's and its Employees will deal fairly and honestly with Issuers, investors, other market participants, and the public.
- 1.13 Moody's will hold its Employees to high standards of integrity. Moody's will not knowingly employ any individuals with demonstrably compromised integrity.
- 1.14 Moody's and its Analysts will not, either implicitly or explicitly, give any assurance or guarantee of a particular Credit Rating prior to a rating committee. This does not preclude Moody's from developing provisional assessments used in structured financings or similar transactions.

- 1.15 The Office of Compliance will be responsible for assessing adherence to the various procedural provisions of this Code. The reporting line of the Office of Compliance will be independent of Moody's rating operations and the compensation of individuals in this function will be determined by individuals without Credit Ratings operation responsibilities at Moody's.
- 1.16 While Employees are not expected to be experts in the law, they are expected to report activities of which they are aware that a reasonable person would question as a potential violation of the law or this Code. Any Moody's Manager or officer who receives such a report from an Employee is obligated to report it promptly to the Legal Department or the Office of Compliance, which will take appropriate action, as determined by the laws and regulations of the jurisdiction and the rules and guidelines set forth by Moody's. Employees may also report any such matters on a confidential or anonymous basis by calling Moody's anonymous hotline.
- 1.17 Moody's management will prohibit retaliation by any Moody's Employee or by Moody's itself against any Employee who, in good faith, reports a possible violation of the law or this Code.

2. Independence and Management of Conflicts of Interest

A. General

- 2.1 Moody's will not forbear or refrain from taking a Credit Rating action based on the potential effect (economic, political, or otherwise) of the action on Moody's, an Issuer, an investor, or other market participant.
- 2.2 Moody's and its Analysts will use care and professional judgment to maintain both the substance and appearance of independence and objectivity.
- 2.3 The determination of a Credit Rating will be influenced only by factors relevant to the credit assessment.
- 2.4 The Credit Rating Moody's assigns to an Issuer, debt or debt-like obligation will not be affected by the existence of, or potential for, a business relationship between Moody's (or its affiliates) and the Issuer (or its affiliates) or any other party, or the non-existence of any such relationship.
- 2.5 Moody's will separate its Credit Rating business and Analysts from other businesses that may reasonably present a conflict of interest, as described in Moody's Policy with Respect to Non-Rating Services.⁵ Rating committee members may neither sell nor provide such services to rated Issuers. Moody's will ensure that any existing or future ancillary business operations that do not necessarily present conflicts of interest with the Moody's Credit Rating business have in place procedures and mechanisms, to minimize the likelihood that conflicts of interest will arise.

⁵ Moody's considers its Rating Assessment Service to be an integral element of the rating process that provides Issuers with the likely rating impact of contemplated corporate actions and as such, contributes to rating predictability and reduces market volatility. As such Moody's does not consider it a non-Credit Rating service.

B. Procedures and Policies

- 2.6 Moody's will adopt written internal procedures and mechanisms to:
 - 2.6.1 identify; and
 - 2.6.2 eliminate, or manage and disclose, as appropriate, actual or potential conflicts of interest that may influence the opinions and analyses Moody's makes or the judgment and analyses of Moody's Employees who have an influence on Credit Rating decisions.
- 2.7 Moody's disclosures of known actual and potential conflicts of interest will be complete, timely, clear, concise, specific and prominent. Such disclosures will be made through moodys.com.
- 2.8 Moody's will disclose the general nature of its compensation arrangements with rated entities, including whether it receives compensation unrelated to its Credit Ratings and related research.
- 2.9 In accordance with Moody's internal securities trading policies, Moody's and its Employees will not engage in any Securities or Derivatives trading that present conflicts of interest with Moody's rating activities.
- 2.10 In instances where rated entities (e.g., governments) have, or are simultaneously pursuing, affiliated oversight functions related to Moody's, Moody's will use different Employees to conduct its Credit Rating evaluations for such rated entities than those Employees involved in its oversight issues.

C. Analyst and Employee Independence

- 2.11 Reporting lines for Moody's Employees and their compensation arrangements will be organized to eliminate or effectively manage actual and potential conflicts of interest. Analysts will not be compensated or evaluated on the basis of the amount of revenue that Moody's derives from Issuers that the Analyst rates or with which the Analyst regularly interacts.
- 2.12 Moody's will not have Analysts without Management responsibilities who are directly involved in the rating process for an Issuer initiate, or participate in, discussions regarding fees or payments with such Issuer.
- 2.13 In accordance with Moody's Core Principles for the Conduct of Rating Committees, no Moody's Employee will participate in or otherwise influence the determination of the Credit Rating of any particular entity or obligation if the Employee:
 - 2.13.1 owns Securities or Derivatives of the rated entity;
 - 2.13.2 owns Securities or Derivatives of any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest;
 - 2.13.3 has had a recent employment or other significant business relationship with the rated entity that may cause or may be perceived as causing a conflict of interest;

- 2.13.4 has an immediate relation (i.e., a spouse, partner, parent, child, or sibling) who currently works for the rated entity; or
- 2.13.5 has, or had, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.
- 2.14 In accordance with Moody's internal securities trading policies, Moody's Employees who are involved in the rating process (or their spouse, partner or minor children) are prohibited from buying, selling or engaging in any transaction in any Security or Derivative of any Security issued, guaranteed, or otherwise supported by any entity within such Employee's area of primary analytical responsibility.
- 2.15 Moody's Employees are prohibited from soliciting money, gifts or favors from anyone with whom Moody's does business and are prohibited from accepting gifts or favors from such persons or entities other than those expressly sanctioned by the MCO Code of Business Conduct.
- 2.16 Any Moody's Analyst or Manager who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest (including, for example, any personal relationship with an employee of a rated entity or agent of such entity within his or her area of analytic responsibility) will be required, subject to applicable law, to disclose such relationship to either their immediate supervisor, their department head, or a member of the Human Resources or Legal Department. Based on the assessment of this information, Moody's will take appropriate steps to mitigate the real or apparent conflict.

3. Responsibilities to Investors and Issuers

A. Transparency and Timeliness of Ratings Disclosure

- 3.1 In accordance with Moody's Core Principles for the Conduct of Rating Committees, Moody's will distribute as soon as practicable its Credit Rating opinions regarding the Issuers, debt and debt-like obligations it rates.
- 3.2 Moody's will make Credit Rating actions on public debt securities or public debt Issuers available to the public without cost. Such Credit Rating actions will be posted on Moody's public website and through simultaneous transmission to the news media as well as via electronic or print subscription services. The public will be able to obtain a current public Credit Rating for any Issuer, debt or debt-like obligation without cost. Rating actions and a brief explanation of the rationale for the rating action will remain on Moody's public website for a minimum of three business days.
- 3.3 Upon the request of an Issuer, and at Moody's sole discretion, Moody's may agree to keep a Credit Rating confidential. If an Issuer or structured finance tranche already holds a public Credit Rating, all subsequent rating actions regarding that Issuer or structured finance tranche must also be public.
- 3.4 Moody's will publicly disclose and keep current its policies for distributing Credit Ratings, reports and updates.

- 3.5 In each of its Credit Rating press releases, Moody's will reference the last associated rating action.
- 3.6 Moody's will publish sufficient information about its procedures, methodologies and any assumptions that deviate materially from information contained in the Issuer's published financial statements so that financial market professionals can understand how a Credit Rating assessment was made.
- 3.7 When issuing or revising a Credit Rating, Moody's will explain in its press releases and reports the key elements underlying the Credit Rating.
- 3.8 In accordance with Moody's Core Principles for the Conduct of Rating Committees, where feasible and appropriate, prior to issuing or revising a Credit Rating, Moody's will inform the Issuer of the critical information and principal considerations upon which the Credit Rating is based and afford the Issuer an opportunity to submit additional factual information not previously available to the Issuer, or clarify any likely factual misperceptions in order to produce a well-informed Credit Rating. Moody's will duly evaluate the Issuer's response. Where in particular circumstances Moody's has not informed the Issuer prior to issuing or revising a Credit Rating, Moody's will inform the Issuer as soon as practicable thereafter and, generally, will explain the reason for the delay.
- 3.9 Where not precluded by specific circumstances, Moody's will allow the Issuer a brief period of time, which may vary depending on the circumstances, to notify Moody's of the Issuer's desire to appeal the Credit Rating decision. Appeals must be based on information not previously available to the Issuer or Moody's.
- 3.10 In order to promote transparency and to enable the market to best judge the aggregate performance of Credit Ratings on debt instruments, where possible, Moody's will publish sufficient information about its historical default rates by rating category, the transitions between rating categories, and periodic performance metrics so that financial market professionals can understand the historical performance of rating categories.
- 3.11 In order to promote transparency, and in accordance with Moody's Policy on Designation of Ratings in Which the Issuer Has Not Participated, Moody's will publicly designate and disclose Non-Participating Credit Ratings.
- 3.12 Moody's has not assigned Unsolicited Credit Ratings in the recent past. However, as a publisher of opinions about credit, Moody's reserves the right in the future to issue Unsolicited Credit Ratings if Moody's believes: (i) there is a meaningful credit market or investor interest served by the publication of such a rating; and (ii) it has sufficient information to support adequate analysis and, if applicable, ongoing surveillance. When a Credit Rating is an Unsolicited Credit Rating, Moody's will not seek or accept remuneration for its analytical services from the Issuer for at least one year after the publication of such rating.

- 3.13 Moody's will publicly disclose via press release and posting on moodys.com any material modifications to its rating methodologies and related significant practices, procedures, and processes. Where feasible and appropriate, disclosure of such material modifications will be made subject to a "request for comment" from market participants prior to their implementation. Moody's will carefully consider the various uses of Credit Ratings before modifying its rating methodologies, practices, procedures and processes.
- 3.14 As a publisher of credit research related to its Credit Ratings, Moody's will seek to provide clear, accurate, transparent and high quality research about rated Issuers, debt or debt-like obligations. Research sales shall be separated from the research and rating process in ways that help protect the latter activities from improper conflicts of interest. As provided elsewhere in this section, non-public information about Moody's future rating actions may not be selectively disclosed to research subscribers or others.

B. Treatment of Confidential Information

- 3.15 Moody's and its Employees will:
- 3.15.1 Preserve the confidentiality of Confidential Information communicated to them by an Issuer or its agent; and
 - 3.15.2 Unless they have received permission from the Issuer, refrain from disclosing Confidential Information in press releases, through research conferences, conversations with investors, other Issuers, or any other persons.
 - 3.15.3 Notwithstanding the foregoing, Moody's shall not be restricted from:
 - (a) publishing any Credit Rating or other opinion regarding a particular security or transaction which incorporates Confidential Information without specifically disclosing it; (b) using third party contractors or agents bound by appropriate confidentiality obligations to assist in any aspect of the rating process or related business activities; or (c) disclosing information as required by any applicable law, rule, or regulation, or at the request of any governmental agency or authority.
- 3.16 Moody's will use Confidential Information only for purposes related to its rating activities.
- 3.17 Moody's Employees will take all reasonable measures to protect all property and records belonging to or in possession of Moody's from fraud, theft or misuse.
- 3.18 In accordance with Moody's internal securities trading policies, Moody's Employees will be prohibited from engaging in transactions in Securities and Derivatives when they possess Confidential Information concerning the Issuer of such Securities.
- 3.19 Moody's Employees will familiarize themselves with Moody's internal securities trading policies, and periodically certify their compliance as required by such policies.
- 3.20 Moody's Employees will not disclose any non-public information about rating opinions or possible future rating actions of Moody's, except to the Issuer or its designated agents.

- 3.21 Moody's Employees will not share Confidential Information entrusted to Moody's with employees of any affiliated entities except to the extent such employees are acting as agents of Moody's with respect to the rating process, and are bound by appropriate confidentiality obligations. Moody's Employees will not share Confidential Information within Moody's except on a "reason-to-know" basis.
- 3.22 Moody's Employees will not use or share Confidential Information for the purpose of trading securities, or for any other purpose except as described in Provision 3.16 of this Code.
- 3.22.1 Except as required under any applicable law, rule, regulation, or at the proper request of any governmental agency or authority, Moody's internal deliberations and the identities of persons who participated in a rating committee will be kept strictly confidential and will not be disclosed to persons outside of Moody's.

4. Enforcement and Disclosure of the Code of Conduct and Communication with Market Participants

- 4.1 Moody's Management will be responsible for the implementation and the enforcement of the Moody's Code. The Office of Compliance will annually review and assess the efficacy of such implementation and enforcement.
- 4.2 The provisions of this Code are derived from the IOSCO Principles and the IOSCO Code. However, Moody's made certain modifications to more closely correspond with Moody's business mode and practices. Such modifications will be specifically identified and explained in a report that Moody's will publish annually outlining compliance with the Moody's Code and explaining any deviations that may exist between the Moody's Code and the IOSCO Code.
- 4.3 With respect to the subjective standards that are incorporated in this Code, Moody's will use its good faith efforts in implementing such standards.
- 4.4 This Code, and any modifications made to it going forward, will be made public and readily accessible via moodys.com.
- 4.5 Moody's Communications Department is charged with communicating with market participants and the public about any questions, concerns or complaints that Moody's may receive about Moody's adherence with the Code. The objective of this function is to help ensure that Moody's officers and its Management have adequate market intelligence when setting Moody's policies.



THE NEW YORK PUBLIC LIBRARY ASTOR LENOX TILDEN FOUNDATION
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MOODY'S INVESTORS SERVICE

Code of Professional Conduct

October 2007

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- **MCO** refers to Moody's Corporation and is the listed parent company of MIS and all of its subsidiaries, including the group of companies that comprise MIS.
- **MIS** refers to Moody's Investors Service, Inc., and those subsidiaries or affiliated entities whose Credit Rating Services are under its operational control.
- **Credit Rating Services** are those products and services that are derived from the Credit Rating process and include, but are not limited to, the production and sale of Credit Ratings and related research, data products and related analytical tools.
- **Ancillary Services** are those products and services provided by MIS that are related to, but not necessarily derived from, the Credit Rating process.
- **Non-Rating Services** are those products and services that are unrelated to the Credit Rating process.
- An **Employee** is any individual who works for MIS in any capacity.

- An **Analyst** is an Employee whose primary function is participation in the Credit Rating analysis process.
- **Management** or **Managers** are those Employees who have personnel management responsibilities.
- **MIS Code of Professional Conduct ("MIS Code" or the "Code")** is this code of conduct for MIS. The MIS Code governs the conduct of:
 - a) MIS; and
 - b) all Employees whether employed by MIS in a full-time or part-time capacity.
- An **Issuer** is any entity that issues debt, a credit commitment or debt like securities.
- A **Credit Rating** is MIS's current opinion regarding the relative future creditworthiness of an entity, a credit commitment, a debt or debt-like security, as determined by a rating committee and expressed using its established Aaa to C alpha-numeric rating scale, or other Credit Rating scales as identified from time to time by MIS.
- **Unsolicited Credit Ratings** are those Credit Ratings published under the following two conditions:
 - a) the Credit Rating is a first-time assignment related to a given Issuer; and,
 - b) the Credit Rating was not requested by the Issuer, and was initiated by MIS.
- **Non-Participating Credit Ratings** are those published Credit Ratings for which the Issuer:
 - a) has not participated in the rating process for the past 12 months; and,
 - b) has declined MIS's offer to participate in the rating process on a going-forward basis.
- **Credit Rating Announcements** are those written communications, including press releases, that publicly announce to the market a new MIS Credit Rating or a change to an existing MIS Credit Rating.

- **Confidential Information** is any information received by MIS from an Issuer or its authorized agent in connection with the ratings process in respect of which MIS has received written notice specifically indicating the proprietary and confidential nature of the information. However, the term "Confidential Information" shall not include:

- a) information that is or later becomes publicly known;
- b) information available to MIS on a non-confidential basis prior to disclosure by the Issuer or its agents;
- c) information that becomes available to MIS on a nonconfidential basis from a third party not reasonably known by MIS to be bound by a confidentiality agreement with the Issuer or otherwise prohibited from making available such information;
- d) information developed independently by MIS without reference to the Confidential Information; or
- e) information that has been aggregated or transformed in such a way that it is no longer identified as relating to any individual Issuer.

- **The Office of Compliance** is the office designated by MIS to be responsible for MIS's and its Employees' compliance with the policies and procedures described in this Code.

- **The Credit Policy Committee** is the committee which formulates high level rating policies for each of the rating groups. The composition of the committee may change from time to time in response to changing conditions.

- For the purposes of this Code, the terms **Security** and **Derivative** shall not include those securities listed as "exempt" in MIS's internal securities trading policies, including:

- a) holdings in widely diversified, open-end mutual funds and exchange traded funds or derivative securities thereof; and
- b) securities in a "blind trust" held for the benefit of an Employee or his/her family members.

II. What Are Credit Ratings?

Credit Ratings are MIS's current opinions of the relative future creditworthiness of entities or instruments, not statements of current or historical fact. Credit Ratings do not constitute investment or financial advice, and Credit Ratings are not recommendations to purchase, sell, or hold particular securities. Credit Ratings do not comment on the suitability of an investment for any particular investor. MIS issues its Credit Ratings with the expectation and understanding that each investor will make its own study and evaluation of each security that is under consideration for purchase, holding, or sale.

MIS Credit Ratings are based on information obtained by MIS from sources believed by MIS to be accurate and reliable, including but not limited to Issuers and their agents and advisors (e.g., accountants, legal counsel, and other experts). MIS relies on Issuers and their agents to provide accurate, timely, and complete information.

MIS has no obligation to perform, and does not perform, due diligence with respect to the accuracy of information it receives or obtains in connection with the rating process. MIS does not independently verify any such information. Nor does MIS audit or otherwise undertake to determine that such information is complete. Thus, in assigning a Credit Rating, MIS is in no way providing a guarantee or any kind of assurance with regard to the accuracy, timeliness, or completeness of factual information reflected, or contained, in the Credit Rating or any related MIS publication.

In the rating process, MIS maintains independence in its relationships with Issuers and other interested entities. MIS does not have a fiduciary relationship with the Issuer whose security is being rated (or any other party). Nor does MIS act as an advisor to the Issuers it rates. MIS may comment on the potential credit implications of proposed structural elements of a security, but MIS does not participate in the actual structuring of any security under consideration for a Credit Rating.

As a matter of policy, and in keeping with its role as an independent and objective publisher of opinions, MIS retains complete editorial control over the content of its Credit Ratings, credit opinions, commentary, and all related publications. MIS reserves the right at any time to suspend, modify, lower, raise or withdraw a Credit Rating, or place a rating on the watchlist in accordance with MIS policies and procedures. MIS editorial control includes its right to decide whether, and when, to issue a Credit Rating or publish any information or commentary, except in those rare instances where the public disclosure of a Credit Rating has been contractually limited. (See Section 3.3 below.)

III. The Provisions

1. Quality and Integrity of the Rating Process

As described in the IOSCO Principles, MIS will endeavor to provide forward-looking opinions on the relative creditworthiness of Issuers of debt and debt instruments in order to help reduce the information asymmetry that exists between those Issuers and potential purchasers of their debt.

A. Quality of the Rating Process

- 1.1 Since Credit Ratings are probabilistic opinions about future creditworthiness, the performance of an individual Credit Rating opinion will not be judged on the basis of the individual outcome, but on whether the individual Credit Rating was formed pursuant to MIS's established processes. Where possible, the performance of Credit Ratings collectively will be evaluated on the basis of how they perform on a statistical basis ex post (e.g., default studies, accuracy ratios and stability measures).
- 1.2 MIS will develop and maintain rigorous and systematic rating methodologies. Where possible, resulting Credit Ratings will be periodically subjected to objective validation based on historical experience. The Credit Policy Committee will be responsible for monitoring the appropriateness and completeness of rating methodologies and procedures, and for approving any significant changes to MIS's rating methodologies and procedures.
- 1.3 In assessing an Issuer or obligation's creditworthiness, Analysts involved in the preparation or review of any Credit Rating action will use MIS's methodologies. Analysts will apply a given methodology in a consistent manner, as determined by MIS.

- 1.4 Credit Ratings will be determined by rating committees and not by any individual Analyst.⁴ Credit Ratings will reflect consideration of all information known, and believed to be relevant, by the applicable MIS Analyst and rating committee, in a manner generally consistent with MIS's published methodologies. In formulating Credit Ratings, MIS will employ Analysts who, individually or collectively, have appropriate knowledge and experience in developing a rating opinion for the type of credit being analyzed.
- 1.5 MIS will maintain internal records to support its Credit Ratings in accordance with MIS's internal record retention policies and applicable law.
- 1.6 MIS and its Analysts will take steps to avoid issuing any credit analyses, Credit Ratings or reports that knowingly contain misrepresentations or are otherwise misleading as to the general creditworthiness of an Issuer or obligation.
- 1.7 MIS will invest resources sufficient to carry out high-quality credit assessments of Issuers or obligations. When deciding whether to rate or continue rating an obligation or Issuer, MIS will assess whether it is able to devote sufficient personnel with appropriate skills to make a proper rating assessment, and whether its personnel likely will have access to sufficient information needed in order to make such an assessment.
- 1.8 MIS will organize its rating committees to promote continuity and avoid bias in the rating process.

⁴ Once a rating committee has determined the appropriate ratings to be assigned to an Issuer's debt classes (e.g., senior unsecured), or to debt issued under specific program documents, MIS will assign such ratings to such classes unless and until a subsequent rating committee determines otherwise. Debt issuance by an Issuer or under specific program documents may be routine (e.g., refinancing) or may be material to the Issuer's creditworthiness or the program structure. (e.g., a material change in the Issuer's leverage). It is the responsibility of the Analyst to monitor the Issuer's debt issuance and leverage and changes to program documents and to bring material changes to the rating committee's attention.

B. Monitoring and Updating

- 1.9 Except for Credit Ratings that clearly indicate they do not entail ongoing surveillance, once a Credit Rating is published, MIS will monitor the Credit Rating on an ongoing basis and update it by:
 - 1.9.1 periodically reviewing the creditworthiness of the Issuer or other relevant entity or debt or debt-like securities;
 - 1.9.2 initiating a review of the status of the Credit Rating upon becoming aware of any information that might reasonably be expected to result in a Credit Rating action (including termination of a Credit Rating), consistent with the applicable rating methodology; and
 - 1.9.3 updating on a timely basis the Credit Rating, as appropriate, based on the results of such review.
- 1.10 In accordance with MIS's published Rating Withdrawal Policy, MIS will announce via press release if it discontinues a public Credit Rating on an Issuer or obligation.

C. Integrity of the Rating Process

- 1.11 MIS and its Employees will comply with all applicable laws and regulations governing their activities in the jurisdictions in which MIS operates.
- 1.12 MIS and its Employees will deal fairly and honestly with Issuers, investors, other market participants, and the public.
- 1.13 MIS will hold its Employees to high standards of integrity. MIS will not knowingly employ any individuals with demonstrably compromised integrity.
- 1.14 MIS and its Analysts will not, either implicitly or explicitly, give any assurance or guarantee of a particular Credit Rating prior to a rating committee. This does not preclude MIS from developing provisional assessments used in structured financings or similar transactions.

- 1.15 The Office of Compliance will be responsible for assessing adherence to the various procedural provisions of this Code. The reporting line of the Office of Compliance will be independent of MIS's rating operations and the compensation of individuals in this function will be determined by individuals without Credit Ratings operation responsibilities at MIS.
- 1.16 While Employees are not expected to be experts in the law, they are expected to report activities of which they are aware that a reasonable person would question as a potential violation of the law or this Code. Any MIS Manager or officer who receives such a report from an Employee is obligated to report it promptly to the Legal Department or the Office of Compliance, which will take appropriate action, as determined by the laws and regulations of the jurisdiction and the rules and guidelines set forth by MIS. Employees may also report any such matters on a confidential basis by calling the MCO integrity hotline.
- 1.17 Management will prohibit retaliation by any Employee or by MIS itself against any Employee who, in good faith, reports a possible violation of the law or this Code.

2. Independence and Avoidance of Conflicts of Interest

A. General

- 2.1 MIS will not forbear or refrain from taking a Credit Rating action based on the potential effect (economic, political, or otherwise) of the action on MIS, an Issuer, an investor, or other market participant.
- 2.2 MIS and its Analysts will use care and professional judgment to maintain both the substance and appearance of independence and objectivity.
- 2.3 The determination of a Credit Rating will be influenced only by factors relevant to the credit assessment.
- 2.4 The Credit Rating MIS assigns to an Issuer or obligation will not be affected by the existence of, or potential for, a business relationship between MIS (or its affiliates) and the Issuer (or its affiliates) or any other party, or the non-existence of any such relationship.

- 2.5 MIS will separate, operationally and legally, its Credit Rating Services and Analysts from any other businesses, including Non-Rating Services and consulting businesses, that may present a conflict of interest. For Ancillary Services that do not necessarily present conflicts of interest with MIS's Credit Rating Services, MIS will have in place procedures and mechanisms designed to minimize the likelihood that conflicts of interest will arise, or to appropriately manage those conflicts that may arise.

B. Procedures and Policies

- 2.6 MIS will adopt written internal procedures and mechanisms to:
- 2.6.1 identify; and
 - 2.6.2 eliminate, or manage and disclose, as appropriate, actual or potential conflicts of interest that may influence the opinions and analyses MIS makes or the judgment and analyses of Employees who have an influence on Credit Ratings decisions.
- 2.7 MIS's disclosures of known actual and potential conflicts of interest will be complete, timely, clear, concise, specific and prominent. Such disclosures will be made through moodys.com.
- 2.8 MIS will disclose the general nature of its compensation arrangements with rated entities. MIS does not provide Non-Rating Services and as such does not receive from rated Issuers compensation unrelated to its Credit Rating Services or Ancillary Services, such as compensation for consulting services. If MIS were to receive from a rated Issuer compensation for Non-Rating Services unrelated to its Credit Rating Services or Ancillary Services, MIS would disclose the proportion such Non-Rating fees constitute against the fees MIS receives from the Issuer for Credit Rating Services.
- 2.9 In accordance with MIS's internal securities trading policies, MIS and its Employees will not engage in any Securities or Derivatives trading that present conflicts of interest with MIS's rating activities.
- 2.10 In instances where rated entities (e.g., governments) have, or are simultaneously pursuing, affiliated oversight functions related to MIS, MIS will use different Employees to conduct its Credit Rating evaluations for such rated entities than those Employees involved in its oversight issues.

C. Analyst and Employee Independence

- 2.11 Reporting lines for Employees and their compensation arrangements will be organized to eliminate or effectively manage actual and potential conflicts of interest. Analysts will not be compensated or evaluated on the basis of the amount of revenue that MIS derives from Issuers that the Analyst rates or with which the Analyst regularly interacts.
- 2.12 MIS will not have Analysts who are directly involved in the rating process initiate, or participate in, discussions regarding fees or payments with any entity they rate.
- 2.13 In accordance with the MIS's Core Principles for the Conduct of Rating Committee no Employee will participate in or otherwise influence the determination of the Credit Rating of any particular entity or obligation if the Employee:
- 2.13.1 owns Securities or Derivatives of the rated entity;
 - 2.13.2 owns Securities or Derivatives of any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest;
 - 2.13.3 has had a recent employment or other significant business relationship with the rated entity that may cause or may be perceived as causing a conflict of interest;
 - 2.13.4 has an immediate relation (i.e., a spouse, partner, parent, child, or sibling) who currently works for the rated entity; or
 - 2.13.5 has, or had, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.
- 2.14 In accordance with MIS's internal securities trading policies, Employees who are involved in the rating process (or their spouse, partner or minor children) are prohibited from buying, selling or engaging in any transaction in any Security or Derivative of any Security issued, guaranteed, or otherwise supported by any entity within such Employee's area of primary analytical responsibility.

- 2.15 Employees are prohibited from soliciting money, gifts or favors from anyone with whom MIS does business and are prohibited from accepting gifts or favors from such persons or entities other than those expressly sanctioned by the MCO Code of Business Conduct.
- 2.16 Any Analyst or Manager who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest (including, for example, any personal relationship with an employee of a rated entity or agent of such entity within his or her area of analytic responsibility), will be required, subject to applicable law, to disclose such relationship to either their immediate supervisor, their department head, or a member of the Human Resources or Legal Department. Based on the assessment of this information, MIS will take appropriate steps to mitigate the real or apparent conflict.

3. Responsibilities to the Investing Public and Issuers

A. Transparency and Timeliness of Ratings Disclosure

- 3.1 In accordance with MIS's Core Principles for the Conduct of Rating Committee MIS will distribute as soon as practicable its Credit Rating opinions regarding the Issuers, debt and debt-like obligations it rates.
- 3.2 MIS will make Credit Rating actions on public debt obligations or public debt Issuers available to the public without cost. Such Credit Rating actions will be posted on MIS's public website and through simultaneous transmission to the news media as well as via electronic or print subscription services. The public will be able to obtain a current public Credit Rating for any Issuer, debt or debt-like obligation without cost. Rating actions and a brief explanation of the rationale for the rating action will remain on MIS's public website for a minimum of seven consecutive calendar days.

- 3.3 Upon the request of an Issuer, and at MIS's sole discretion, MIS may agree to keep a Credit Rating confidential. However, if an Issuer or security - including a tranche of a structured finance security - already carries a public Credit Rating from MIS, all subsequent decisions to change or discontinue such Credit Rating will be made available to the public without cost.
- 3.4 MIS will publicly disclose and keep current its policies for distributing Credit Ratings, reports and updates.
- 3.5 In each of its Credit Rating Announcements, MIS will reference the last associated Credit Rating, if any.
- 3.6 MIS will publish sufficient information about its procedures, methodologies and any assumptions that deviate materially from information contained in the Issuer's published financial statements so that financial market professionals can understand how a Credit Rating assessment was made.
- 3.7 When issuing or revising a Credit Rating, MIS will explain in the Credit Rating Announcement the key elements underlying the Credit Rating.
- 3.8 In accordance with MIS's Core Principles for the Conduct of Rating Committee where feasible and appropriate, prior to issuing or revising a Credit Rating, MIS will inform the Issuer of the critical information and principal considerations upon which the Credit Rating is based and afford the Issuer an opportunity to submit additional factual information not previously available to the Issuer, or clarify any likely factual misperceptions in order to produce a well-informed Credit Rating. MIS will duly evaluate the Issuer's response. Where in particular circumstances MIS has not informed the Issuer prior to issuing or revising a Credit Rating, MIS will inform the Issuer as soon as practicable thereafter and, generally, will explain the reason for the delay.
- 3.9 Where not precluded by specific circumstances, MIS will allow the Issuer a brief period of time, which may vary depending on the circumstances, to notify MIS of the Issuer's desire to appeal the Credit Rating decision. Appeals must be based on information not previously available to the Issuer or MIS.

- 3.10 In order to promote transparency and to enable the market to best judge the aggregate performance of Credit Ratings on debt instruments, where possible, MIS will publish sufficient information about its historical default rates by rating category, the transitions between rating categories, and periodic performance metrics so that financial market professionals can understand the historical performance of rating categories.
- 3.11 In order to promote transparency, and in accordance with MIS's Policy on Designation of Ratings in Which the Issuer Has Not Participated, MIS will publicly designate and disclose Non Participating Credit Ratings.
- 3.12 MIS has not assigned Unsolicited Credit Ratings in the recent past. However, as a publisher of opinions about credit, MIS reserves the right in the future to issue Unsolicited Credit Ratings if MIS believes: (i) there is a meaningful credit market or investor interest served by the publication of such a rating; and (ii) it has sufficient information to support adequate analysis and, if applicable, ongoing surveillance. In accordance with MIS's Policy on Designating Unsolicited Credit Ratings, when a Credit Rating is an Unsolicited Credit Rating, MIS will not seek or accept remuneration for its analytical services from the Issuer for at least one year after the publication of such rating.
- 3.13 MIS will publicly disclose via press release and posting on moodys.com any material modifications to its rating methodologies and related significant practices, procedures, and processes. Where feasible and appropriate, disclosure of such material modifications will be made subject to a "request for comment" from market participants prior to their implementation. MIS will carefully consider the various uses of Credit Ratings before modifying its rating methodologies, practices, procedures and processes.
- 3.14 As a publisher of credit research related to its Credit Ratings, MIS will seek to provide clear, accurate, transparent and high quality research about rated issuers and issues. Research sales shall be separated from the research and rating process in ways that help protect the latter activities from improper conflicts of interest. As provided elsewhere in this section, Confidential Information and non-public information about MIS's future rating actions may not be selectively disclosed to research subscribers or others.

B. Treatment of Confidential Information

3.15 MIS and its Employees will:

3.15.1 Preserve the confidentiality of Confidential Information communicated to them by an Issuer or its agent; and

3.15.2 Unless they have received permission from the Issuer, refrain from publicly disclosing Confidential Information in any manner, including in Credit Rating Announcements, or through research, conferences, or conversations with investors, other Issuers, or any other persons.

3.15.3 Notwithstanding the foregoing, MIS shall not be restricted from:

- a) publishing any Credit Rating or other opinion regarding a particular security or transaction which incorporates Confidential Information without specifically disclosing it;
- b) using third party contractors or agents bound by appropriate confidentiality obligations to assist in any aspect of the ratings process or related business activities; or
- c) disclosing information as required by any applicable law, rule, or regulation, or at the request of any governmental agency or authority;
- d) disclosing information to third parties with an independent legal right to receive it.

3.16 MIS will use Confidential Information only for purposes related to its Credit Rating Services.

3.17 Employees will take all reasonable measures to protect all property and records belonging to or in possession of MIS from fraud, theft or misuse.

- 3.18 In accordance with MIS's internal securities trading policies, Employees will be prohibited from engaging in transactions in Securities and Derivatives when they possess Confidential Information concerning the Issuer of such Securities.
- 3.19 Employees will familiarize themselves with MIS's internal securities trading policies, and periodically certify their compliance as required by such policies.
- 3.20 Employees will not disclose any non-public information about rating opinions or possible future rating actions of MIS, except to the Issuer or its designated agents.
- 3.21 Employees will not share Confidential Information entrusted to MIS with employees of any affiliated entities except to the extent such employees are acting as agents of MIS with respect to the ratings process, and are bound by appropriate confidentiality obligations. Employees will not share Confidential Information within MIS except on a "reason-to-know" basis.
- 3.22 Employees will not use or share Confidential Information for the purpose of trading securities, or for any other purpose except as described in Provision 3.16 of this Code.
- 3.22.1 Except as required under any applicable law, rule, regulation, or at the proper request of any governmental agency or authority, MIS's internal deliberations and the identities of persons who participated in a rating committee will be kept strictly confidential and will not be disclosed to persons outside of MIS.

4. Enforcement and Disclosure of the Code of Conduct and Communication with Market Participants

- 4.1 Management will be responsible for the implementation and the enforcement of the MIS Code. The Office of Compliance will annually review and assess the efficacy of such implementation and enforcement.
- 4.2 The provisions of this Code are derived from the IOSCO Principles and the IOSCO Code. However, MIS made certain modifications to more closely correspond with MIS's business mode and practices. Such modifications will be specifically identified and explained in a report that MIS will publish annually outlining compliance with the MIS Code and explaining any deviations that may exist between the MIS Code and the IOSCO Code.
- 4.3 With respect to the subjective standards that are incorporated in this Code, MIS will use its good faith efforts in implementing such standards.
- 4.4 This Code, and any modifications made to it going forward, will be made public and readily accessible via moodys.com.
- 4.5 MIS's Communications Department is charged with communicating with market participants and the public about any questions, concerns or complaints that MIS may receive about MIS's adherence with the Code. The objective of this function is to help ensure that MIS officers and its Management have adequate market intelligence when setting MIS's policies.

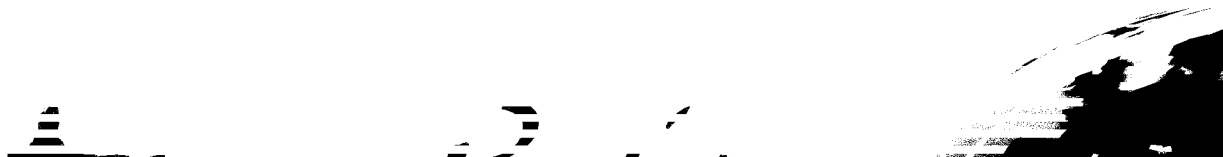
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Moody's Investors Service

Code of Professional Conduct
November 2008



Moody's Investors Service

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Preamble

Financial markets should be efficient and fair to all market participants. Credit rating agencies play an important information role in these markets. Moody's Investors Service ("MIS") provides opinions in the form of credit ratings and related research about the creditworthiness of Issuers of securities and their financial obligations. Our credit ratings are forward-looking opinions that seek to measure relative credit loss. That is to say, they forecast the likelihood of default on a bond and the estimated severity of loss in the event of that bond's default.

Given the vast amount of information available to investors today — some of it valuable, some of it not — MIS helps investors and others sift through this information and analyze the credit risks they face when lending to a particular borrower, or when purchasing an Issuer's debt or debt-like securities.¹ For public debt instruments, MIS makes our credit ratings available to investors globally on a contemporaneous basis, publicly and free of charge.

In order to enhance market understanding and confidence in MIS's credit ratings, MIS has adopted this Code of Professional Conduct (the "**MIS Code**" or "**Code**"). Through this Code, MIS seeks to protect the integrity of the rating process, to ensure that investors and Issuers are treated fairly, and to safeguard confidential information provided to us by Issuers. To use MIS ratings effectively, the market should be informed of both their attributes and limitations. It is our responsibility to be as transparent as practicable with respect to our:

- analytical methodologies;
- rating policies and practices; and
- overall track record.

This Code, as well as associated policies, is accessible on MIS's public website, moody.com.²

The MIS Code is organized into three sections:³

- The Quality and Integrity of the Rating Process;
- Independence and the Avoidance of Conflicts of Interest; and
- Responsibilities to the Investing Public and Issuers.

¹ MIS provides credit ratings for different types of debts or financial obligations – including, for example, private loans, publicly and privately traded debt securities, preferred shares and other securities that offer a fixed or variable rate of return. For simplicity's sake, the term "debt and debt-like securities" is used herein to refer to debt securities, preferred shares, and other financial obligations of these sorts.

² Although, in the interest of transparency, we have posted this Code and other related policies on Moody.com, MIS does not assume, as a result of such public disclosure, any responsibility or liability to any third party arising out of or relating to this Code or those policies. The MIS Code is not part of any contract with any third party, and no third party shall have any right to enforce any of its provisions. MIS also retains complete discretion to revise this Code at any time to reflect changes in MIS ratings policies and procedures or to address changes in market, legal, or regulatory circumstances.

³ The MIS Code has been structured in this manner in order to track the International Organization of Securities Commissions' Code of Conduct Fundamentals for Credit Rating Agencies (the "**IOSCO Code**") as closely as possible.



I. Defined Terms

For the purposes of this document, the terms below, organized by category, are defined as follows:

Documents

1. **International Organization of Securities Commissions' Code of Conduct Fundamentals for Credit Rating Agencies ("IOSCO Code")** is a framework Code of Conduct published on December 23, 2004 and subsequently revised in May 2008, by the International Organization of Securities Commissions. It was developed through cooperative efforts of international securities regulatory authorities, rating agencies, issuers, investors and other market participants. MIS has publicly endorsed the IOSCO Code.
2. **International Organization of Securities Commissions' Principles Regarding the Activities of Credit Rating Agencies ("IOSCO Principles")** is a set of broad principles developed by the international regulatory community and published on September 25, 2003. The IOSCO Principles is the document upon which the IOSCO Code is based. MIS has publicly endorsed the IOSCO Principles.
3. **MIS Code of Professional Conduct ("MIS Code" or the "Code")** is this code of conduct for MIS. The MIS Code governs the conduct of:
 - a. MIS; and
 - b. all Employees whether employed by MIS in a full-time or part-time capacity.

Employee Types

1. An **Employee** is any individual who works for MIS in any capacity.
2. An **Analyst** is an Employee whose primary function is participation in the Credit Rating analysis process.
3. **Management** or **Managers** are those Employees who have personnel management responsibilities.



Organizational Structure

1. **MCO** refers to Moody's Corporation and is the listed parent company of MIS and all of its subsidiaries, including the group of companies that comprise MIS.
2. **MIS** refers to Moody's Investors Service, Inc., and those subsidiaries or affiliated entities whose Credit Rating Services are under its operational control.
3. The **Credit Policy Group** is an internal group and is separate from the business lines that are principally responsible for rating various classes of Issuers and obligations. The Credit Policy Group is overseen by MIS's Chief Credit Officer, who is directly accountable to the CEO and Chief Operating Officer of MIS and reports quarterly to the MCO Board of Directors. The Credit Policy Group is responsible for conducting research on the performance of MIS Credit Ratings, reviewing and approving methodologies and models, and overseeing various internal credit committees that formulate high level rating policies and practices for each of the rating groups.
4. The **Office of Compliance** is responsible for MIS's and its Employees' compliance with the policies and procedures described in this Code.

Services and Products

1. A **Credit Rating** is MIS's current opinion regarding the relative future creditworthiness of a credit commitment, a debt or debt-like security, or an Issuer of such obligations, as determined by a rating committee and expressed using its established Aaa to C alpha-numeric rating scale, or other Credit Rating scales as identified from time to time by MIS.
2. **Unsolicited Credit Ratings** are those Credit Ratings published under the following two conditions:
 - a. the Credit Rating is a first-time assignment related to a given Issuer; and,
 - b. the Credit Rating was not requested by the Issuer, and was initiated by MIS.
3. **Non-Participating Credit Ratings** are those published Credit Ratings for which the Issuer:
 - a. has not participated in the rating process for the past 12 months; and,
 - b. has declined MIS's offer to participate in the rating process on a going-forward basis.
4. **Credit Rating Announcements** are those written communications, including press releases, that publicly announce new MIS Credit Ratings, changes to existing MIS Credit Ratings, or maintenance of existing MIS Credit Ratings.

5. **Credit Rating Services** are those products and services that are derived from the Credit Rating process and include, but are not limited to, the production and sale of Credit Ratings and related research, data products, and related analytical tools.
6. **Ancillary Services** are those products and services provided by MIS that are related to, but not necessarily derived from, the Credit Rating process.
7. **Non-Rating Services** are those products and services that are unrelated to the Credit Rating process.

Other

1. An **Issuer** is any entity that issues debt, a credit commitment, or debt-like securities.
2. **Confidential Information** is any information received by MIS from an Issuer or its authorized agent in connection with the ratings process in respect of which MIS has received written notice specifically indicating the proprietary and confidential nature of the information. However, the term "Confidential Information" shall not include:
 - a. information that is or later becomes publicly known;
 - b. information available to MIS on a non-confidential basis prior to disclosure by the Issuer or its agents;
 - c. information that becomes available to MIS on a non-confidential basis from a third party not reasonably known by MIS to be bound by a confidentiality agreement with the Issuer or otherwise prohibited from making available such information;
 - d. information developed independently by MIS without reference to the Confidential Information; or
 - e. information that has been aggregated or transformed in such a way that it is no longer identified as relating to any individual Issuer.
3. For the purposes of this Code, the terms **Security** and **Derivative** shall not include those securities listed as "exempt" in MIS's internal securities trading policies, including:
 - a. holdings in widely diversified, open-end mutual funds and exchange-traded funds or derivative securities thereof; and
 - b. securities in a "blind trust" held for the benefit of an Employee or his/her family members.

II. What Are Credit Ratings?

Credit Ratings are MIS's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. MIS defines credit risk as the risk that an entity may not meet its contractual, financial obligations as they come due and any estimated financial loss in the event of default. Credit Ratings do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Credit Ratings are not statements of current or historical fact. Credit Ratings do not constitute investment or financial advice, and Credit Ratings are not recommendations to purchase, sell, or hold particular securities. Credit Ratings do not comment on the suitability of an investment for any particular investor. MIS issues its Credit Ratings with the expectation and understanding that each investor will make its own study and evaluation of each security that is under consideration for purchase, holding, or sale.

MIS Credit Ratings are based on information obtained by MIS from sources believed by MIS to be accurate and reliable, including but not limited to Issuers and their agents and advisors (e.g., accountants, legal counsel, and other experts). MIS relies on Issuers and their agents to provide accurate, timely, and complete information.

MIS has no obligation to perform, and does not perform, due diligence with respect to the accuracy of information it receives or obtains in connection with the rating process. MIS does not independently verify any such information. Nor does MIS audit or otherwise undertake to determine that such information is complete. Thus, in assigning a Credit Rating, MIS is in no way providing a guarantee or any kind of assurance with regard to the accuracy, timeliness, or completeness of factual information reflected, or contained, in the Credit Rating or any related MIS publication.

In the rating process, MIS maintains independence in its relationships with Issuers, investors, and other interested entities. MIS does not have a fiduciary relationship with the Issuer whose security is being rated (or any other party). Nor does MIS act as an advisor to the Issuers it rates. MIS may comment on the potential credit implications of proposed structural elements of a security, but MIS does not participate in the actual structuring of any security under consideration for a Credit Rating.

As a matter of policy, and in keeping with its role as an independent and objective publisher of opinions, MIS retains complete editorial control over the content of its Credit Ratings, credit opinions, commentary, and all related publications. MIS reserves the right at any time to suspend, modify, lower, raise or withdraw a Credit Rating, or place a rating on the watchlist in accordance with MIS policies and procedures. MIS editorial control includes its right to decide whether, and when, to issue a Credit Rating or publish any information or commentary, except in those rare instances where the public disclosure of a Credit Rating has been contractually limited. (See Section 3.4 below.)

III. The Provisions

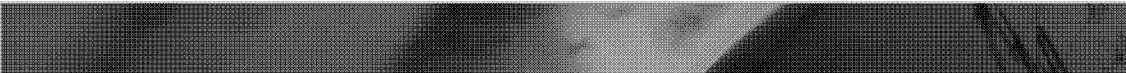
1. Quality and Integrity of the Rating Process

As described in the IOSCO Principles, MIS will endeavor to provide forward-looking opinions on the relative creditworthiness of Issuers of debt and debt instruments in order to help reduce the information asymmetry that exists between those Issuers and potential purchasers of their debt.

A. Quality of the Rating Process

- 1.1 Since Credit Ratings are probabilistic opinions about future creditworthiness, the performance of an individual Credit Rating opinion will not be judged on the basis of the individual outcome, but on whether the individual Credit Rating was formed pursuant to MIS's established processes. Where possible, the performance of Credit Ratings collectively will be evaluated on the basis of how they perform on a statistical basis ex post (e.g., default studies, accuracy ratios, and stability measures).
- 1.2 MIS will develop and maintain rigorous and systematic rating methodologies. Where possible, resulting Credit Ratings will be periodically subjected to objective validation based on historical experience. The Credit Policy Group will be responsible for monitoring the appropriateness and completeness of rating methodologies and procedures, and for approving any significant changes to MIS's rating methodologies and procedures.
- 1.3 In assessing an Issuer's or obligation's creditworthiness, Analysts involved in the preparation or review of any Credit Rating action will use MIS's methodologies. Analysts will apply a given methodology in a consistent manner, as determined by MIS.
- 1.4 Credit Ratings will be determined by rating committees and not by any individual Analyst.⁴ Credit Ratings will reflect consideration of all information known, and believed to be relevant, by the applicable MIS Analyst and rating committee, in a manner generally consistent with MIS's published methodologies. In formulating Credit Ratings, MIS will employ Analysts who, individually or collectively (for rating committees), have appropriate knowledge and experience in developing a rating opinion for the type of credit being analyzed.

⁴ Once a rating committee has determined the appropriate ratings to be assigned to an Issuer's debt classes (e.g., senior unsecured), or to debt issued under specific program documents, MIS will assign such ratings to such classes unless and until a subsequent rating committee determines otherwise. Debt issuance by an Issuer or under specific program documents may be routine (e.g., refinance), or may be material to the Issuer's creditworthiness or the program structure (e.g., a material change in the Issuer's leverage). It is the responsibility of the Analyst to monitor the Issuer's debt issuance and leverage and changes to program documents, and to bring material changes to the rating committee's attention.

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- 1.5 MIS will maintain internal records to support its Credit Ratings in accordance with MIS's internal record retention policies and applicable law.
 - 1.6 MIS and its Analysts will take steps to avoid issuing any credit analyses, Credit Ratings or reports that knowingly contain misrepresentations or are otherwise misleading as to the general creditworthiness of an Issuer or obligation.
 - 1.7 MIS will invest resources sufficient to carry out high-quality credit assessments of Issuers or obligations. When deciding whether to rate or continue rating an obligation or Issuer, MIS will assess whether it is able to devote sufficient personnel with appropriate skills to make a proper rating assessment, and whether its personnel likely will have access to sufficient information needed in order to make such an assessment.

MIS will adopt reasonable measures so that the information it uses in assigning a Credit Rating is of sufficient quality to support a credible Credit Rating. If the Credit Rating involves a type of structured financial product presenting limited historical data, MIS will make such limitation clear in a prominent place.

MIS will also charge the Credit Policy Group to:

- 1.7.1 review the feasibility of providing a Credit Rating for a type of structure that is materially different from the structures MIS has rated;
- 1.7.2 periodically review the methodologies and models and significant changes to the methodologies and models MIS uses; and
- 1.7.3 assess whether existing methodologies and models for determining Credit Ratings of structured products are appropriate when MIS determines that the risk characteristics of the assets underlying a structured product have materially changed.

In cases involving complex new types of structured products, MIS will refrain from providing a Credit Rating unless it believes that it has sufficient information and analytical expertise to do so.

- 1.8 MIS will adopt and maintain an appropriate continuing education program for Analysts. MIS will designate one or more appropriate Employees to implement and oversee the program.
- 1.9 MIS will organize its rating committees to promote continuity and avoid bias in the rating process.

B. Monitoring and Updating

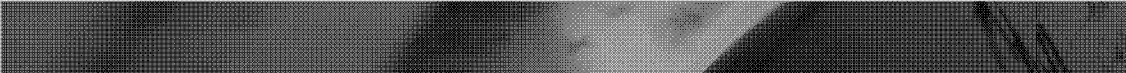
- 1.10 MIS will allocate adequate personnel and financial resources to monitoring and updating its ratings. Except for Credit Ratings that clearly indicate they do not entail ongoing monitoring, once a Credit Rating is published, MIS will monitor the Credit Rating on an ongoing basis and update it by:
- (a) periodically reviewing the creditworthiness of the Issuer or other relevant entity or debt or debt-like securities;
 - (b) initiating a review of the status of the Credit Rating upon becoming aware of any information that might reasonably be expected to result in a Credit Rating action (including termination of a Credit Rating), consistent with the applicable rating methodology; and
 - (c) updating on a timely basis the Credit Rating, as appropriate, based on the results of such review.

Where practicable, subsequent monitoring should incorporate all cumulative experience obtained. Where appropriate, MIS will apply changes in ratings criteria and assumptions to both initial and subsequent Credit Ratings.

- 1.11 Where practicable, MIS will use separate analytical teams for determining initial Credit Ratings and for subsequent monitoring of structured finance Credit Ratings. Each team will have the requisite level of experience and resources to perform their respective functions in a timely manner. MIS will also evaluate internal processes and market trends in order to maintain operational flexibility to allocate resources needed to monitor existing Credit Ratings and conduct reviews on a timely basis.
- 1.12 Moody's will publish a press release announcing if it discontinues a public Credit Rating on an Issuer or obligation, in accordance with MIS's published Rating Withdrawal Policy, except when the rating is withdrawn because the outstanding rated obligation has matured or the issuer has entered or been placed into bankruptcy, liquidation, or other forms of governmental administration.

C. Integrity of the Rating Process

- 1.13 MIS and its Employees will comply with all applicable laws and regulations governing their activities in the jurisdictions in which MIS operates.
- 1.14 MIS and its Employees will deal fairly and honestly with Issuers, investors, other market participants, and the public.
- 1.15 MIS will hold its Employees to high standards of integrity. MIS will not knowingly employ any individuals with demonstrably compromised integrity, subject to applicable law.

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- 1.16 MIS and its Analysts will not, either implicitly or explicitly, give any assurance or guarantee of a particular Credit Rating prior to a rating committee. This does not preclude MIS from developing provisional assessments used in structured financings or similar transactions.
 - 1.17 MIS's Analysts are prohibited from making proposals or recommendations regarding the design of structured finance products for which MIS assigns ratings. Consistent with this prohibition, in assessing the credit risk of a structured finance transaction, Analysts may properly hold a series of discussions with an Issuer or its agents in order to: (1) understand and incorporate into their analysis the particular facts and features of the structured finance transaction, and any modification, as proposed by the Issuer or its agents; and (2) explain to the Issuer or its agents the Credit Rating implications of MIS's methodologies as applied to the Issuers proposed facts and features.
 - 1.18 The Office of Compliance will be responsible for assessing adherence to the various procedural provisions of this Code. The reporting line of the Office of Compliance will be independent of MIS's Credit Rating operations and the compensation of individuals in this function will be determined by individuals without Credit Ratings responsibilities at MIS.
 - 1.19 While Employees are not expected to be experts in the law, they are expected to report activities of which they are aware that a reasonable person would question as a potential violation of the law or this Code. Any MIS Manager or officer who receives such a report from an Employee is obligated to report it promptly to the Legal Department or the Office of Compliance, which will take appropriate action, as determined by the laws and regulations of the jurisdiction and the rules and guidelines set forth by MIS. Employees may also report any such matters on a confidential basis by calling the MCO integrity hotline.
 - 1.20 Management will prohibit retaliation by any Employee or by MIS itself against any Employee who, in good faith, reports a possible violation of the law or this Code.

2. Independence and Avoidance of Conflicts of Interest

A. General

- 2.1 MIS will not forbear or refrain from taking a Credit Rating action based on the potential effect (economic, political, or otherwise) of the action on MIS, an Issuer, an investor, or other market participant.
- 2.2 MIS and its Analysts will use care and professional judgment to maintain both the substance and appearance of independence and objectivity.
- 2.3 The determination of a Credit Rating will be influenced only by factors relevant to the credit assessment.

- 2.4 The Credit Rating MIS assigns to an Issuer or obligation will not be affected by the existence of, or potential for, a business relationship between MIS (or its affiliates) and the Issuer (or its affiliates), or any other party, or the non-existence of any such relationship.
- 2.5 MIS will separate, operationally and legally, its Credit Rating Services and Analysts from any other business, including Non-Rating Services and consulting businesses that may present a conflict of interest. For Ancillary Services that do not necessarily present conflicts of interest with MIS's Credit Rating Services, MIS will have in place procedures and mechanisms designed to minimize the likelihood that conflicts of interest will arise, or to appropriately manage those conflicts that may arise. In accordance with MIS's definition (see Defined Terms), MIS will identify those services that it considers to be Ancillary Services.

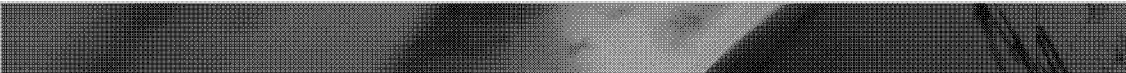
B. Procedures and Policies

- 2.6 MIS will adopt written internal procedures and mechanisms to:
- (a) identify; and
 - (b) eliminate, or manage and disclose, as appropriate, actual or potential conflicts of interest that may influence the opinions and analyses MIS makes or the judgment and analyses of Employees who have an influence on Credit Ratings decisions.
- 2.7 MIS's disclosures of known actual and potential conflicts of interest will be complete, timely, clear, concise, specific, and prominent. Such disclosures will be made through moodys.com.
- 2.8 MIS will disclose the general nature of its compensation arrangements with rated entities.
- (a) MIS does not provide Non-Rating Services, such as consulting services. As such, MIS does not receive from rated Issuers compensation unrelated to its Credit Rating Services or Ancillary Services. If MIS were to receive from a rated Issuer compensation unrelated to its Credit Rating Services or Ancillary Services, MIS would disclose the proportion such Non-Rating fees constitute against the fees MIS receives from the Issuer for Credit Rating Services.
 - (b) MIS will disclose if it receives 10 percent or more of its annual net billings from a single Issuer, originator, arranger or subscriber (including any affiliates of the Issuer, originator, arranger, or subscriber).
- 2.9 In accordance with MIS's internal securities trading policies, MIS and its Employees will not engage in any Securities or Derivatives trading that present conflicts of interest with MIS's and its Employees' rating activities.

- 2.10 In instances where rated entities (e.g., governments) have, or are simultaneously pursuing, affiliated oversight functions related to MIS, MIS will use different Employees to conduct its Credit Rating evaluations for such rated entities than those Employees involved in its oversight issues.

C. Analyst and Employee Independence

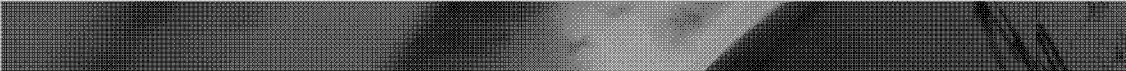
- 2.11 Reporting lines for Employees and their compensation arrangements will be organized to eliminate or effectively manage actual and potential conflicts of interest.
- (a) Analysts will not be compensated or evaluated on the basis of the amount of revenue that MIS derives from Issuers that the Analyst rates or with which the Analyst regularly interacts.
 - (b) MIS will conduct formal and periodic reviews of compensation policies and practices for Employees who participate in, or who might otherwise have an effect on, the Credit Rating process to ensure that these policies and practices do not compromise the objectivity of the Credit Rating process.
- 2.12 MIS will not have Analysts who are directly involved in the rating process initiate, or participate in, discussions regarding fees or payments with any entity they rate.
- 2.13 In accordance with MIS's Core Principles for the Conduct of Rating Committees, no Employee will participate in or otherwise influence the determination of the Credit Rating of any particular entity or obligation if the Employee:
- (a) owns Securities or Derivatives of the rated entity;
 - (b) owns Securities or Derivatives of any entity related to a rated entity, the ownership of which may cause or may be perceived as causing a conflict of interest;
 - (c) has had a recent employment or other significant business relationship with the rated entity that may cause or may be perceived as causing a conflict of interest;
 - (d) has an immediate relation (i.e., a spouse, partner, parent, child, or sibling) who currently works for the rated entity; or
 - (e) has, or had, any other relationship with the rated entity or any related entity thereof that may cause or may be perceived as causing a conflict of interest.

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- 2.14 In accordance with MIS's internal securities trading policies, Employees who are involved in the rating process (or their spouses, partners or minor children) are prohibited from buying, selling or engaging in any transaction in any Security or Derivative of any Security issued, guaranteed, or otherwise supported by any entity within such Employee's area of primary analytical responsibility.
 - 2.15 Employees are prohibited from soliciting money, gifts or favors from anyone with whom MIS does business and are prohibited from accepting gifts or favors from such persons or entities other than those expressly sanctioned by the MCO Code of Business Conduct.
 - 2.16 Any Analyst or Manager who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest (including, for example, any personal relationship with an employee of a rated entity or agent of such entity within his or her area of analytic responsibility), will be required, subject to applicable law, to disclose such relationship to either his or her immediate supervisor, his or her department head, or a member of the Human Resources or Legal Department. Based on the assessment of this information, MIS will take appropriate steps to mitigate the real or apparent conflict.
 - 2.17 MIS will establish policies and procedures for reviewing, as appropriate, the past work of Analysts and other Employees who participate in the Credit Rating process that leave the employ of MIS and join an Issuer or a financial firm with which the Analyst or relevant Employee has had significant dealings as part of his or her duties at MIS.

3. Responsibilities to the Investing Public and Issuers

A. Transparency and Timeliness of Ratings Disclosure

- 3.1 In accordance with MIS's Core Principles for the Conduct of Rating Committees, MIS will distribute as soon as practicable its Credit Rating opinions regarding the Issuers, debt and debt-like obligations it rates.
- 3.2 MIS will make Credit Rating actions on public debt securities or public debt Issuers available to the public without cost. Such Credit Rating actions will be posted on MIS's public website and through simultaneous transmission to the news media, as well as via electronic or print subscription services. The public will be able to obtain a current public Credit Rating for any Issuer, debt or debt-like obligation without cost. Rating actions and a brief explanation of the rationale for the rating action will remain on MIS's public website for a minimum of seven consecutive days.
- 3.3 MIS will encourage structured finance Issuers and originators of structured finance products to publicly disclose all relevant information regarding these products.

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- 3.4 Upon the request of an Issuer, and at MIS's sole discretion, MIS may agree to keep a Credit Rating confidential. However, if an Issuer or security — including a tranche of a structured finance security — already carries a public Credit Rating from MIS, all subsequent decisions to change or discontinue such Credit Rating will be made available to the public without cost.
- 3.5 MIS will publicly disclose and keep current its policies for distributing Credit Ratings, reports, and updates.
- 3.6 In each of its Credit Rating Announcements, MIS will:
- (a) include the date of the last associated Credit Rating Announcement, if any, and the principal action it announced; and
 - (b) indicate the principal methodology or methodology version that was used in determining the Credit Rating and where a description of that methodology can be found. MIS will explain if a Credit Rating is based on more than one principal methodology and if a review of only one methodology might cause financial market professionals to overlook other important aspects of the Credit Rating. MIS will indicate where different methodologies and other important aspects factored into Credit Ratings can be found.
- 3.7 MIS will publish sufficient information about its rating committee process, procedures, methodologies, and any assumptions about the published financial statements that deviate materially from information contained in the Issuer's published financial statements so that financial market professionals can understand how a Credit Rating assessment was made.
- (a) MIS will publish sufficient information about its loss expectations and cash-flow analysis relating to a structured finance Credit Rating so that a financial market professional can understand the basis for the Credit Rating. To the extent practical, MIS will disclose the degree to which it analyzes how sensitive a structured finance Credit Rating is to changes in MIS's underlying Credit Rating assumptions.
 - (b) MIS currently does not use a different scale to differentiate structured finance Credit Ratings from Credit Ratings it assigns to other asset types. If MIS were to adopt a different scale for its structured finance Credit Ratings, MIS would:
 - (i) publicly notify the market; and
 - (ii) clearly define the use and application of such rating symbols. MIS defines and discloses its various ratings symbols on the [Rating Definitions](#) cite on the Credit Policy page of moodys.com.
 - (c) MIS will clearly indicate the attributes and limitations of Credit Ratings and that MIS does not verify information provided to it by the Issuer or originator of a

rated security. This information should assist investors in developing a greater understanding of what a Credit Rating is.

- 3.8 When issuing or revising a Credit Rating, MIS will explain in the Credit Rating Announcement the key elements of the rationale underlying the Credit Rating.
- 3.9 In accordance with MIS's Core Principles for the Conduct of Rating Committees, where feasible and appropriate, prior to issuing or revising a Credit Rating, MIS will inform the Issuer of the critical information and principal considerations upon which the Credit Rating is based and afford the Issuer an opportunity to submit additional factual information not previously available to the Issuer, or to clarify any likely factual misperceptions in order to produce a well-informed Credit Rating. MIS will duly evaluate the Issuer's response. Where in particular circumstances MIS has not informed the Issuer prior to issuing or revising a Credit Rating, MIS will inform the Issuer as soon as practicable thereafter and, generally, will explain the reason for the delay.
- 3.10 Where not precluded by specific circumstances, MIS will allow the Issuer a brief period of time, which may vary depending on the circumstances, to notify MIS of the Issuer's desire to appeal the Credit Rating decision. Appeals must be based on information not previously available to the Issuer or MIS.
- 3.11 In order to promote transparency and to enable the market to best judge the aggregate performance of Credit Ratings on debt instruments, where possible, MIS will publish sufficient information about its historical default rates by rating category, the transitions between rating categories, and periodic performance metrics so that financial market professionals can understand the historical performance of securities assigned to different rating categories. Where feasible, this information will include verifiable, quantifiable historical information about the performance of its rating opinions, organized and structured and, where possible, standardized in such a way to assist financial professionals in drawing performance comparisons between credit rating agencies.

Upon request, MIS will provide ratings data feeds to regulatory authorities to allow those authorities to conduct their own evaluation of Credit Ratings performance.

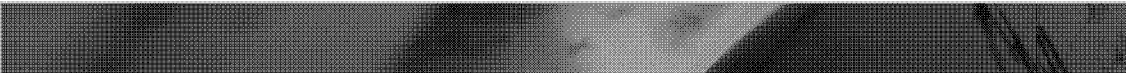
- 3.12 In order to promote transparency, and in accordance with MIS's Designating Issuers that Do Not Participate in the Rating Process, MIS will publicly designate and disclose Non-Participating Credit Ratings.
- 3.13 As a publisher of opinions about credit, MIS reserves the right at any time to issue Unsolicited Credit Ratings if MIS believes: (i) there is a meaningful credit market or investor interest served by the publication of such a rating; and (ii) it has sufficient information to support adequate analysis and, if applicable, ongoing monitoring. In accordance with MIS's Policy on Designating Unsolicited Credit Ratings, when a Credit Rating is an Unsolicited Credit Rating, MIS will not seek or accept

remuneration for its analytical services from the Issuer for at least one year after the publication of such rating.

- 3.14 MIS will publicly disclose via press release and posting on moodys.com any material modifications to its rating methodologies and related significant practices, procedures, and processes. Where feasible and appropriate, disclosure of such material modifications will be made subject to a "request for comment" from market participants prior to their implementation. MIS will carefully consider the various uses of Credit Ratings before modifying its rating methodologies, practices, procedures, and processes.
- 3.15 As a publisher of credit research related to its Credit Ratings, MIS will seek to provide clear, accurate, transparent, and high quality research about rated Issuers and issues. Research sales shall be separated from the research and rating process in ways that help protect the latter activities from improper conflicts of interest. As provided elsewhere in this section, Confidential Information and non-public information about MIS's future rating actions may not be selectively disclosed to research subscribers or others.

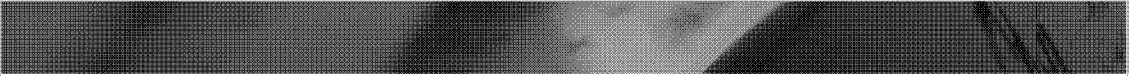
B. Treatment of Confidential Information

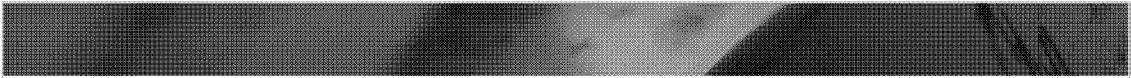
- 3.16 MIS and its Employees will:
 - 3.16.1 Preserve the confidentiality of Confidential Information communicated to them by an Issuer or its agent; and
 - 3.16.2 Unless they have received permission from the Issuer, refrain from publicly disclosing Confidential Information in Credit Rating Announcements, or through research, conferences, or conversations with investors, other Issuers, or any other persons.
 - 3.16.3 Notwithstanding the foregoing, MIS shall not be restricted from:
 - (a) publishing any Credit Rating or other opinion regarding a particular security or transaction which incorporates Confidential Information without specifically disclosing it;
 - (b) using third party contractors or agents bound by appropriate confidentiality obligations to assist in any aspect of the ratings process or related business activities;
 - (c) disclosing information as required by any applicable law, rule, or regulation, or at the request of any governmental agency or authority; or
 - (d) disclosing information to third parties with an independent legal right to receive it.

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- 3.17 MIS will use Confidential Information only for purposes related to its Credit Rating Services.
 - 3.18 Employees will take all reasonable measures to protect all property and records belonging to or in possession of MIS from fraud, theft, or misuse.
 - 3.19 In accordance with MIS's internal securities trading policies, Employees will be prohibited from engaging in transactions in Securities and Derivatives when they possess Confidential Information concerning the Issuer of such Securities.
 - 3.20 Employees will familiarize themselves with MIS's internal securities trading policies, and periodically certify their compliance as required by such policies.
 - 3.21 Employees will not disclose any non-public information about rating opinions or possible future rating actions of MIS, except to the Issuer or its designated agents.
 - 3.22 Employees will not share Confidential Information entrusted to MIS with employees of any affiliated entities except to the extent such employees are acting as agents of MIS with respect to the ratings process, and are bound by appropriate confidentiality obligations. Employees will not share Confidential Information within MIS except on a "reason-to-know" basis.
 - 3.23 Employees will not use or share Confidential Information for the purpose of trading securities, or for any other purpose except as described in Provision 3.16 of this Code.
 - 3.24 Except as required under any applicable law, rule, regulation, or at the proper request of any governmental agency or authority, MIS's internal deliberations and the identities of persons who participated in a rating committee will be kept strictly confidential and will not be disclosed to persons outside of MIS.

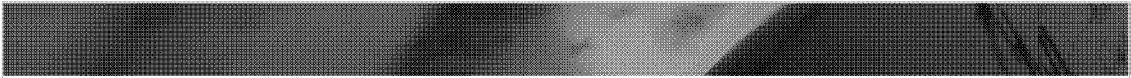
4. Enforcement and Disclosure of the Code of Conduct and Communication with Market Participants

- 4.1 Management will be responsible for the implementation and the enforcement of the MIS Code. The Office of Compliance will annually review and assess the efficacy of such implementation and enforcement.
- 4.2 The provisions of this Code are derived from the IOSCO Principles and the IOSCO Code. However, MIS has made certain modifications to more closely correspond this Code with MIS's business mode and practices. Such modifications will be specifically identified and explained in a report that MIS will publish annually outlining compliance with the MIS Code and explaining any deviations that may exist between the MIS Code and the IOSCO Code.
- 4.3 With respect to the subjective standards that are incorporated in this Code, MIS will use its good faith efforts in implementing such standards.

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- 4.4 MIS will publish in a prominent position on moodys.com links to (1) the MIS Code of Conduct; (2) a general description of the methodologies MIS uses in assigning Credit Ratings; and (3) information about MIS's historic credit rating(s) performance.



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Moody's Investors Service

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