

ANNEX 2

MOODY'S COMPLIANCE COMMITMENTS

Moody's Corporation ("MCO") and Moody's Investors Service, Inc. ("MIS") have implemented a number of compliance measures both before and after the financial crisis to promote the integrity and independence of Moody's credit ratings. MCO and MIS agree, as set forth in Section I below, to maintain these existing measures for a period of no less than five (5) years following the Effective Date of this Agreement. In addition, MIS and MCO have further agreed to implement new measures designed to further promote the integrity and independence of Moody's credit ratings. These additional measures, which are set forth in Section II below, also shall remain in place for a period of no less than five (5) years.

Section I.

A. Maintenance of Codes of Conduct

- (1) MCO agrees to maintain and publish on Moodys.com a code of business conduct designed to promote ethical business practices (the "MCO Code of Business Conduct").
- (2) MIS agrees to maintain and publish on Moodys.com a code of professional conduct designed to promote the quality and integrity of its rating process (the "MIS Code of Professional Conduct").
- (3) MIS agrees to maintain policies and procedures to effectuate the MIS Code of Professional Conduct.
- (4) MIS agrees to maintain a training program for all of its employees regarding the MIS Code of Professional Conduct.

B. Separation of Moody's Commercial and Credit Rating Functions

- (1) MIS agrees to separate the commercial functions of its rating business, including intake of requests for new ratings, fee negotiation, marketing, sales and having commercial-related discussions with existing and potential new customers, from analytical personnel responsible for assigning credit ratings, in a manner consistent with the MCO Code of Business Conduct and the MIS Code of Professional Conduct.
- (2) MIS agrees that personnel with responsibility for commercial functions will be excluded from: (a) determining or monitoring credit ratings, and (b) developing or approving credit rating methodologies.
- (3) MIS agrees that analytical personnel will be excluded from (a) the process of negotiating fees with issuers, and (b) accessing certain categories of commercial information, as set forth in MIS policies and procedures.

- (4) MIS will maintain policies and procedures in furtherance of Sections B(1), (2) and (3).

C. Separation of Credit Rating and Non-Credit Rating Businesses

- (1) MCO agrees to operationally separate MIS and its credit rating business from MCO's non-credit rating businesses in a manner consistent with the MCO Code of Business Conduct and the MIS Code of Professional Conduct.
- (2) MIS agrees to restrict its personnel from sharing non-public information received from issuers, and information regarding non-public rating actions, with personnel of non-MIS subsidiaries of MCO, other than in a manner consistent with MCO and MIS policies and procedures.

D. Independent Review and Approval of Changes to Credit Rating Methodologies

- (1) MIS agrees to maintain a function, separate from the function responsible for assigning credit ratings, the purpose of which is to develop new credit rating methodologies and revise existing credit rating methodologies.
- (2) MIS agrees to maintain a function, independent from the function responsible for assigning credit ratings, the purpose of which is to review and approve new credit rating methodologies and material changes to existing credit rating methodologies.
- (3) Moody's agrees to review its credit rating methodologies on an annual basis.

E. Review of Application of Published Credit Rating Methodologies

- (1) MIS agrees to monitor the consistent application of credit rating methodologies by conducting reviews of credit rating actions, on a sampled basis.

F. Compensation of Certain Types of Employees

- (1) MIS agrees to consider the aggregate performance of Moody's credit ratings as a factor in the compensation of the President of MIS, the Global Head of the Commercial Group, the Global Head of Relationship Management, and the Head of Structured Finance.
- (2) MIS agrees to determine the variable component of the compensation of all analytical personnel, including managing directors, based on the aggregate financial performance of MIS and not the financial performance of their individual business units.

- (3) MIS agrees to determine compensation (including bonus) for the Chief Credit Officer and bonus-eligible employees in Compliance and the MIS Credit Strategy and Standards Methodology Review Group without regard to the financial performance of MCO.

G. Analyst Training

- (1) MIS agrees to maintain, and update as appropriate in its discretion, its current mandatory line-of-business specific training regime for rating analysts.
- (2) MIS agrees to require rating analysts to meet internal standards before voting in a rating committee.
- (3) MIS agrees to maintain policies and procedures in furtherance of Sections G(1) and (2).

Section II.

H. Enhancements to Oversight and Technology

- (1) MIS agrees to develop and maintain a function responsible generally for monitoring the consistency of key disclosures in press releases regarding credit ratings.
- (2) MIS agrees to develop and maintain a function responsible for overseeing that the work of the groups responsible for the development, review and approval of methodologies is carried out on a timely basis.
- (3) MIS agrees to develop and deploy a new centralized technological platform for the creation and review of credit rating documentation. This platform will include a central system for creating and accessing credit rating documentation, confirming that credit rating personnel complete necessary procedural steps in the credit rating process, and that credit rating announcements contain appropriate information.
- (4) MIS agrees to develop and deploy an improved centralized electronic document management and retention system, which will include information received and analyzed during the credit rating process, and vital records under its record retention policy generated during the credit rating process.
- (5) MCO agrees to realign its internal audit reporting structure such that its internal audit group will report directly to the Chief Executive Officer of MCO.

Section III.

I. Certification

- (1) MCO agrees that beginning twelve months from the Effective Date of this Agreement, and on an annual basis for a period of 4 years afterwards, the CEO of MCO will conduct a review of the maintenance of the measures outlined in this Annex during the preceding twelve-month period. The review may be based on, among other things, updates or reviews conducted by MIS's Compliance Department, the Internal Audit Department or the Credit Strategy and Standards Group about the programs and processes MCO and MIS have had in place to implement and maintain the measures outlined in this Annex during the preceding twelve-month period.
 - (2) Based on the review described above, the CEO of MCO will provide a certification to the government (at the addresses listed below) that, to the best of his or her knowledge, during the preceding twelve-month period MCO and MIS continued to maintain the measures outlined in this Annex. The certification shall summarize the review described above that was conducted to provide the required certification.
 - (3) The CEO of MCO shall submit the certification to:

United States Attorney for the District of New Jersey
United States Attorney's Office for the District of New Jersey
970 Broad Street, 7th Floor
Newark, NJ 07102
- and -
- Director, Consumer Protection Branch
U.S. Department of Justice
450 5th Street NW
Washington, DC 20530.
 - (4) The CEO of MCO will also submit a copy of the certification to the States at the addresses of the signatories to this Agreement.
 - (5) The CEO of MCO will also provide a copy of the certification to the Chairman of the Board of MCO.
 - (6) If the CEO of MCO is unable to provide any part of this certification regarding the maintenance by MCO and MIS of the measures outlined in this Annex, the CEO shall provide a detailed explanation for why such certification is unable to be provided.