

## **Corporate Scorecard**

### **Credit Rating Disclosure, Dissemination and Withdrawal Policy for Australia & New Zealand**

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## **1 PURPOSE AND SCOPE**

To describe Corporate Scorecard (CSC) policies and procedures relating to credit rating disclosure, dissemination and withdrawal.

## **2 RESPONSIBILITY**

The Head of Rating Services authorises changes to this Policy.

The GM Commercial Ops ensures this Policy and its procedures is implemented and maintained.

## **3 REFERENCES**

- Ratings Service Guide
- Service Delivery Procedure
- Sufficient Information Policy
- Unsolicited Ratings Policy
- International Organisation of Securities Commissions' Code of Conduct Fundamentals for Credit Rating Agencies
- CSC's Code of Conduct
- Credit Rating Ongoing Monitoring & Rating Surveillance policy

## **4 POLICY**

CSC will ensure transparency and timeliness of its credit rating disclosures, dissemination together with withdrawals of published ratings in accordance with relevant statutory regulations.

## **5 PROCEDURE**

### **5.1 Credit Rating Disclosure and Dissemination**

- a) CSC will distribute the result of its credit rating actions on public ratings through rating reports and/or the company's website on a non-selective basis as soon as practicable after taking such action.
- b) CSC will ensure that every credit rating is accompanied with the following statements that appear prominently:
  - a. the credit rating does not guarantee the performance of the rated entity or the relevant security; and
  - b. a person should not rely on the credit rating for the purposes of making an investment decision,

- c) CSC will ensure that, where applicable, every public official credit rating is accompanied with the following additional statements:
- a. the name of the related lead rating analyst in a clear and prominent manner;
  - b. the date when the credit rating was first released for distribution and when it was last updated;
  - c. the principal methodology or methodology version that was used in determining the credit rating including details of any significant adjustments and deviations, and where a description of that methodology and a discussion of how the other methodologies and other important aspects factored into the credit rating decision can be found;
  - d. the attributes and limitations of each credit assessment, and if it differs from the provisions under its Sufficient Information Policy, the extent to which CSC has verified information provided to it by the rated entity;
  - e. a description of all material sources used to prepare the credit rating, including (if relevant) information sourced from the rated entity and any related third party;
  - f. the key assumptions and data underlying the credit rating, including any material financial statement adjustments made to the published financial statements of the rated entity;
  - g. clarification whether the credit rating was prepared on the basis of limited historical data;
  - h. clarification whether the credit rating has been disclosed to that rated entity or its related third party and amended following that disclosure before being issued;
  - i. the definition of specific rating assignments under each rating category, information about the default or recovery statistics and classification of rating into appropriate risk levels, and, where applicable, a sensitivity analysis of the relevant key rating assumptions;
  - j. clarification whether the credit rating concerns a newly issued security and whether CSC has rated the security for the first time;
  - k. clarification whether the rated entity participated in the rating activities carried out with respect to the credit rating;
  - l. clarification whether the credit rating was initiated at the request of the rated entity;
  - m. clarification whether CSC has outsourced any rating activities in relation to the relevant credit rating; and
  - n. credit ratings for structured finance products will include sufficient information about CSC loss and cash flow analysis and the degree to which CSC analyses how sensitive a credit rating of a structured finance product is to changes in the assumptions underlying the applicable credit rating methodology.

*For indicative ratings, the abovementioned disclosures are made only if they are deemed relevant and have had an impact on the assessment process and/or outcome.*

## **5.2 Credit Rating Withdrawal**

If CSC discontinues monitoring a credit rating for a rated entity or withdraws the credit rating, it will disclose such discontinuation/withdrawal to the public or any recipients of such rating,

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as soon as practicable and record such action in a List of Discontinued/Withdrawn Credit Ratings.

Such disclosure will include the date the credit rating was last updated or reviewed, the reason the credit rating is no longer monitored and the fact that the credit rating is no longer being updated.

A rating is referred to as 'Withdrawn' when the rated entity chooses to not renew the rating engagement with CSC.

A rating engagement is referred to as 'Discontinued' if the rated entity ceases to exist due to bankruptcy, liquidation, merger or takeover process or CSC has insufficient information to maintain the credit rating.

## **6 RECORDS**

- Register of Withdrawn/Discontinued Credit Ratings