
S&P Global Ratings

Glossary

Date: 09 July 2018

Unless stated otherwise, for the purposes of all S&P Global Ratings policies and internal procedures the following definitions apply:

1. **“Affiliate of S&P Global Ratings”**: any Associated Person
2. **“Analyst”**: an Employee who is directly involved in S&P Global Ratings Activities, but not part of the Criteria organization or the Compliance or Legal Departments.
3. **“Analytical Employee”**: all Employees in an Analytical Role.
4. **“Analytical Manager” or “AM”**: an Employee who oversees the day-to-day work of Analysts or other Analytical Managers, but who is not acting in a General Management Role.
5. **“Analytical Role”**: the role of an Employee when acting as an Analyst or in a Criteria Function. Examples include Analysts and Analytical Managers.
6. **“Ancillary Service”**: a product or service that S&P Global Ratings provides or sells that is not a Credit Rating or Credit Ratings Activity and is either a market forecast, an estimate of economic trends, a pricing analysis, other general data analysis, or distribution services related to a Credit Rating, a market forecast, an estimate of economic trends, a pricing analysis, or general data analysis.
7. **“Approved Form and Media Storage”**: the methods approved by Global Records Management for saving and storing documents. Global Records Management provides a list of the Approved Form and Media Storage on its [website](#).
8. **“Arranger”**: for purposes the Secure Website Policy – SEC Rule 17g-5, an Issuer, sponsor or underwriter.
9. **“Associated Person”**: S&P Global Inc., any entity (including S&P Global Ratings) that is under the direct or indirect control of S&P Global Inc., and any of their respective partners, directors, officers, branch managers and employees (and persons occupying a similar status or performing similar functions).
10. **“Associated Role”**: the role of an Employee when acting in a role other than an Analytical Role, a Control Role, a Commercial Role, or a General Management Role.
11. **“Business Contact”**: an Issuer or any other third party with whom S&P Global Ratings does business. With respect to a particular Employee, a Business Contact does not include strictly personal and familial relationships that are social in nature and with whom the Employee does not interact in connection with his or her duties as an Employee.

12. **“Business Entertainment”**: any form of entertainment where (a) the person providing the entertainment is present and (b) business will be discussed. Examples include: meals, recreational, social, sporting, theatrical, or musical events. Business Entertainment does not include light refreshments incidental to routine business interactions such as business meetings that have an aggregate value of no more than US \$25 or its local equivalent (or 3000 yen for activities subject to Japanese jurisdiction). For these purposes, entertainment where the person providing the entertainment is not present is a Gift.
13. **“CMGC”**: Criteria and Model Governance Committee
14. **“CRA”**: Credit Rating Agency
15. **“Commercial Activities”**: Sales or Marketing Activities.
16. **“Commercial Employee”**: any Employee in a Commercial Role.
17. **“Commercial Role”**: the role of an Employee when engaging in Sales or Marketing Activities.
18. **“Communication”**: includes any communication, whether verbal or non-verbal, via any means, whether in person, in writing, by telephone, by email, by social media, through a third party, or otherwise.
19. **“Complaint”**: means
 - any written communication received from persons, whether or not associated with the NRSRO, containing dissatisfaction about the performance of an Analyst in initiating, determining, maintaining, monitoring, changing, or withdrawing a Credit Rating, or
 - any communication of a dissatisfaction regarding Credit Ratings, models, methodologies and compliance with securities laws and policies and procedures adopted thereunder.

In any case, a Complaint must be specific as to the alleged conduct, which may be characterized as intentional or negligent, but does not include ordinary course of business discussions regarding Credit Ratings, Criteria, methodologies or timeliness where differing views may be expressed.

For Credit Ratings subject to Japanese jurisdiction, the definition of Complaint shall also include any expression of dissatisfaction regarding all operations of S&P Global Ratings Japan Inc. and S&P Global SF Japan Inc., including Credit Rating Activities regardless of written expression or verbal expression, but not including ordinary course discussions where differing views may be expressed regarding routine matters.

A communication does not include any posting on electronic social media such as a blog, mini-blog, or chat room.

20. **“Confidential Credit Rating”**: a Credit Rating that is not made public by S&P Global Ratings and is not intended to be disclosed by the party requesting the Credit Rating to any other party other than advisors bound by appropriate confidentiality obligations or as otherwise required by law or regulation or for regulatory purposes.
21. **“Confidential Information”**: any of the following types of information: (a) Issuer Confidential Information; (b) S&P Global Ratings Confidential Information; and (c) Other Confidential Information.
22. **“Control Role”**: the role of an Employee in a Compliance & Controls (excluding however Criteria and Model Validation) or Ratings Risk Review function.

- 23. “Covered Model”:** a Model that is subject to the Methodology Policy and SOP and classified as a Ratings Model, Criterial Model, Market Intelligence Model or S&P Global Ratings External Model, collectively referred to as Covered Models
- 24. “Credit Rating”:** a forward looking opinion regarding, the creditworthiness of an entity a debt or financial obligation, debt security, preferred share or other financial instrument (including a money market instrument), or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using S&P Global Ratings established and defined symbology. A Rating Outlook is not a Credit Rating but is subject to the same S&P Global Ratings policies and procedures applicable to a Credit Rating.
- 25. “Credit Rating Action”:** an initial Credit Rating, change to an existing Credit Rating, affirmation of an existing Credit Rating, withdrawal or suspension of an existing Credit Rating, or CreditWatch action, in each case as and when such action is Released. Credit Rating Action does not include a Rating Agency Confirmation (RAC).
- 26. “Credit Rating Activities”:** an activity engaged in by S&P Global Ratings that leads to or directly supports the issuance or surveillance of a Credit Rating including:
- the evaluation, approval, issuance, or review of Credit Ratings;
 - analysis of data and information related to Credit Ratings;
 - a Credit Rating Action or Rating Decision; and
 - the development or approval of Criteria, including the development or approval of qualitative and quantitative Models, or of Guidance Documents.

Examples include:

- Participating and/or voting in Rating Committees;
- Attending management meetings that are for the purpose of gathering information and for determining the basis of a rating recommendation;
- Communicating with Rated Entities and Related Third Parties to determine a Credit Rating Action;
- Managing Analysts, as applicable, in their analytical work;
- Developing Criteria or Guidance Documents;
- Conducting surveillance of a Credit Rating;
- Developing analytical models to support Criteria in which the results are used by a Rating Committee as part of determining a Credit Rating.

In addition Credit Rating Activities also include:

- Advanced Analytics;
- Mappings;
- Rating Agency Confirmation (RAC);
- Rating Evaluations Service (RES);
- Recovery Ratings

Any other activity engaged in by S&P Global Ratings, such as data analysis that does not lead to, or directly support the issuance or surveillance of, a Credit Rating is either an Ancillary Service or Other Service.

For the purposes of this definition, (i) legal counseling by the Legal Department or GRA is not a Credit Rating Activity and (ii) Sales or Marketing Activities are not Credit Rating Activities.

- 27. “Credit Rating Rationale” or “Rationale”:** the written explanation associated with a Credit Rating(s) that explains the principal basis for the Credit Rating(s), regardless of whether it is published. A Credit Rating Rationale may support more than one Credit Rating (e.g., in the case of Linked Rating Actions).

- 28. “CreditWatch”:** see S&P Global Ratings Definitions as published on the Free Website.
- 29. “Criteria”:** Criteria are the published analytic framework for determining Credit Ratings. Criteria include fundamental factors, analytical principles, methodologies, and /or key assumptions that we use in the ratings process to produce our Credit Ratings. Criteria, like our Credit Ratings, are forward-looking in nature. Criteria are intended to help users of our Credit Ratings understand how S&P Global Ratings analysts generally approach the analysis of Issuers or Issues in a given sector. Criteria include those material methodological elements identified by S&P Global Ratings as being relevant to credit analysis. However, S&P Global Ratings recognizes that there are many unique factors / facts and circumstances that may potentially apply to the analysis of a given Issuer or Issue. Accordingly, S&P Global Ratings Criteria is not designed to provide an exhaustive list of all factors applied in our rating analyses. Analysts exercise analytic judgement in the application of Criteria through the Rating Committee process to arrive at rating determinations.
- 30. “Criteria Borrowing”:** When there are existing Criteria for which the Credit Rating is in scope (“main Criteria”) that addresses the preponderance of the risk factors and facts needed to assess the creditworthiness of an Issue or Issuer but there are no in-scope Criteria for a limited part of the analysis, separate and distinct Criteria (“complementary Criteria”) can be borrowed to complement and complete the risk assessment and analysis without superseding any methodology or assumptions in such main Criteria. For further information see Methodology SOP.
- 31. “Criteria Exception”:** A Criteria Exception is an approved departure from existing Criteria, typically relating to specific features of the Criteria for a specific Issuer or Issue and/or a specific subset group of Issuers or Issues to which the Criteria otherwise applies, and must be supported by objective reason or reasons. For further information see Methodology SOP.
- 32. “Criteria Model”:** a complex Model that is based on advanced economic, financial, mathematical, or statistical methodologies used in the development of Criteria.
- 33. “Criteria Subject Matter Expert” or “CSME”:** A member of the Methodologies Group with relevant Criteria expertise.
- 34. “DCO”:** the designated compliance officer for the purposes of the U.S. Securities Exchange Act of 1934 and rules thereunder that are applicable to a Nationally Recognized Statistical Rating Organization and the designated compliance officer for the purposes of Canadian National Instrument 25-101 relating to designated rating organizations.
- 35. “Document” or “Record”:** information recorded in any form, including electronic or paper form, used by S&P Global Ratings to perform business functions. Documents or Records include, but are not limited to, Documents created using computer desktop or corporate applications, e-mails, faxes, instant messages, journals, diaries, calendars, planners, notes, photographs, audio files, voice mails, video files, images, microfilm, hard copy, and any other electronically stored information. The terms Document and Record may be used interchangeably. For example, e-mails are considered both Documents and Records.
- 36. “Employee”:** any S&P Global Ratings personnel or any other natural person, whose services are placed at the disposal or under the control of S&P Global Ratings.
- 37. “General Management Role” or “GM”:** the role of an Employee when engaging in the management of S&P Global Ratings’ business and operational activities. Examples include:
- managing the business and coordinating the operations of a unit including overseeing quality, human resources and policy compliance; participating in marketplace outreach; establishing marketing and business strategy for the unit and making decisions with respect to product development;

- overseeing the analytical operations without participating in the evaluation, approval, issuance, or review of any specific Credit Rating Action; and
 - budgeting and managing revenues, profits, expenses, and other financial targets, including establishing general fee structures, together with Commercial Employees.
- 38. “Gifts”:** goods and services of monetary value, including but not limited to, cash or cash equivalents (such as gift certificates or cards), as well as things with no clear monetary value that benefit the recipient, such as a favor. For these purposes, entertainment where the person who provides the entertainment is not present or where the entertainment does not involve the discussion of business matters is a Gift. Gifts do not include: (a) items incidental to routine business interactions such as items provided at business meetings (e.g., note pads and pens) that have an aggregate value of no more than US \$25 or its local equivalent (or 3000 yen for activities subject to Japanese jurisdiction), (b) Promotional Items (e.g., logo branded items), including complimentary passes to conferences, rewards for submitting surveys, and prizes provided by S&P Global Ratings, S&P Dow Jones Indices, and S&P Global Market Intelligence for random drawings, raffles, or contests offered broadly and where permitted by law, or (c) promotional or other items of *de minimis* value (i.e., no more than US\$10 or its local equivalent) received in the normal course of business (and in Japan, offered generally for free).
- 39. “Guidance Document”:** A Guidance Document is designed to provide guidance to the Analysts and Rating Committees on various matters by (i) articulating how specific aspects of the Criteria may be applied, (ii) describing variables or considerations related to Criteria that may change over time, (iii) providing additional information on non-fundamental factors that Analysts may consider in the application of Criteria, and/or (iv) providing additional guidance on the exercise of analytical judgment established in the Criteria. Guidance Documents are not considered Criteria, as they do not establish an analytic framework for determining Credit Ratings.
- 40. “Immediate Family”:**(a) an Employee’s spouse, domestic partner, or equivalent or an Employee’s dependent child or stepchild regardless of residence; (b) an Employee’s relative, whether or not that person is dependent on the Employee (e.g., grandchild, parent, stepparent, grandparent, sibling, mother- or father-in-law, sister- or brother-in-law, and son- or daughter-in-law, including adoptive and guardian relationships) who has shared the same household as the Employee for at least one year immediately preceding the date that the household member engages in the applicable activity; and (c) any legal entity (including a trust or partnership) directly or indirectly managed or controlled by, established for the benefit of, or whose economic interests are substantially equivalent to, either an Employee or a person listed above in items (a) or (b). For these purposes, the terms “dependent”, “domestic partner,” and “adoptive or guardian relationship” are defined by the national law where the Employee works.
- 41. “Internal Confidential Unsolicited Credit Rating”:** a Credit Rating that is used solely for internal purposes as a component of another Credit Rating, and is not made public. An Internal Confidential Unsolicited Credit Rating is neither a type of Confidential Credit Rating nor an Unsolicited Credit Rating.
- 42. “Issue”:** a debt or financial obligation, debt security, preferred share or other financial instrument (including a money market instrument).
- 43. “Issuer”:** an entity that issues debt or equity securities, as well as a bank or insurance companies, and their employees and agents acting on its behalf. An Issuer includes the Rated Entity and its Related Third Parties.
- 44. “Linked Rating Action”:** means a Credit Rating Action that is derived either in whole or part from another Credit Rating Action.

The most common Linked Rating Actions issued by S&P Global Ratings include:

- i. A Credit Rating of an Issue, that in turn is dependent upon an outstanding Issuer Credit Rating (ICR) (e.g., a Government Related Entity);

- ii. A Credit Rating of an Issue that is dependent upon an outstanding Credit Rating of a credit enhancement provider (e.g., a Letter or Credit or bond insurance);
 - iii. A Credit Rating of an Issue that is dependent upon the outstanding Credit Rating of a different Issue (e.g., a repackaged single-name synthetic security);
 - iv. A Credit Rating of an Issuer that is dependent upon the outstanding Credit Rating of a different Issuer (e.g., a swap or guaranteed investment contract provider);
 - v. A Credit Rating of a new issuance by a rated Issuer when such issuance conforms to prior rated issuances, is consistent with the Issuer's current financial plans as considered by the original Rating Committee, and for which no new information is present to warrant a rating committee review; and
 - vi. A Credit Rating of a new issuance by a rated Issuer pursuant to an established financing plan (e.g., a Medium Term Note program).
- 45. "Market Intelligence Model":** a Model that is used by Analysts to prioritize credits for review, but is not a Ratings Model.
- 46. "Material":** The meaning of "material" ultimately depends on the applicable context. As a general matter, "material" information is information that a reasonable investor could view as significantly altering the "total mix" of information available about a particular company or security. "Material" information could affect the market price of a security when it is publicly disclosed or could affect the decision of a reasonable investor to buy, sell, or hold securities.
- 47. "Model":** S&P Global Ratings considers a model to be a quantitative method, system or approach that applies statistical, economic, financial or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. A model also includes quantitative approaches whose inputs are partly or wholly qualitative or based on expert judgment, provided that the outputs are quantitative in nature.
- A model consists of three components:
- i. An information input component, which delivers assumptions and data to the model;
 - ii. A processing component, which transforms inputs into estimates; and
- A reporting component, which translates the estimates into useful business information.
- 48. "Model Repository":** the database of record for all Covered Models and their related files and documents.
- 49. "NRSRO":** Nationally Recognized Statistical Rating Organization
- 50. "Non-Public Information":** any information that has not been disseminated to the public in a manner reasonably designed to provide broad distribution, such as in a required or voluntary filing with a government agency or regulatory body, a publication of general circulation, a broadcast teleconference available to all, or a press release.
- 51. "Other Service":** a product or service that S&P Global Ratings provides or sells that is neither an Ancillary Service nor part of its Credit Rating Activities.
- 52. "Outlook: see "Rating Outlook"**
- 53. "Practice Area":** a group within a Business Unit that is responsible for a particular type of credit sector and/or geographic area. For example, North American Utilities and Infrastructure, EMEA Asset Backed Securities, APAC Financial Institutions, etc.

- 54. “Primary Analyst”:** the Analyst who has been assigned primary responsibility for (a) determining a Rating Recommendation, (b) presenting that Rating Recommendation to a Rating Committee and (c) Communicating with an Issuer with respect to a specific Credit Rating Action. A Primary Analyst means the “lead rating analyst” pursuant to E.U. regulations and Japanese regulations. Individuals not eligible to be a Primary Analyst are: (i) CRISIL GAC Analysts, and (ii) Employees in analytical support roles located in New York office such as Rating Analyst and Rating Specialist.
- 55. “Private Credit Rating”:** a Credit Rating that is not made public and is not intended to be disclosed to any party, other than a limited number of third parties identified by the party requesting the Credit Rating and (A) professional advisers who are bound by appropriate confidentiality obligations, (B) as required by law or regulation or for regulatory purposes or (C) subject to certain conditions, for the purpose of preparing required periodic reports relating to the assets owned by a special purpose vehicle that has purchased the rated securities. In certain jurisdictions, S&P Global Ratings may limit the availability of Private Credit Ratings to certain Issue sizes, a set number of recipients, or as otherwise prescribed by regulation.
- 56. “Publications”:** items of information in any written form created by S&P Global Ratings and distributed to the public on a Free Website or other broad distribution platform whether or not owned by Standard & Poor’s Financial Services, LLC. Publications do not include communications between Employees and third parties that are intended to be private. Publications ordinarily do not include Confidential or Private Credit Ratings and their related Credit Rating Rationales unless S&P Global Ratings distributes such items to the public in error.
- 57. “Rated Entity”:** an entity whose creditworthiness is assessed in a Credit Rating.
- 58. “Rating Committee”:** the committee that determines a Credit Rating.
- 59. “Rating Committee Chairperson”:** the Analyst whose role is to oversee the Rating Committee, including the process for arriving at a Rating Decision and approve the Rating Decision as determined by the Rating Committee.
- 60. “Rating Decision”:** a Credit Rating that is determined by a Rating Committee prior to its Release.
- 61. “Rating Outlook” or “Outlook”:** an assessment as to the potential direction of a long-term Credit Rating over the intermediate term (typically six months to two years). In determining a Rating Outlook, consideration is given to any changes in economic and/or fundamental business conditions. A Rating Outlook is not necessarily a precursor of a rating change or future CreditWatch action. A Rating Outlook is not a Credit Rating but is subject to the same S&P Global Ratings policies and procedures applicable to a Credit Rating.
- 62. “Rating to Principles”:** the process of developing methodology and key assumptions to determine a rating when such Credit Rating is based mostly on the “Principles of Credit Ratings” (Principles) rather than on a specific Criteria.
- 63. “Ratings Model”:** a Model that is used in the process of determining a Credit Rating.
- 64. “Ratings Transparency and Educational Objectives”:** include:
- increasing the transparency of S&P Global Ratings’ Credit Rating Activities in order to promote marketplace understanding of Credit Rating Activities and competition among CRAs on the basis of the substance and quality of their Credit Ratings and the Criteria they use, and
 - helping actual or prospective Issuers and other persons (internal or external) better understand S&P Global Ratings’ Credit Ratings and Criteria.

65. **“Recommendation”**: any statement, oral or written, direct or indirect, that suggests to an Issuer (a) how it should arrange a corporate or legal structure, (b) how it should manage or structure its assets, liabilities or activities in connection with a Credit Rating, or (c) how it should design or structure a structured finance instrument.
66. **“Regulatory Commitments”**: S&P Global Ratings Regulatory Requirements and Regulatory Expectations.
67. **“Regulatory Expectations”**: the expectations S&P Global Ratings’ regulators have with respect to S&P Global Ratings’ actions based upon statements made in regulatory filings, responses to examination findings, internal policies, public announcements, and through voluntary commitments S&P Global Ratings has made to its regulators.
68. **“Regulatory Requirements”**: the requirements set forth in the statutes, regulations, and rules that are applicable to S&P Global Ratings in various jurisdictions.
69. **“Related Third Party”**: the arranger, obligor, originator, servicer, sponsor, underwriter, or any other party that interacts with S&P Global Ratings on behalf of a Rated Entity, including any person directly or indirectly linked to that Rated Entity by control.
70. **“Retention Schedule”** or **“Record Retention Schedule”** refers to the section of the S&P Global Ratings Record Retention Schedule which lists documents types and the required time frames for the record retention duration.
71. **“S&P Global Ratings”**: S&P Global Ratings, as registered with the SEC as an NRSRO.
72. **“S&P Global Ratings External Model”**: a Model that S&P Global Ratings disseminates externally to generally facilitate the understanding of the factors that influence our Credit Ratings.
73. **“S&P Global Ratings Model Inventory”**: a list of the Covered Models residing in the Model Repository.
74. **“Sales or Marketing Activities”**: activities that are directed at increasing, improving, maintaining, obtaining, securing or defending the sales, revenues, marketing, business development, market share or market position of S&P Global Ratings, any Affiliate of S&P Global Ratings, or any of their respective products or services, including, without limitation, all efforts to solicit business from, or “pitch” products or services to, an Issuer or prospective Issuer, any other efforts directed at selling or marketing the products or services of S&P Global Ratings or any Affiliate of S&P Global Ratings to existing or prospective clients, and soliciting, negotiating, discussing, or arranging for the establishment, payment or collection of fees for any product or service of S&P Global Ratings or any Affiliate of S&P Global Ratings. Sales or Marketing Activities do not include Credit Rating Activities or activities aimed at Ratings Transparency and Educational Objectives or at increasing the quality, efficiency and/or timeliness of Credit Rating Activities.
75. **“Sales or Marketing Considerations”**: include any consideration, concern, communication, plan, goal or objective relating to or directed at Sales or Marketing Activities.
76. **“Solicited Credit Rating”**: Credit Ratings, other than Internal Confidential Unsolicited Credit Ratings, assigned by S&P Global Ratings at the request of the Issuer. A Credit Rating will be considered to be at the request of the Issuer if (a) there is an agreement with the Issuer or its agent for the provision of the Credit Rating (or an agreement does not specifically identify the Credit Rating but indicates S&P Global Ratings expects to rate the Issuer’s obligations in the future, unless the Issuer has confirmed to S&P Global Ratings in writing that it does not wish the obligation to be rated) or (b) the Issuer pays for the Credit Rating. Solicited Credit Ratings do not include Credit Ratings that were initially requested by the Issuer but, while still maintained by S&P Global Ratings,

are no longer requested by the Issuer as demonstrated by the fact that S&P Global Ratings no longer receives payment from the Issuer for these Credit Ratings.

- 77. **“Under Criteria Observation” or “UCO”:** an identifier that may (or shall, if an EU regulatory requirement) be assigned to Credit Ratings under review as a result of a Criteria revision. The addition of the UCO identifier to a Credit Rating does not change that Credit Rating's definition or S&P Global Ratings' opinion about the Issue's or Issuer's creditworthiness.
- 78. **“Unsolicited Credit Rating”:** Credit Ratings, other than Internal Confidential Unsolicited Credit Ratings, that are not Solicited Credit Ratings.
- 79. **“Voting Analyst”:** an Analyst who has been approved by an Analytical Manager or his or her designee to vote in a Rating Committee. A CRISIL GAC Analyst or a member of the New York Newspaper Guild is not eligible to be a Voting Analyst.