

Corporate Ratings Methodology

Transparency. Comparability.

Our Methodology

S&P Global Ratings' corporate analytical methodology organizes the analytical process according to a common framework and divides the analysis into several steps so that we may consider all salient factors.

The first step is analyzing a company's business risk profile, followed by an evaluation of its financial risk profile. We combine our assessments to determine an issuer's anchor. We then take several subsequent analytical steps using forward-looking analysis and analytic judgment to determine the ultimate rating conclusion with the goal of transparency and rating comparability. Underpinning the entire framework is financial analysis comprising reviews of historical financial statements, analytic adjustments, and cash flow forecasts.

Our Rating Process and Surveillance

We assign a rating only when we believe we have sufficient information to form our opinion, and only after we have conducted applicable quantitative and qualitative analyses.

First, we assemble a team of analysts to review information pertinent to the rating. Members of the team then meet with an issuer's management to review key factors that we think might affect the rating. Following this review and discussion, the primary analyst determines the rating recommendation and presents that to an internal rating committee made up of other analysts. After discussion, the committee votes on the recommendation. The issuer may be notified of the rating and the major considerations supporting it. We provide for an appeal process if the issuer provides material new information. Once our assessment is complete and we have assigned a rating, we announce the rating in a report on our websites, except in the case of private or confidential ratings.

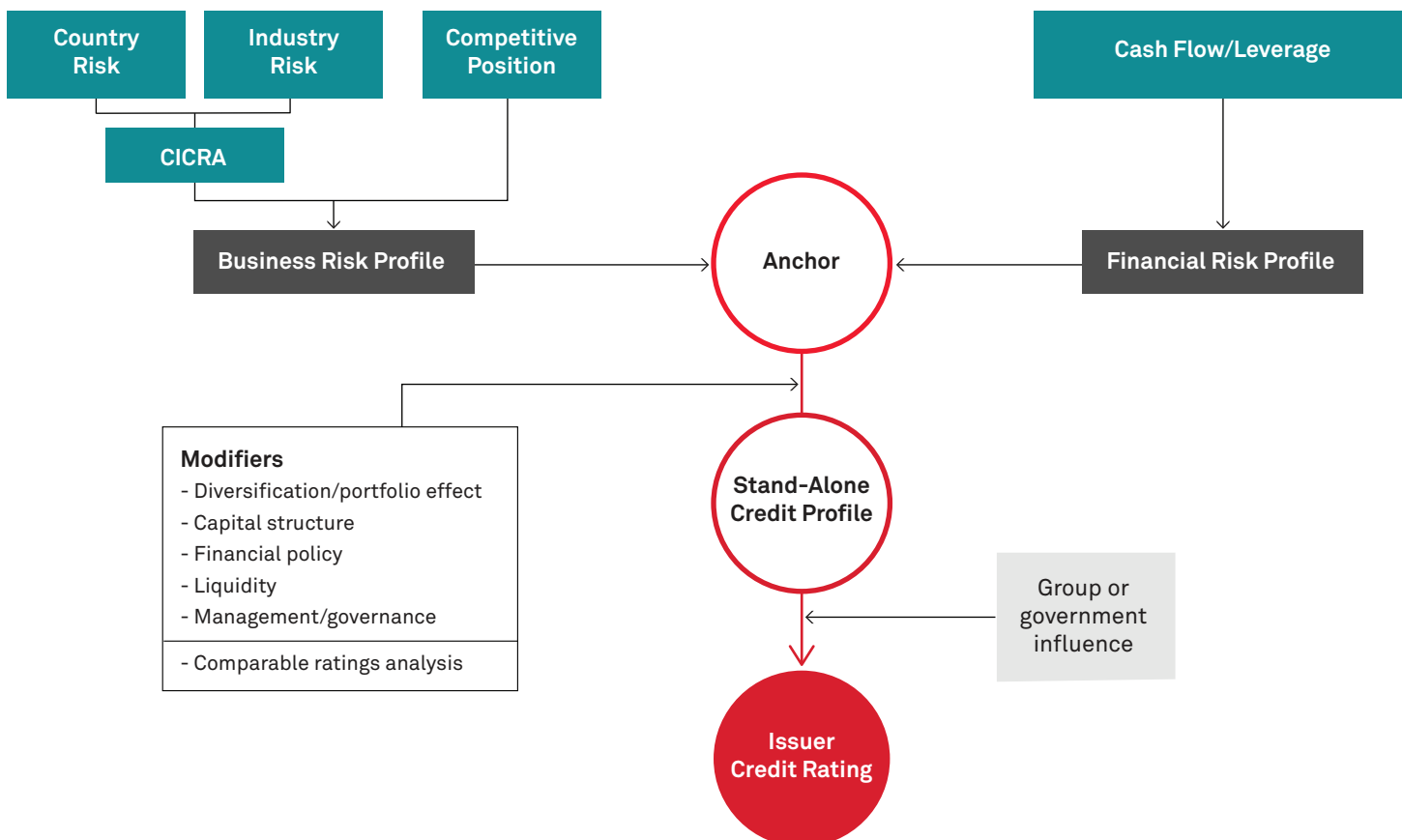
Ratings are monitored, and surveillance is ongoing except for point-in-time ratings. This process may result in our making changes in ratings, which are also disseminated through our websites.

Confidentiality

Some information an issuer provides to us may be sensitive and is provided solely for the purpose of arriving at a rating. We maintain confidentiality over all confidential information received and will not disclose it to third parties, as described in our terms and conditions provided to all issuer clients. We also will not share such information with our Market Intelligence division.

Please visit our dedicated ratings portal page for Corporate criteria-related content: www.spratings.com/CorpCriteria

Corporate Criteria Framework



Combining The Business And Financial Risk Profiles To Determine The Anchor

Business Risk Profile	Financial Risk Profile					
	1 (Minimal)	2 (Modest)	3 (Intermediate)	4 (Significant)	5 (Aggressive)	6 (Highly Leveraged)
1 (Excellent)	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
2 (Strong)	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
3 (Satisfactory)	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
4 (Fair)	bbb/bbb-	bbb-	bb+	bb	bb-	b
5 (Weak)	bb+	bb+	bb	bb-	b+	b/b-
6 (Vulnerable)	bb-	bb-	bb-/b+	b+	b	b-

Credit Ratings

- We provide the market with a wide range of ratings products, such as credit ratings on issuers of debt as well as ratings on individual debt issues.
- A credit rating is our opinion of the general creditworthiness of a particular issuer, debt issue, or other financial obligation, based on relevant risk factors.
- A credit rating does not constitute a recommendation to purchase, sell, or hold a particular security.
- A rating does not constitute a comment on the suitability of an investment for a particular investor.

Rating Outlook

- Assigned to long-term ratings
- Assesses the potential long-term credit direction
- Time horizon varies; typically six months to two years
- Not necessarily a precursor to other rating actions or a CreditWatch listing
- Outlook options: positive, negative, stable, developing

Creditwatch Listing

- Assesses the potential short-term credit direction (event- or industry fundamentals-driven)
- Time horizon varies; generally resolved within 90 days, unless pending developments prolong review
- We may request additional information for a possible rating action
- CreditWatch options: positive, negative, developing

Description of Ratings

Long Term

Issuer Rating	Description	Issue Rating
AAA	Extremely Strong	AAA
AA	Very Strong	AA
A	Strong	A
BBB	Adequate	BBB
BB	Less Vulnerable	BB
B	More Vulnerable	B
CCC	Currently Vulnerable	CCC
CC	Currently Highly Vulnerable	CC
—	Bankruptcy filing (or similar)	C
SD	Selective Default	—
D	Default	D

Short Term

Issuer Rating	Description	Issue Rating
A-1+	Extremely Strong	A-1+
A-1	Strong	A-1
A-2	Satisfactory	A-2
A-3	Adequate	A-3
B	Speculative characteristics	B
C	Vulnerable to nonpayment	C
SD	Selective Default	—
D	Default	D

Recovery Ratings, Ranges & Issue Ratings For Speculative-Grade Issuers

Recovery Rating	Description of Recovery	Recovery Range ¹	Issue Rating Notches ³
1+	Highest expectation, full recovery	100% ²	+3
1	Very high recovery	90 – 100%	+2
2	Substantial recovery	70 – 90%	+1
3	Meaningful recovery	50 – 70%	0
4	Average recovery	30 – 50%	0
5	Modest recovery	10 – 30%	-1
6	Negligible recovery	0 – 10%	-2

¹Recovery of principal plus accrued but unpaid interest at the time of default. ²Very high confidence of full recovery resulting from significant over collateralization or strong structural features. ³Indicates issue rating "notches" relative to our issuer credit rating.

For More Information

The Americas

+1-212-438-2400
ratings_request@spglobal.com

Europe

+44-20-7176-7176
clientsupporteurope@spglobal.com

Japan

+81-3-4550-8711
clientservices_japan@spglobal.com

Australia

+61-3-9631-2160
clientservices_pacific@spglobal.com

China

+8610-6569-2909
marketing.hk@spglobal.com

Hong Kong

+852-2533-3500
marketing.hk@spglobal.com

Singapore

+65-62-396-316
clientservices_sse@spglobal.com

Korea

+82-2-2022-2302
clientservices_korea@spglobal.com

S&P Global Ratings maintains a separation of commercial and analytical activities.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

Australia

Standard & Poor's (Australia) Pty. Ltd. holds Australian financial services license number 337565 under the Corporations Act 2001. Standard & Poor's credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

Copyright© 2016 by Standard & Poor's Financial Services LLC. All rights reserved.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

08/16