

Corporate Scorecard

Ongoing Monitoring & Surveillance Policy

Australia & New Zealand

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1 PURPOSE AND SCOPE

To describe Corporate Scorecard's (CSC) ongoing surveillance procedures for ongoing monitoring & ratings surveillance.

2 RESPONSIBILITY

The Head of Ratings Services authorises changes to this procedure.

The Head of Solutions Delivery ensures this procedure 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 Code of Conduct
- Credit Rating Disclosure, Dissemination and Withdrawal policy

4 POLICY

CSC will ensure transparency and timeliness of its credit rating disclosures and credit rating actions of rated entities with Ongoing Monitoring & Ratings Surveillance in accordance with our code and relevant statutory regulations.

The following procedures apply for all rated entities that are covered under ongoing ratings surveillance.

5 PROCEDURE

1.1. Customer Registration

A reporting obligation is imposed on the rated entity to inform CSC of any actions and changes within the business that may have a material impact on the financial position and creditworthiness of the rated entity.

These changes need to be communicated to CSC as soon as reasonably practical and prior to releasing them in any announcement to the broader market, ensuring the ratings reflect the latest information at all times.

In an event where CSC is not informed about a material event, the credit rating may be placed on 'Credit Watch' until such time as an evaluation of that change is completed. The Ratings Committee will consider the extent of the disclosure, transparency and issue escalation within the context of evaluating the willingness of the rated entity to honour its obligations, and in the credit rating assigned.

1.2. Media Monitoring

An alert is set-up on the rated entity to canvass a comprehensive range of media sources¹ to monitor any announcements, press releases or media coverage.

1.3. Commercial Bureau Alerts

CSC uses a range of specifically calibrated commercial alerts for the notification of any changes to the rated entity. These are evaluated within the context of the entity's credit rating, which may require a review by the Ratings Committee to determine whether there is any change to its credit quality.

Commercial alerts include changes of registered address, changes of officeholders, changes to shareholders, court judgements, payment defaults, ASIC filings, together with a range of other relevant commercial activities.

1.4. Financial Monitoring

CSC also imposes a half yearly reporting regime, requiring the rated entities to provide an update on their financial performance and position on a half yearly basis. This includes the provision of relevant information which may include, among other things, an updated schedule of funding facilities, key contracts, proposals/tenders, client wins/losses, and aged creditor/debtor schedules.

¹ A range of media sources may be used including Bloomberg, Dow Jones, Financial Times, Reuters, Economist, DataMonitor, Zephyr, Australian Financial Review, Acquire Media and a wide range of other news sources, which may change from time to time.

CSC also requires a complete set of financial statements to be provided within 90 days of year-end, and within 60 days of the half year end. Late or inadequate provision of the required information may lead to the credit rating being withdrawn and discontinued.

1.5. Process and Disclosure and Dissemination

For public ratings, CSC will distribute the result of any credit rating actions/changes through its website and for private ratings distributed to third parties, CSC will email registered recipients on a non-selective basis as soon as practicable after taking such action.

Likewise, if CSC discontinues its ratings surveillance and monitoring activities, it will disclose such discontinuation on its website and will email registered recipients for public and distributed private ratings respectively.

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.

6 RECORDS

Register of credit ratings covered under ongoing ratings surveillance, detailing the responsible ratings analyst.