

GLOSSARY



DEFINITIONS TO GCR CODES AND POLICIES



A to Z

The terms below are organised alphabetically as follows:

Analyst

means a GCR employee who performs analytical functions which are necessary for the issuing and/or monitoring of a credit rating¹.

Analytical Sector (or Sector)

refers to a specific area of expertise within GCR's Credit Rating business, namely Financial Institutions (banks and non-bank financial institutions, and funds); Insurance (short term insurance, long term insurance, reinsurance & healthcare); Corporate and Public Sector Debt (corporates & industrial borrowers; property funds; parastatals, utilities, state governments & local authorities) and Structured Finance.

Ancillary Services

are those products and services offered by GCR that are not Credit Rating Services.

Commercial Activities, Commercial Roles and Commercial Employees

refer to the commercial business activities of GCR and their associated employees, who have no participation in GCR's Credit Ratings Services.

¹ Analysts' titles ("Senior analyst", "Analyst" or "Junior analyst") reflect differing levels of analytical duties and capacities.

Compliance Department

is the department comprising Compliance staff, which is primarily responsible for assessing compliance of GCR and its analysts with policies, procedures, laws, regulations and standards.

Compliance Officer

refers to the individual employed by GCR as its designated Compliance Officer.

Confidential Information

is any information received by GCR from an Issuer or its authorised agent in connection with its Credit Rating Services or in connection with providing Ancillary Services or Other Services, in respect of which GCR has received written notice specifically indicating the proprietary and confidential nature of the information. However, the term "Confidential Information" shall not include:

- a. information that is publicly known;
 - b. information available to GCR on a non-confidential basis prior to disclosure by the Issuer or its agents;
 - c. information that becomes available to GCR on a non-confidential basis from a third party that is not reasonably known by GCR to be bound by a confidentiality agreement with the Issuer or otherwise prohibited from making available such information;
 - d. information developed independently by GCR without reference to the Confidential Information; or
 - e. information that has been aggregated or transformed in such a way that it is no longer identified as relating to any individual Issuer.
-

Credit Rating

is an opinion regarding the creditworthiness of

1. an entity,
2. a security or financial instrument, or
3. an issuer of a security or financial instrument,

using an established and defined ranking system of rating categories.

Credit Rating Action

means to determine an initial credit rating, an upgrade of an existing credit rating, a downgrade of an existing credit rating (including a default), an affirmation of an existing credit rating or a suspension or withdrawal of a credit rating².

Credit Rating Announcement

is a written communication that publicly announces Credit Rating Actions, and may take the form of a publication on GCR's website and/or a release to subscribers and other users of Credit Ratings.

Credit Rating Letter

is a letter provided by GCR to Rated Entities/Issuers and/or their agents and/or a Third Party as the case may be, confirming the Credit Rating that has been accorded to the Rated Entity/Issuer.

Credit Rating Methodology

is the procedure by which GCR determines credit ratings, including information that it will consider or analyse to determine the credit rating and the analytical framework that is used to determine the credit rating, including as applicable, the models, financial metrics, assumptions, criteria, or other qualitative factors to be used to determine the credit rating.

Credit Rating Process

is the process undertaken by GCR and its Analytical Employees in the accordance, surveillance or monitoring of credit ratings³.

Credit Rating Report

is a research report providing detailed analysis utilised by GCR in the accordance of a Credit Rating.

² See GCR's [Withdrawal and Suspension Policy](#) for more information

³ See GCR's [Credit Rating Process Policy](#) for more information.

Credit Rating Services

means data and information analysis, evaluation, approval, issuing or review for the purposes of credit ratings.

Employee

is any individual who works for GCR in any capacity.

Entity

is defined as any government; political subdivision, agency, or instrument of a government; or a company, corporation, partnership, trust, estate, or association.

Family Members

refers to the following persons:

- a. an Employee's spouse or domestic partner (or any other person with whom an Employee cohabits and shares financial responsibilities);
- b. an Employee's minor or dependent children;
- c. any other relative sharing the same household as an Employee;
- d. any persons who do not live in the same household as an Employee but whose Trades in Securities are directed by or are subject to the Employee's influence or control (either direct or Indirect): such as parents or children living in separate households who consult with the Employee before they Trade; and
- e. any other natural or legal person, trust, entity or partnership: i) whose managerial responsibilities are discharged by, ii) that is set up for the benefit of, iii) that is directly or indirectly controlled by, or iv) whose economic interests are substantially equivalent to, the Employee or any Family Member.

Indicative Credit Rating

is a Rating accorded with an expiry date and one that is issued with the intention of converting to a final Credit Rating, subject to the receipt of outstanding information (e.g. confirmations, signed documents inter alia). Indicative Credit Ratings may be public or private and are typically used in structured finance transactions that may require the existence of a Credit Rating prior to the issuance of debt. GCR may convert an Indicative Credit Rating into a Credit Rating should it receive requisite final information and documentation.

Issuer

means any entity by which a Security has been issued, guaranteed, or by which the credit underlying the Security has been otherwise supported. The term Issuer also includes the corporate parent or majority-owned subsidiary of an Issuer.

Management or Managers

are those Employees who have management responsibilities.

Material Information

refers to any public or non-public information that: i) might have an effect on the market for a Security generally; or ii) might affect an investment decision of a reasonable investor; or iii) may have an impact on the credit rating of a rated entity or obligation.

Non-Public Information

is information that may be material, however is not publicly accessible information.

Obligation

is defined as a trading instrument, credit commitment, loan, or other similar product or transaction that has inherent credit risk.

Obligor

means the entity that is legally or contractually obliged to make payments on a rated obligation.

Other Services

are products and services that GCR may offer that are neither Credit Rating Services nor Ancillary Services.

Own and Ownership

refers to all methods by which an Employee may possess an interest in a Security or an account with a financial services institution, including direct ownership and beneficial ownership.

Primary Analyst (also termed the Lead Rating Analyst, Lead Analyst or Lead)

means a GCR Analyst who has the primary responsibility for (a) determining a Credit Rating recommendation and/or presenting that Credit Rating recommendation to a Ratings Committee and (b) Communicating with an Issuer with respect to a specific Credit Rating Action.

Private Credit Rating

means a Credit Rating that is not made public.

Public Credit Rating

means a Credit Rating that is made public and therefore subject to specific requirements in terms of disseminating Credit Rating Actions in line with regulations and GCR's Rating Communication Policy.

Public Information

is information that may be material and is accessible in the public domain.

Rated Entity

refers to any Issuer or obligor to which GCR has accorded a Credit Rating.

Rating Committee (or Ratings Panel)

is the committee that is convened in order to take Credit Rating Actions⁴.

Rating Committee Policy

is the GCR policy governing the composition, functioning and conduct of its Rating Committees.

Ratings Roles, Ratings Activities (or Credit Rating Activities) and Ratings Employees

refer to those activities and Employees involved in Credit Rating Services, as distinct and separated from Commercial Activities and Roles.

Rating Services

means any or all of the following: Credit Rating Services and/or Other Services.

⁴ In accordance with GCR's Credit Rating Committee Policy.

Rating Symbols and Definitions

is a reference guide to the definitions of the rating symbols and rating scales used by GCR⁵.

Screening Committee

is a committee that is convened in order to assess whether a credible Credit Rating can be accorded, or whether a particular credit matter needs to be addressed.

Secondary Analyst

is the GCR Analyst who is responsible for assisting the Primary Analyst in his/her stipulated duties.

Sector Head

is an Employee of GCR that is responsible for oversight of a particular Analytical Sector in which GCR accords Credit Ratings. A Sector Head is also considered to be a Senior Analyst for the purposes of Rating Committees.

Security (or Financial Instrument)

means any non-deposit financial instrument that is, or is derived from, any equity or fixed income security. This includes, but is not limited to:

- listed and unlisted-
 - shares, deposit receipts and other equivalent equities in public companies
 - debentures and bonds,
 - derivative instruments
 - notes
 - participatory interests or units in a collective investment scheme
 - instruments based on an index
- In this policy, references to Securities issued or guaranteed by an Issuer include securities derived from any equity or fixed-income securities issued by that party, even if no direct ownership is held.

⁵ See GCR's [GCR's Definition of Ratings and Symbols](#) for more information

Solicited Credit Rating

is a Credit Rating wherein the Credit Rating Services provided by GCR are expressly, implicitly, alternatively tacitly agreed to orally or in writing, for which services GCR may receive or expect to receive compensation⁶.

Trade

refers to any transaction by which a person acquires or divests himself/herself from an interest or position in a Security, including but not limited to purchases, sales, repurchase agreements, short sales, spread betting (and other forms of gambling on Securities) and entering into/liquidating derivative transactions.

Unsolicited Credit Rating

is a credit rating wherein the credit rating services provided by GCR are not expressly, implicitly, alternatively tacitly agreed to, for which services GCR does not expect to receive compensation⁷.

Working Day

is defined as the full time allotted to conduct business on any weekday. For GCR's purposes, working days explicitly exclude Saturdays, Sundays, and recognised public holidays of both the country where the Rated Entity is domiciled, as well as the country of GCR's domicile.

⁶ See GCR's [Solicitation Policy](#) for more information

⁷ See GCR's [Solicitation Policy](#) for more information