

MOODY'S CORPORATION AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee's primary purpose is to represent and assist the Board of Directors in fulfilling its oversight responsibilities relating to: (a) the integrity of the Company's financial statements and the financial information provided to the Company's shareholders and others; (b) the Company's compliance with legal and regulatory requirements; (c) the Company's internal controls; and (d) the audit process, including the qualifications and independence of the Company's principal external auditors (the "Independent Auditors") and the performance of the Company's internal audit function and the Independent Auditors.

Membership and Meetings

The Committee shall be comprised of at least three directors, including a chairman, as appointed by the Board upon the recommendation of the Governance and Nominating Committee. Each member of the Committee shall meet the independence requirements of the New York Stock Exchange ("NYSE") for directors and audit committee members, and shall be financially literate, both as determined by the Board. At least one member of the Committee shall be an "audit committee financial expert", as determined by the Board in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). A subsequent determination that any member of the Committee does not satisfy the foregoing requirements shall not invalidate any action theretofore taken by the Committee except to the extent required by law or determined appropriate to satisfy any regulatory standards. No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies [].

Meetings shall be held at least quarterly and additional meetings shall be held as needed. The Committee shall keep written minutes of its meetings and report to the Board on its activities on a regular basis. The Committee shall meet separately with representatives of the Independent Auditors and the Head of Internal Audit at least once a quarter and periodically with members of management, including the General Counsel, as the Committee determines appropriate.

Duties and Responsibilities

In addition to any other responsibilities that are delegated to it from time to time by the Board, the Committee shall have the authority to undertake the following:

Financial Reporting

1. The Committee shall review with the Independent Auditors and internal auditors, the adequacy of the Company's financial reporting processes, both internal and external.
2. The Committee shall review and discuss with the Independent Auditors the matters required to be discussed by the Independent Auditors under Auditing Standard No. 1301, as adopted by the Public Company Accounting Oversight Board ("PCAOB") and amended from time to time, including any problems or difficulties the Independent Auditors encountered in the course of their audit work, any restrictions on the scope of the Independent Auditors' activities or on access to requested information, and any significant disagreements with management, and in each case management's response to such matter.
3. The Committee shall: (a) meet to review with management and the Independent Auditors the Company's audited financial statements (including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations") and the Independent Auditors' reports related to the financial statements; (b) determine whether to recommend to the Board that the Company's audited financial statements be included in the Company's Annual Reports on Form 10-K; and (c) oversee the preparation of the report required by SEC rules to be included in the Company's annual proxy statement.
4. The Committee shall meet to review with management and the Independent Auditors the Company's Quarterly Reports on Form 10-Q (including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations").
5. The Committee shall review and discuss: (a) earnings press releases; (b) other press releases related to financial information and disclosures regarding earnings guidance and non-GAAP financial measures, as appropriate; and (c) Company practices with respect to financial information and earnings guidance provided to analysts and rating agencies.

Independent Auditors; Internal Audit

6. The Committee shall be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the work of the Independent Auditors. In this regard, the Committee shall select and retain (although it may submit any such action to shareholder ratification), evaluate, determine funding for, and where appropriate, replace the Independent Auditors.

7. The Committee shall receive and review, at least annually, a report by the Independent Auditors describing: (a) the Independent Auditors' internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditors, and any steps taken to deal with any such issues.
8. The Committee shall oversee the qualifications, performance and independence of the Independent Auditors by:
 - at least annually, receiving from the Independent Auditors a formal written statement delineating all relationships between the Independent Auditors or their affiliates, and the Company or persons in financial reporting oversight roles at the Company, that may reasonably be thought to bear on independence, as required by PCAOB rules;
 - at least annually, reviewing and discussing with the Independent Auditors any disclosed relationships or services that may reasonably be thought to bear on the independence of the Independent Auditors and considering the independence of the Independent Auditors;
 - approving in advance all audit and permissible non-audit services to be provided by the Independent Auditors and establishing policies and procedures for the pre-approval of audit and permissible non-audit services to be provided by the Independent Auditors; and
 - periodically considering whether to rotate the Independent Auditors.
9. The Committee shall establish policies applicable in cases of the Company hiring employees and former employees of the Independent Auditors.
10. The Committee shall: (a) review the annual audit plan and the adequacy of internal audit resources, and the results of the internal audit program; (b) annually review and discuss the performance and effectiveness of the internal audit function; and (c) review and concur in the appointment, and dismissal when appropriate, of the Head of Internal Audit, and the compensation of the Head of Internal Audit.

Compliance

11. The Committee shall receive reports regarding, and review with the Independent Auditors, internal auditors and management, the adequacy and effectiveness of: (a) the Company's internal controls, including any significant deficiencies in internal controls and significant changes in internal controls reported to the Committee by the Independent Auditors or management; and (b) the Company's disclosure controls and procedures.

12. The Committee shall oversee the Company's compliance program by reviewing:
(a) legal and regulatory compliance matters; and (b) the Company's policies and procedures designed to promote compliance with laws, regulations and internal policies and procedures, including the Company's code of conduct. This will be facilitated through the receipt of reports from management and, as determined appropriate by the Committee, legal counsel and third parties. In addition, the Committee shall, at least annually, review the implementation and effectiveness of the Company's compliance program with the General Counsel, who shall have the authority to communicate directly to the Committee, promptly, about actual and alleged violations of law or the code of conduct, including any matters involving criminal or potential criminal conduct.
13. The Committee shall establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing and federal securities law matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting, auditing and federal securities law matters.
14. The Committee shall: (a) review and approve actual, apparent or potential conflicts of interest involving directors and executive officers; (b) review and approve related person transactions, as defined in applicable SEC rules; and (c) oversee other related party transactions governed by applicable accounting standards.

Enterprise Risk and Other Matters

15. The Committee shall review: (a) the Company's policies with respect to risk assessment and risk management; (b) the Company's financial and compliance risks, including, but not limited to, risks relating to internal controls and cyber risks; and (c) major legislative and regulatory developments which could materially impact the Company. This will be facilitated through reports from management and, as determined appropriate by the Committee, legal counsel and third parties. In addition, the Committee shall, at least annually, review the implementation and effectiveness of the Company's enterprise risk management program with the Chief Risk Officer.
16. The Committee shall, at least annually, review and approve on behalf of the Company and its eligible subsidiaries, the Company's decision to enter into swaps that are exempt from mandatory exchange-execution and clearing pursuant to the Commodity Exchange Act and "end-user exception" regulations established by the Commodity Futures Trading Commission (as applicable), and review and discuss with management applicable Company policies governing the Company's use of swaps subject to the end-user exception.

17. On an annual basis, the Committee shall review and discuss with management: (a) the Company's policies and procedures regarding officers' expenses and perquisites; and (b) a summary of officers' expenses and use of corporate assets.

Evaluation and Charter

18. The Committee shall evaluate its performance annually, review and reassess the adequacy of this Charter annually, and recommend changes to this Charter to the Board as appropriate.

Outside Advisors and Funding; Authority and Delegation

19. The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain such outside counsel, accountants, or other advisors as it determines appropriate to assist it in the performance of its functions and shall receive appropriate funding from the Company, as determined by the Committee, for payment of compensation and other expenses of any such advisors and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties.
20. The Committee shall be empowered to access all books, records, facilities, personnel, agents and advisors of the Company as it deems necessary or appropriate to discharge its responsibilities under this Charter.
21. The Committee may delegate its authority to subcommittees or the chairman of the Committee when it deems appropriate and in the best interests of the Company.
22. The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and the Independent Auditors are responsible for auditing the annual financial statements. In addition, management is responsible for assessing and managing risk, under the oversight of the Board and its committees, including the Committee in accordance with its responsibilities as set forth in this Charter.