



Software & Information Industry Association
Financial Information Services Association
Credit Rating Agency Constituent Group (CRA-CG)

Bylaws

As revised, September 2015

Section 1. Establishment of the CRA-CG. In January 2011, an initial group of three qualifying Credit Rating Agencies (“CRA”) shall convene a Credit Rating Agency-Constituent Group (the “CRA-CG”), as a Constituent Group of the Financial Information Services Association (“FISD”) of the Software & Information Industry Association (“SIIA”), for the purpose of developing best practices regarding compliance with regulatory requirements and facilitating communications within the credit rating industry to address regulatory developments and enhance the understanding of the role of credit ratings by the global marketplace.

Section 2. Membership. All entities that are registered with the U.S. Securities and Exchange Commission as Nationally Recognized Statistical Rating Organizations (“NRSRO”) and in good-standing in the FISD/SIIA, are eligible to become a member of the CRA-CG. There shall be three tiers of members:

- A. **Founding Members.** The three Founding Members of CRA-CG are Standard & Poor’s Ratings Services, Moody’s Investors Service, Inc. and Fitch, Inc.
- B. **Class A Members.** CRA member companies that have gross annual revenues in excess of \$50 million.
- C. **Class B Members.** CRA member companies that have gross annual revenues of \$50 million or less.

Each member shall designate a regular and may designate an alternative representative. Membership dues shall be established by the Governing Board (described in Section 3 below) and approved by the SIIA Board of Directors, or in the absence of such a determination, shall be based upon the SIIA dues scale currently in effect. Additional funds may be raised in accordance with Section 13 below.

As used in these Bylaws, the term “member” (when referring to an entity) shall refer to a dues-paying member. Any employee of a CRA member company may attend meetings and participate

in the projects, activities and discussions within the CRA-CG. There is no limit on the number of individuals from a single CRA member company who may participate.

All CRA-CG members have the right to participate in the deliberations of the CRA-CG; receive notices of CRA-CG meetings and related activities; receive information related to CRA-CG issues and activities; participate in the development and implementation of CRA-CG initiatives; and serve as chair or member of CRA-CG committees, subcommittees and working groups.

Section 3. Governing Board. There shall be a Governing Board of the CRA-CG.

- A. Through December 2011, the Governing Board shall consist of the three Founding Members.
- B. Commencing in January 2012, the Governing Board shall consist of up to six members, including the three Founding Members, so long as they are CRA-CG members, up to two Class A Members and up to one Class B Member. In December 2011, the CRA-CG membership shall elect up to an additional three Governing Board members from among the CRA-CG full membership to fill the Class A and Class B Member seats.

Section 4. Governing Board Decisions. Through December 2011, decisions of the Governing Board shall be made by the unanimous vote of the Founding Members. Subsequent to December 2011, decisions of the Governing Board shall be made by majority vote, provided that all of the Founding Members then serving on the Governing Board vote with the majority.

The Governing Board shall determine the following: CRA-CG's budget, policy positions, creation of committees, subcommittees and working groups, external communication, changes to the Bylaws, Chairperson elections, and other issues, as determined by the Governing Board.

Section 5. Eligibility and Vacancies. Governing Board members are elected in their corporate (as opposed to their individual) capacity. At the time that an individual is elected to the Governing Board, he or she must be employed by a CRA-CG member company. A Governing Board member may name a second contact at the member firm, who may serve (and vote) on the Governing Board in the absence of the Governing Board member. If a Board seat is vacated due to the death, resignation or seat relinquishment of the Governing Board member prior to the completion of his or her term, the member company may appoint another employee of that firm to fill the unexpired term. If a Governing Board member leaves his/her employ, a vacancy is created and the company he/she represented shall name a replacement to serve out the balance of the member's Governing Board term.

Section 6. Special Procedures for CRA-CG Member Departure. If a Class A or Class B Governing Board member firm must drop off the Governing Board as result of merger or the firm leaving the CRA-CG, then the following procedures will be followed to replace the Governing Board member for the remainder of the term. The general membership of the CRA-CG will be given the opportunity to nominate candidates for a vacant Governing Board position from among the appropriate membership tier. The Governing Board shall then vote to choose from among all the nominated candidates. There will be no replacement made in the event that a Founding Member firm must drop off the Governing Board as result of merger or the firm leaving the CRA-CG.

Section 7. Term of Office. Governing Board terms are for two years, with no limit on the number of terms served (except that the Founding Members shall remain on the Governing Board so long as they remain CRA-CG members).

Section 8. Voting. In CRA-CG Governing Board elections, all CRA-CG members shall be eligible to vote. Each voting member shall appoint a person, and an alternate person, to be its representative in the CRA-CG for purposes of voting. Governing Board elections shall be held in December for seats that are due to become vacant at the beginning of the following month. The general CRA-CG membership shall vote to choose from among all the nominated candidates in the Class A and Class B Member constituency groups.

Section 9. CRA-CG Leadership. The Founding Members of the CRA-CG shall, prior to February 1, 2011, elect a Chairperson of the Governing Board from among the CRA-CG membership to serve as a volunteer leader of the CRA-CG. For the first three years of the CRA-CG, the Chairperson will be elected each year from each of the Founding Members on a rotating basis. Each January thereafter, an election of a new Chairperson shall be held for the new calendar year. No Chairperson may serve more than two consecutive one-year terms.

Section 10. Meetings. The CRA-CG shall meet at least four times per year, with, subject to the discretion of the Governing Board, at least one of the meetings occurring in Europe. Each meeting shall be teleconference accessible.

- A. CRA-CG staff shall provide an agenda to all members at least one week prior to each meeting.
- B. A majority shall constitute a quorum at any meeting.
- C. All decisions are to be made by majority vote unless otherwise specified.
- D. Any votes taken may be cast via telephone, telefax or e-mail.

Section 11. Minutes. A CRA-CG staff member shall take minutes of each meeting of the CRA-CG, and within one week of each meeting shall distribute them to the participants for their review and approval. The minutes shall be transmitted to the President of SIIA after they have been approved by the participants.

Section 12. Committees, Subcommittees and Working Groups. The Governing Board has the authority to create and eliminate CRA-CG committees, subcommittees and working groups (collectively defined as “CRA-CG subgroups”). CRA-CG subgroups may be formed to address specific issues and manage the work effort required to move projects, documents and initiatives forward within the CRA-CG. Participation in a CRA-CG subgroup is generally open to all CRA-CG members. The Chair for a CRA-CG subgroup shall be elected by majority vote of the participants of the CRA-CG subgroup.

Section 13. Financial Matters. The FIRD staff leadership shall allocate sufficient staff resources to support the CRA-CG activities, commensurate with the size of the CRA-CG membership and the dues generated each year. The Governing Board shall direct any requests for additional allocation of funds and staff to the FIRD Executive Committee in May of each year, during the development of the FIRD budget, within the larger SIIA budget. Subject to the approval by the Governing Board, the CRA-CG may, at its own discretion, raise additional funds from among its membership to supplement the regular dues contribution or to fund additional programs and activities.

Section 14. Antitrust Considerations. It is the unalterable policy of the CRA-CG to operate in compliance with applicable antitrust laws.

- A. **Prohibited Activities.** The purpose of the CRA-CG is, in addition to the goals stated in Section 1 above, to promote competition and to benefit investors and the global marketplace. The CRA-CG shall not provide any opportunity for members to discuss competitive policies and practices, including, but not limited to, valuation methodologies or tools; analytic models; advertising, marketing and promotional strategies or policies; current or future pricing or pricing plans; or discounts or other selling terms.
- B. **Antitrust Counsel.** Unless otherwise unanimously agreed upon by the Founding Members, outside antitrust counsel shall be present (in person or by teleconference) at any CRA-CG or Governing Board meeting. Only CRA-CG members who agree in advance to pay for antitrust counsel fees will be required to pay such fees. The cost of such antitrust counsel shall be borne by an individual member (or members) of the CRA-CG as an in kind additional contribution to the CRA-CG, or such other cost sharing arrangement as may be agreed upon by the Governing Board.
- C. **Antitrust Guidelines.** All CRA-CG meetings shall begin with a reminder that all CRA-CG proceedings must comply with applicable antitrust laws. For reference, a copy of the “SIIA Staff Antitrust Compliance Guide” shall be distributed to all CRA-CG members.

Section 15. Interaction with and within the Fisd. As a new constituent group, the Vice President, Fisd shall endeavor to include CRA-CG requested programming in regional and major conferences organized by Fisd throughout the year.

Section 16. Reports to the Fisd Executive Committee and SIIA Board of Directors. Once per year, the Chairperson of the CRA-CG shall make presentations to the Fisd Executive Committee and to the SIIA Board of Directors describing the CRA-CG’s current and planned activities.

Section 17. Fiduciary Responsibility. SIIA is organized as a not-for-profit company under section 501(c)(6) of the Internal Revenue Code. The fiduciary responsibility for all divisions, activities and personnel rests with the 17 member SIIA Board of Directors. CRA-CG members may, as any other full SIIA member, seek election to the SIIA Board at its regularly scheduled Board of Directors election each April. Since the CRA-CG is not an IRS-recognized legal entity, the group, member entities and individual representatives have no fiduciary, operational or personnel supervisory responsibility.

Section 18. Bylaws Effective Date. The CRA-CG Bylaws shall go into effect upon the approval by the unanimous consent of the Founding Governing Board and, at the discretion of the President of SIIA, by a majority of the SIIA Board of Directors.