MOODYS CORP /DE/
Form DEF 14A
March 18, 2009
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

[Amendment No.   ]

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under § 240.14a-12

MOODY S CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with written preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March 18, 2009

Dear Stockholder:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of Moody s Corporation to be held on Tuesday, April 28, 2009, at 9:30 a.m. EST at the Company s offices at 7 World Trade Center at 250 Greenwich Street, New York, New York.

The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be acted upon at the meeting. The Annual Report for the year ended December 31, 2008 is also enclosed.

We are pleased to be using the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders over the Internet. We believe that this process should expedite stockholders receipt of proxy materials, lower the costs of our annual meeting, and help to conserve natural resources. Accordingly, on March 18, 2009, we mailed to many of our stockholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our 2009 Proxy Statement and 2008 Annual Report and vote online. The Notice included instructions on how to request a paper or e-mail copy of the proxy materials, including the Notice of Annual Meeting, Proxy Statement, Annual Report, and proxy card or voting instruction card. Stockholders who requested paper copies of the proxy materials or previously elected to receive the proxy materials electronically did not receive a Notice and will receive the proxy materials in the format requested.

Your vote is important. Whether or not you plan to attend the annual meeting, we encourage you to review the proxy materials and hope you will vote as soon as possible. You may vote by proxy over the Internet or by telephone by using the instructions provided in the Notice. Alternatively, if you requested and received paper copies of the proxy materials by mail, you can also vote by mail by following the instructions on the proxy card or voting instruction card. Voting over the Internet, by telephone or by written proxy or voting instruction card will ensure your representation at the annual meeting regardless of whether you attend in person. Instructions regarding the three methods of voting are contained in the Notice or proxy card or voting instruction card.

Sincerely,

Raymond W. McDaniel, Jr.

Chairman and Chief Executive Officer

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MOODY S CORPORATION

7 World Trade Center

250 Greenwich Street

New York, New York 10007

NOTICE OF 2009 ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

The 2009 Annual Meeting of Stockholders of Moody s Corporation will be held on Tuesday, April 28, 2009, at 9:30 a.m. EST at the Company s offices at 7 World Trade Center at 250 Greenwich Street, New York, New York, for the following purposes, all as more fully described in the accompanying Proxy Statement:

1. To elect three Class II directors of the Company to each serve a three-year term;

2. To ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the year 2009;

3. To vote on two stockholder proposals, if properly presented at the meeting; and

4. To transact such other business as may properly come before the meeting.

The Board of Directors of the Company has fixed the close of business on March 2, 2009 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting.

By Order of the Board of Directors,

Jane B. Clark

Corporate Secretary

March 18, 2009

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on April 28, 2009: The Proxy Statement and the Company s 2008 Annual Report to Stockholders are available at http://materials.proxyvote.com/615369. Your vote is very important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible. You may vote your shares via a toll-free telephone number or over the Internet as instructed in the Notice of Internet Availability of Proxy Materials. Alternatively, if you received a paper copy of a proxy or voting instruction card by mail, you may submit your proxy or voting instruction card for the annual meeting by completing, signing, dating and returning your proxy or voting instruction card in the pre-addressed envelope provided. No postage is required if mailed in the United States. If you attend the meeting, you may vote in person, even if you have previously returned your proxy or voting instruction card or voted by telephone or the Internet.

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

OF MOODY S CORPORATION

General

This Proxy Statement is being furnished to the holders of the common stock, par value $.01 per share (the Common Stock), of Moody s Corporation (Moody s or the Company) in connection with the solicitation of proxies by the Board of Directors of the Company (the Board of Directors or the Board) for use in voting at the Annual Meeting of Stockholders or any adjournment or postponement thereof (the Annual Meeting). The Annual Meeting will be held on Tuesday, April 28, 2009, at 9:30 a.m. EST at the Company s principal executive offices located at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. To obtain directions to attend the Annual Meeting and vote in person, please contact the Company s Investor Relations Department by sending an email to *ir@moodys.com*. This Proxy Statement and the accompanying proxy card are first being made available to stockholders on or about March 18, 2009. Moody s telephone number is (212) 553-0300.

Annual Meeting Admission

Stockholders will need an admission ticket to enter the Annual Meeting. For stockholders of record, an admission ticket is attached to the proxy card, which is available over the Internet, or, if you requested paper copies, you will receive a printed proxy card. If you plan to attend the Annual Meeting in person, please retain the admission ticket.

If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting in person, you may obtain an admission ticket in advance by sending a written request, along with proof of share ownership such as a bank or brokerage account statement, to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Stockholders who do not have admission tickets will be admitted following verification of ownership at the door.

Internet Availability of Proxy Materials

Under rules recently adopted by the U.S. Securities and Exchange Commission (the SEC), we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to stockholders. On March 18, 2009, we mailed to our stockholders (other than those who previously requested e-mail or paper delivery) a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access and review our proxy materials, including this Proxy Statement and the Company s Annual Report. These materials are available at: http://materials.proxyvote.com/615369. The Notice also instructs you on how to access your proxy card to vote through the Internet or by telephone.

This process is designed to expedite stockholders receipt of proxy materials, lower the cost of the Annual Meeting, and help conserve natural resources. If you received a Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. If you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

Record Date

The Board of Directors has fixed the close of business on March 2, 2009 as the record date (the Record Date) for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. As of the close of business on the Record Date, there were 235,311,912 shares of Common Stock outstanding. Each holder of Common Stock entitled to vote at the Annual Meeting will be entitled to one vote per share.

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How to Vote

In addition to voting in person at the Annual Meeting, stockholders of record can vote by proxy by following the instructions in the Notice and using the Internet or by calling the toll-free telephone number that is available on the Internet. Alternatively, stockholders of record who requested a paper copy of the proxy materials, can vote by proxy by mailing their signed proxy cards. The telephone and Internet voting procedures are designed to authenticate stockholders identities, to allow stockholders to give their voting instructions and to confirm that stockholders instructions have been recorded properly.

If your shares are held in the name of a bank, broker or other holder of record, you may receive a Notice from the holder of record containing instructions that you must follow in order for your shares to be voted. Certain of these institutions offer telephone and Internet voting. If you received the proxy materials in paper form, the materials include a voting instruction card so you can instruct the holder of record how to vote your shares.

Special Voting Procedures for Certain Current and Former Employees

Many current and former employees of the Company have share balances in the Moody s Common Stock Fund of the Moody s Corporation Profit Participation Plan (the Profit Participation Plan). The voting procedures described above do not apply to these share balances. Instead, any proxy given by such an employee or former employee will serve as a voting instruction for the trustee of the Profit Participation Plan, as well as a proxy for any shares registered in that person s own name (including shares acquired under the Moody s Corporation Employee Stock Purchase Plan and/or pursuant to restricted stock awards). To allow sufficient time for voting by the trustee, Profit Participation Plan voting instructions must be received by April 24, 2009. If voting instructions have not been received by that date, the trustee will vote those Profit Participation Plan shares in the same proportion as the Profit Participation Plan shares for which it has received instructions, except as otherwise required by law.

Quorum and Voting Requirements

The holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. If a quorum is not present at the Annual Meeting, the stockholders present may adjourn the Annual Meeting from time to time, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present at the Annual Meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular matter and has not received instructions from the beneficial owner.

Pursuant to the Company s by-laws, each nominee for director is required to receive a majority of the votes cast with respect to such nominee in order to be elected at the Annual Meeting. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. Abstentions have no effect on the election of directors. Any director subject to election at the Annual Meeting who fails to receive a majority of the votes cast was required, in accordance with the Company s Director Resignation Policy, to tender his resignation for consideration by the Board of Directors, following a review and recommendation from the Governance and Compensation Committee, in accordance with such policy.

The affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2009. If a stockholder abstains from voting or directs the stockholder s proxy to abstain from voting on the matter, the shares are considered present at the meeting for such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter.

The affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to adopt the stockholder proposals set forth in this Proxy Statement. Please bear in mind that the adoption of the stockholder proposals included in this Proxy Statement at the Annual Meeting would serve only as a recommendation to the Board of Directors to take the actions requested by the proponents. If a stockholder abstains from voting or directs the stockholder s proxy to abstain from voting on these matters, the shares are considered present at the meeting for such matters, but since they are not affirmative votes for these matters, they will have the same effect as votes against these matters. On the other hand, shares resulting in broker non-votes, if any, while present at the meeting are not entitled to vote for such matters and will have no effect on the outcome of the vote.

Proxies

The proxy provides that you may specify that your shares of Common Stock be voted For , Against or Abstain from voting with respect to the director nominees and the other proposals. The Board of Directors recommends that you vote For each of the three director nominees named in this Proxy Statement, For the ratification of the selection of the independent registered public accounting firm, and Against the stockholder proposals. All shares of Common Stock represented by properly executed proxies received prior to or at the Annual Meeting and not revoked will be voted in accordance with the instructions indicated in such proxies. Properly executed proxies that do not contain voting instructions will be voted in accordance with the recommendations of the Board of Directors.

It is not expected that any matter other than those referred to herein will be brought before the Annual Meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their best judgment with respect to such matters.

Any stockholder of record who votes by telephone or the Internet or who executes and returns a proxy may revoke such proxy or change such vote at any time before it is voted at the Annual Meeting by (i) filing with the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, written notice of such revocation, (ii) casting a new vote by telephone or the Internet or by submitting another proxy that is properly signed and bears a later date or (iii) attending the Annual Meeting and voting in person. A stockholder whose shares are owned beneficially through a bank, broker or other nominee should contact that entity to change or revoke a previously given proxy.

Proxies are being solicited hereby on behalf of the Board of Directors. The cost of the proxy solicitation will be borne by the Company, although stockholders who vote by telephone or the Internet may incur telephone or Internet access charges. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies personally or by telephone, telecopy, e-mail or otherwise. Such directors, officers and employees will not be specifically compensated for such services. The Company has retained Georgeson Shareholder Communications Inc. to assist with the solicitation of proxies for a fee not to exceed approximately $15,500, plus reimbursement for out-of-pocket expenses. Arrangements may also be made with custodians, nominees and fiduciaries to forward proxy solicitation materials to the beneficial owners of shares of Common Stock held of record by such custodians, nominees and fiduciaries, and the Company may reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses incurred in connection therewith.

Delivery of Documents to Stockholders Sharing an Address

If you are the beneficial owner, but not the record holder, of the Company s shares, your broker, bank or other nominee may seek to reduce duplicate mailings by delivering only one copy of the Company s Proxy Statement and Annual Report, or Notice, as applicable, to multiple stockholders who share an address unless that nominee has received contrary instructions from one or more of the stockholders. The Company will deliver promptly, upon written or oral request, a separate copy of the Proxy Statement and Annual Report, or Notice, as applicable, to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the Proxy Statement and Annual Report, or Notice, as applicable, now or in the future, should submit his request to the Company by sending an e-mail to *ir@moodys.com* or by submitting a written request to the Company s Investor Relations Department, at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Beneficial owners sharing an address who are receiving multiple copies of the Proxy Statement and Annual Report, or Notice, as applicable, and wish to receive a single copy of such materials in the future should contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future. Please note that if you wish to receive paper proxy materials for the 2009 Annual Meeting, you should follow the instructions contained in the Notice.

CORPORATE GOVERNANCE

In order to address evolving best practices and new regulatory requirements, the Board of Directors annually reviews its corporate governance practices and the charters for its standing committees. As a result of this review, during 2008 the Board amended the Company s Corporate Governance Principles and the charters of its Governance and Compensation Committee and its Audit Committee. A copy of the Corporate Governance Principles is available on the Company s website at www.moodys.com under the headings Shareholder Relations Corporate Governance Documents & Charters. Copies of the charter of the Governance and Compensation Committee and the charter of the Audit Committee Charter are available on the Company s website at www.moodys.com under the headings Shareholder Relations Corporate Governance Documents & Charters. Print copies of the Corporate Governance Principles and the committee charters may also be obtained upon request, addressed to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. The Audit Committee and the Governance and Compensation Committee assist the Board in fulfilling its responsibilities, as described below.

Board Meetings and Committees

During 2008, the Board of Directors met ten times and had three standing committees, an Audit Committee, a Governance and Compensation Committee, which also performs the functions of a nominating committee, and an International Business Development Committee. All directors attended at least 83 percent of the total number of meetings of the Board and of all committees of the Board on which they served in 2008. The function of the International Business Development Committee is to evaluate possible opportunities outside of the United States and to recommend to the Board areas for development. The members of the International Business Development Committee are Mr. Kist, Mr. McDaniel and Mr. Frederic Drevon, Senior Managing Director EMEA of Moody s Investors Service. The International Business Development Committee met two times during 2008. Please refer to page 7 for additional information regarding the Audit Committee, and to page 8 for additional information regarding the Governance and Compensation Committee.

Directors are expected to attend the Annual Meeting. All of the individuals serving as directors at the time of the Company s 2008 Annual Meeting attended the meeting.

Recommendation of Director Candidates

The Governance and Compensation Committee will consider director candidates recommended by stockholders of the Company. In considering a candidate for Board membership, whether proposed by stockholders or otherwise, the Governance and Compensation Committee examines the candidate s business experience and skills, independence, judgment and integrity, his ability to commit sufficient time and attention to Board activities, and any potential conflicts with the Company s business and interests. The Governance and

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Compensation Committee also seeks to achieve a diversity of occupational and personal backgrounds on the Board. To have a candidate considered by the Governance and Compensation Committee, a stockholder must submit the recommendation in writing and must include the following information:

- The name of the stockholder and evidence of the person s ownership of Company stock, including the number of shares owned and the length of time of ownership; and
- The name of the candidate, the candidate s resume or a listing of his qualifications to be a director of the Company, and the person s consent to be named as a director if selected by the Governance and Compensation Committee and nominated by the Board.

The stockholder recommendation and information described above must be sent to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, and must be received by the Corporate Secretary not less than 120 days prior to the anniversary date of the Company s most recent annual meeting of stockholders. For the Company s 2010 annual meeting, this deadline is December 29, 2009.

The Governance and Compensation Committee identifies potential nominees by asking current directors and executive officers to notify the Committee if they become aware of persons, meeting the criteria described above, who might be available to serve on the Board. As described above, the Committee will also consider candidates recommended by stockholders on the same basis as those recommended by current directors and executives. The Governance and Compensation Committee also, from time to time, may engage firms that specialize in identifying director candidates for the Committee s consideration, although it did not do so in 2008.

Once a person has been identified by or for the Governance and Compensation Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Governance and Compensation Committee determines that the candidate warrants further consideration, the chairman or another member of the Committee contacts the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Governance and Compensation Committee requests information from the candidate, reviews the candidate s accomplishments and qualifications, including in light of any other candidates whom the Committee might be considering, and conducts one or more interviews with the candidate. In certain instances, Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate s accomplishments.

The Lead Independent Director

The Company s non-management directors routinely meet in executive session, without the presence of management directors or other members of management. During 2008, the non-management directors held four executive sessions. Those sessions are presided over by a Lead Independent Director, whose responsibilities also include setting the agenda for executive sessions of the non-management directors, consulting with the Chairman and Chief Executive Officer regarding agendas, scheduling and information needs for Board and committee meetings, and acting as a liaison between the non-management directors and management. Dr. McKinnell currently serves as the Company s Lead Independent Director.

Codes of Business Conduct and Ethics

The Company has adopted a code of ethics that applies to its Chief Executive Officer, Chief Financial Officer and Controller, or persons performing similar functions. The Company has also adopted a code of business conduct and ethics that applies to the Company s directors, officers and employees. A current copy of each of these codes is available on the Company s website at *www.moodys.com* under the headings Shareholder Relations Corporate Governance Documents & Charters. A copy of each is also available in print to stockholders upon request, addressed to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

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The Company intends to satisfy disclosure requirements regarding any amendments to, or waivers from, the codes of ethics by posting such information on the Company s website at *www.moodys.com* under the headings Shareholder Relations Corporate Governance Documents & Charters.

Director Independence

To assist it in making determinations of a director s independence, the Board has adopted independence standards, which are set forth below and are also included in the Company s Corporate Governance Principles. The Board has determined that Mr. Anderson, Dr. Duffie, Mr. Glauber, Mr. Kist, Senator Mack, Dr. McKinnell, Ms. Newcomb and Mr. Wulff, and thus a majority of the directors on the Board, are independent under these standards. The standards adopted by the Board incorporate the director independence criteria included in the New York Stock Exchange (the NYSE) listing standards, as well as additional criteria established by the Board. Each of the Audit Committee and the Governance and Compensation Committee is composed entirely of independent directors. In accordance with NYSE requirements and the independence standards adopted by the Board, all members of the Audit Committee meet additional heightened independence standards applicable to audit committee members.

An independent director is a director whom the Board has determined has no material relationship with the Company or any of its consolidated subsidiaries (for purposes of this section, collectively referred to as the Company), either directly, or as a partner, stockholder or officer of an organization that has a relationship with the Company. For purposes of this definition, the Board has determined that a director is not independent if:

1. the director is, or in the past three years has been, an employee of the Company, or an immediate family member of the director is, or in the past three years has been, an executive officer of the Company;

2. (a) the director, or an immediate family member of the director, is a current partner of the Company s outside auditor; (b) the director is a current employee of the Company s outside auditor; (c) a member of the director s immediate family is a current employee of the Company s outside auditor and personally works on the Company s audit; or (d) the director or an immediate family member of the director was in the past three years a partner or employee of the Company s outside auditor and personally worked on the Company s audit within that time;

3. the director, or a member of the director s immediate family, is or in the past three years has been, an executive officer of another company where any of the Company s present executive officers serves or served on the compensation committee at the same time;

4. the director, or a member of the director s immediate family, has received, during any 12-month period in the past three years, any direct compensation from the Company in excess of $120,000, other than compensation for Board service, compensation received by the director s immediate family member for service as an employee (other than an executive officer) of the Company, and pension or other forms of deferred compensation for prior service with the Company;

5. the director is a current executive officer or employee, or a member of the director s immediate family is a current executive officer, of another company that makes payments to or receives payments from the Company, or during any of the last three fiscal years, has made payments to or received payments from the Company, for property or services in an amount that, in any single fiscal year, exceeded the greater of $1 million or 2% of the other company s consolidated gross revenues; or

6. the director, or the director s spouse, is an executive officer of a non-profit organization to which the Company or the Company foundation makes, or in the past three years has made, contributions that, in any single fiscal year, exceeded the greater of $1 million or 2% of the non-profit organization s consolidated gross revenues. (Amounts that the Company foundation contributes under matching gifts programs are not included in the contributions calculated for purposes of this standard.)

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An immediate family member includes a director s spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than a domestic employee) who shares the director s home.

In assessing independence, the Board took into account that Mr. Anderson, Mr. Glauber, Mr. Kist, Senator Mack, Ms. Newcomb and Mr. Wulff each served during 2008, or currently serves, as directors of entities that are rated or have issued securities rated by Moody s Investors Service, as described in the Company s Directors and Shareholders Affiliation Policy posted on the Company s website under the headings Shareholder Relations Corporate Governance Documents & Charters, and that each such entity accounted for less than 1% of the Company s 2008 revenue. The Board also took into account that Dr. Duffie has provided consulting services to entities that Moody s Investors Service rates as well as to an entity with which Moody s Analytics was engaged in a model development project. The Board found nothing in the relationships to be contrary to the standards for determining independence as contained in the NYSE s requirements and the Company s Corporate Governance Principles.

Communications with Directors

The Board of Directors has established a process to receive communications from stockholders and other interested parties. Stockholders and other interested parties may communicate with the Board of Directors or with all non-management directors as a group, with the Lead Independent Director, or with a specific director or directors, by writing to them c/o the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

All communications received as set forth in the preceding paragraph will be opened by the Corporate Secretary in the office of the Company s General Counsel for the sole purpose of determining whether the contents represent a message to the Company s directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee.

THE AUDIT COMMITTEE

The Audit Committee represents and assists the Board of Directors in its oversight responsibilities relating to: the integrity of the Company s financial statements and the financial information provided to the Company s stockholders and others; the Company s compliance with legal and regulatory requirements; the Company s internal controls; and the audit process, including the qualifications and independence of the Company s principal external auditors (the Independent Auditors) and the performance of the Independent Auditors, and of the Company s internal audit function. The Audit Committee is responsible for the appointment, compensation and oversight of the Independent Auditors and, as such, the Independent Auditors report directly to the Audit Committee.

The Audit Committee has established a policy setting forth the requirements for the pre-approval of audit and permissible non-audit services to be provided by the independent registered public accounting firm. Under the policy, the Audit Committee pre-approves the annual audit engagement terms and fees, as well as any other audit services and specified categories of non-audit services, subject to certain pre-approved fee levels. In addition, pursuant to the policy, the Audit Committee has authorized its Chairman to pre-approve other audit and permissible non-audit services up to $50,000 per engagement and a maximum of $250,000 per year. The policy requires that the Audit Committee Chairman report any pre-approval decisions to the full Audit Committee at its next scheduled meeting. For the year ended December 31, 2008, the Audit Committee or the Chairman pre-approved all of the services provided by the Company s independent registered public accounting firm, which are described on page 14.

The members of the Audit Committee are Mr. Wulff (Chairman), Mr. Anderson, Dr. Duffie, Mr. Glauber, Mr. Kist, Senator Mack, Dr. McKinnell and Ms. Newcomb, each of whom is independent under NYSE and SEC rules and under the Company s Corporate Governance Principles. The Board of Directors has determined that each of Mr. Anderson, Mr. Glauber, Mr. Kist, Dr. McKinnell, Ms. Newcomb and Mr. Wulff is an audit committee financial expert under the SEC s rules. The Audit Committee held eight meetings during 2008.

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AUDIT COMMITTEE REPORT

The Audit Committee has reviewed and discussed with management the audited financial statements of the Company for the year ended December 31, 2008 (the Audited Financial Statements), management s assessment of the effectiveness of the Company s internal control over financial reporting, and the independent auditors evaluation of the Company s system of internal control over financial reporting. In addition, the Audit Committee has discussed with KPMG LLP, who reported directly to the Audit Committee, the matters required by Statement on Auditing Standards No. 61 as amended and adopted by the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee also has discussed with KPMG LLP its independence from the Company, including the matters contained in the written disclosures and letter required by applicable requirements of the PCAOB regarding independent registered public accounting firms communications with audit committees about independence. The Audit Committee also has discussed with management of the Company and KPMG LLP such other matters and received such assurances from them as it deemed appropriate. The Audit Committee considered whether the rendering of non-audit services by KPMG LLP to the Company is compatible with maintaining the independence of KPMG LLP from the Company.

Following the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the Audited Financial Statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the SEC.

The Audit Committee

John K. Wulff, *Chairman*

Basil L. Anderson

Darrell Duffie

Robert R. Glauber

Ewald Kist

Connie Mack

Henry A. McKinnell, Jr.

Nancy S. Newcomb

THE GOVERNANCE AND COMPENSATION COMMITTEE

The role of the Governance and Compensation Committee is to identify and evaluate possible candidates to serve on the Board and to recommend director nominees for approval by the Board and the Company s stockholders. The Governance and Compensation Committee also considers and makes recommendations to the Board of Directors concerning the size, structure, composition and functioning of the Board and its committees, oversees the evaluation of the Board, and develops and reviews the Company s Corporate Governance Principles.

The Governance and Compensation Committee oversees the Company s overall compensation structure, policies and programs, and assesses whether the Company s compensation structure establishes appropriate incentives for management and employees. The Committee also oversees the evaluation of senior management (including by reviewing and approving performance goals for the Company s executive officers, including the CEO, and by evaluating their performance) and oversees and makes the final decisions regarding compensation arrangements for the CEO and for certain other executive officers. The CEO makes recommendations to the Committee regarding the amount and form of executive compensation (except with respect to his compensation). For a description of this process, see the Compensation Discussion and Analysis on page 17. The Committee annually reviews the compensation of directors for service on the Board and its committees and recommends changes in compensation to the Board. The Committee administers and makes recommendations to the Board with respect to the Company s incentive compensation and equity-based compensation plans that are subject to Board approval, including the Company s key employees stock incentive plans. The Committee is responsible

for the overall administration of the Company s employee benefit plans, programs and practices, and the Committee may delegate to management such responsibility for the administration of the Company s employee benefit plans, programs and practices as the Committee deems appropriate. The Committee is empowered to retain, at the Company s expense, such consultants, counsel or other outside advisors as it determines appropriate to assist it in the performance of its functions. In 2008, to assist in the development of targeted compensation levels, the Committee retained a compensation consultant, Hewitt Associates. The consultant reported directly to the Committee and provided external market analysis with regard to executive target total compensation levels, recommendations with regard to the design of cash and equity incentives for executives and competitive market practice with respect to director compensation. Hewitt also provided analysis regarding general market trends in compensation. Separately, Hewitt also provides consulting services for the Company s health and welfare plans and acts as the actuary for the Company s U.S. pension plans. These services are provided under separate contractual arrangements. All work performed by compensation consultants must be approved by the Committee. The Committee regularly reviews this arrangement and the objectivity and independence of the advice provided by the consultant. The Committee makes the final decisions regarding named executive officer compensation.

The members of the Governance and Compensation Committee are Dr. McKinnell (Chairman), Mr. Anderson, Dr. Duffie, Mr. Glauber, Mr. Kist, Senator Mack, Ms. Newcomb and Mr. Wulff, each of whom is independent under NYSE rules and under the Company s Corporate Governance Principles. The Governance and Compensation Committee met six times during 2008.

REPORT OF THE GOVERNANCE AND COMPENSATION COMMITTEE

The Governance and Compensation Committee, which is composed solely of independent members of the Board of Directors, assists the Board in fulfilling its oversight responsibility relating to, among other things, establishing and reviewing compensation of the Company s executive officers. In this context, the Governance and Compensation Committee reviewed and discussed with management the Company s Compensation Discussion and Analysis. Following the reviews and discussions referred to above, the Governance and Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

The Governance and Compensation Committee

Henry A. McKinnell, Jr., *Chairman*

Basil L. Anderson

Darrell Duffie

Robert R. Glauber

Ewald Kist

Connie Mack

Nancy S. Newcomb

John K. Wulff

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Governance and Compensation Committee is charged with monitoring and reviewing issues involving potential conflicts of interest, and reviewing and approving all related party transactions. Special rules apply to executive officers and directors who engage in conduct that creates an actual, apparent or potential conflict of interest. Before engaging in such conduct, such executive officers and directors must make full disclosure of all the facts and circumstances to the Company s General Counsel and the Chairman of the Audit Committee, and obtain the prior written approval of the Audit Committee. All conduct is reviewed in a manner so as to (i) maintain the Company s credibility in the market, (ii) maintain the independence of the Company s employees and (iii) ensure that all business decisions are made solely on the basis of the best interests of the Company and not for personal benefit. These procedures are addressed in the Company s Code of Business

Conduct. The categories of persons covered by the Company s conflict of interest policy include any related person, which SEC rules define to include any director, executive officer, any nominee for director, any person owning 5% or more of the Company s common stock, and any immediate family members of such persons.

COMPENSATION OF DIRECTORS

The following table sets forth, for the fiscal year ended December 31, 2008, the total compensation of the non-management members of the Company s Board of Directors.

Name	Year	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Award ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
Basil L. Anderson	2008	$ 75,000	$ 109,596					$ 184,596
Darrell Duffie	2008	18,750	2,396					21,146
Robert R. Glauber	2008	75,000	109,596					184,596
Ewald Kist	2008	95,000	109,596					204,596
Connie Mack	2008	75,000	109,596					184,596
Henry A. McKinnell, Jr.	2008	95,000	109,596					204,596
Nancy S. Newcomb	2008	75,000	109,365					184,365
John K. Wulff	2008	95,000	109,596					204,596

(1) In 2008, the Company s non-management directors received an annual cash retainer of $75,000, payable in quarterly installments. The Chairmen of the Audit Committee, the Governance and Compensation Committee, and the International Business Development Committee received an additional annual cash retainer of $20,000, also payable in quarterly installments. There were no separate meeting fees paid in 2008. Because Dr. Duffie joined the Board in the fourth quarter of 2008, his fees were pro-rated.

A non-management director may elect to defer receipt of all or a portion of his annual cash retainer until after termination of service on the Company s Board of Directors. Deferred amounts are credited to an account and receive the rate of return earned by one or more investment options in the Moody s Corporation Profit Participation Plan as selected by the director. Upon a change in control of the Company, a lump sum payment will be made to each director of the amount credited to the director s deferred account on the date of the change in control, and the total amount credited to each director s deferred account from the date of the change in control until the date such director ceases to be a director will be paid in a lump sum at that time. In addition, any notice by a director to change or terminate an election to defer his annual retainer given on or before the date of the change in control will be effective as of the date of the change in control rather than the end of the calendar year.

(2) On February 12, 2008, each non-management director (other than Dr. Duffie) received a grant of $115,000 worth of restricted stock issued from the 1998 Moody s Corporation Non-Employee Directors Stock Incentive Plan (the 1998 Directors Plan). The Governance and Compensation Committee authorized the grant of restricted stock awards for 2008 on December 18, 2007, to be effective on the third trading day following the public dissemination on February 7, 2008 of the Company s financial results for 2007.

The amounts reported in the Stock Awards column represent the portion of the grant date fair value of the restricted stock awards made to the non-management directors during 2008 and in prior years that was recognized as expense for financial reporting purposes during 2008 in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004) Share based Payment (FAS 123(R)), excluding, in the case of service-based awards, estimates for forfeitures. The grant date fair value for the restricted stock awards is based on the arithmetic mean of the high and low market price of the Company s Common Stock on the grant date. Because the restricted stock awards carry dividend equivalent rights, no

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assumptions were used in valuing these awards under FAS 123(R). The actual amount that will be realized at the time an award vests will depend upon the market price of the Company s Common Stock at the vesting date.

The grant date fair value of the restricted stock awards granted in 2008 was $115,000, computed in accordance with FAS 123(R). These awards vest in three equal annual installments beginning on the first anniversary of the date of grant.

The aggregate number of stock awards outstanding as of December 31, 2008 for each of the Company s non-management directors was as follows:

Name	Number of Shares Underlying Options	Number of Shares of Unvested Restricted Stock
Basil L. Anderson		4,605
Darrell Duffie		1,499
Robert R. Glauber	18,000	4,605
Ewald Kist		4,605
Connie Mack	18,000	4,605
Henry A. McKinnell, Jr.	46,000	4,605
Nancy S. Newcomb		4,605
John K. Wulff		4,605

(3) Perquisites and other personal benefits provided to each of the Company s non-management directors in 2008 were, in the aggregate, less than $10,000 per director. Each non-management director is reimbursed for travel, meals, and hotel expenses incurred in connection with attending meetings of the Company s Board of Directors or its committees, which are generally held at the Company s executive office. For those meetings, the Company pays for travel for each non-management director and one guest of each director, as well as for their accommodations, meals, Company-arranged activities, and other incidental expenses.

ITEM 1 ELECTION OF DIRECTORS

The Board of Directors has nominated Ewald Kist, Henry A. McKinnell, Jr., Ph.D. and John K. Wulff for re-election as Class II directors, each for a three-year term expiring in 2012. If elected, each nominee will hold office until his term expires and until a successor is elected and qualified. All three nominees are currently members of the Board of Directors. The Company expects each nominee for election as a director to be able to serve if elected. If any nominee is unable to serve, proxies will be voted for the election of such other person for director as management may recommend in the place of such nominee.

The Board of Directors recommends a vote FOR the election as directors of each of the Class II nominees listed below.

The principal occupation and certain other information (including age as of the date of this Proxy Statement) about the nominees and other directors of the Company whose terms of office continue after the Annual Meeting are set forth below.

Nominees For Class II Directors Whose Terms Expire in 2012

Ewald Kist

Director since July 2004

Ewald Kist, age 65, is Chairman of the International Business Development Committee and is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Mr. Kist was Chairman of ING Groep N.V. (ING Group), a financial services company, from 2000 until his retirement in June 2004. Before serving as Chairman of ING Group, Mr. Kist was Vice Chairman from 1999 to 2000 and served as a member of the Executive Board from 1993 to 1999. Prior to the merger of Nationale Nederlanden and NMB

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Postbank Group to form ING Group in 1992, Mr. Kist served in a variety of capacities at Nationale Nederlanden beginning in 1969, including Chairman from 1991 to 1992, General Management the Netherlands from 1989 to 1991 and President Nationale Nederlanden U.S. Corporation from 1986 to 1989. Mr. Kist is also a director of The DSM Corporation, Royal Philips Electronics, the Dutch National Bank and Stage Entertainment.

Henry A. McKinnell, Jr., Ph.D.

Director since October 1997

Henry A. McKinnell, Jr., age 66, is Chairman of the Governance and Compensation Committee, is a member of the Audit Committee and serves as the Lead Independent Director of the Board of Directors. Dr. McKinnell served as Chairman of the Board of Pfizer Inc., a pharmaceutical company, from May 2001 until his retirement in December 2006 and Chief Executive Officer from January 2001 to July 2006. He served as President of Pfizer Inc. from May 1999 to May 2001, and as President of Pfizer Pharmaceuticals Group from January 1997 to April 2001. Dr. McKinnell served as Chief Operating Officer of Pfizer Inc. from May 1999 to December 2000, and as Executive Vice President from 1992 to 1999. Dr. McKinnell is also a director of Angiotech Pharmaceuticals, Inc. Dr. McKinnell serves as Chairman of the Board of the Academic Global Health Foundation and the Connecticut Science Center, and is a member of the Academic Alliance for AIDS Care and Prevention in Africa.

John K. Wulff

Director since April 2004

John K. Wulff, age 60, is Chairman of the Audit Committee and is a member of the Governance and Compensation Committee of the Board of Directors. Mr. Wulff is the retired Chairman of the board of Hercules Incorporated, a manufacturer and supplier of specialty chemical products, a position held from December 2003 until Ashland Inc. s acquisition of Hercules in November 2008. Mr. Wulff was first elected as a director of Hercules in July 2003, and served as interim Chairman from October 2003 to December 2003. Mr. Wulff served as a member of the Financial Accounting Standards Board from July 2001 until June 2003. From January 1996 until March 2001, Mr. Wulff was Chief Financial Officer of Union Carbide Corporation. During his 14 years with Union Carbide, Mr. Wulff also served as Vice President and Principal Accounting Officer from January 1989 to December 1995, and Controller from July 1987 to January 1989. From April 1977 until June 1987, Mr. Wulff was a partner with KPMG and predecessor accounting and consulting firms. Mr. Wulff is also a director of Celanese Corporation and Sunoco, Inc.

CONTINUING DIRECTORS

Class III Directors Whose Terms Expire in 2010

Basil L. Anderson

Director since April 2004

Basil L. Anderson, age 63, is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Mr. Anderson served as Vice Chairman of Staples, Inc., an office products company, from September 2001 until his retirement in March 2006. Prior to joining Staples, Mr. Anderson served as Executive Vice President and Chief Financial Officer of Campbell Soup Company from April 1996 to February 2001. Prior to joining Campbell Soup, Mr. Anderson was with Scott Paper Company where he served in a variety of capacities beginning in 1975, including Vice President and Chief Financial Officer from December 1993 to December 1995. Mr. Anderson is also a director of Staples, Inc., Becton Dickinson, CRA International Inc. and Hasbro, Inc.

Darrell Duffie, Ph.D.

Director since October 2008

Darrell Duffie, Ph.D., age 54, Dean Witter Distinguished Professor of Finance at Stanford University Graduate School of Business, has been on the finance faculty at Stanford since receiving his Ph.D. from Stanford in 1984. He has authored books and research articles on topics in finance and related fields. Dr. Duffie is a trustee

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of iShares Trust, and is a director of iShares, a family of Exchange Traded Funds from Barclays Global Investors, and as a result oversees a total of approximately 200 funds within the fund complex. Dr. Duffie is also a member of The Federal Reserve Bank of New York Financial Advisory Roundtable, the Banff International Research Station Scientific Advisory Board, The Chicago Mercantile Exchange Mathematical Sciences Research Institute Prize Committee and is a Fellow of the Econometric Society and the American Academy of Arts & Sciences. Dr. Duffie is the President of the American Finance Association.

Raymond W. McDaniel, Jr.

Director since April 2003

Raymond W. McDaniel, Jr., age 51, has served as the Chairman and Chief Executive Officer of the Company since April 2005 and serves on the International Business Development Committee of the Board of Directors. Mr. McDaniel served as the Company s President from October 2004 until April 2005 and the Company s Chief Operating Officer from January 2004 until April 2005. He served as President of Moody s Investors Service, Inc., a subsidiary of the Company, from November 2001 to August 2007. Mr. McDaniel served as the Company s Executive Vice President from April 2003 to January 2004, and as Senior Vice President, Global Ratings and Research from November 2000 until April 2003. He served as Senior Managing Director, Global Ratings and Research, of Moody s Investors Service, Inc. from November 2000 until November 2001 and as Managing Director, International from 1996 to November 2000. Mr. McDaniel is also a director of John Wiley & Sons, Inc.

Class I Directors Whose Terms Expire in 2011

Robert R. Glauber

Director since June 1998

Robert R. Glauber, age 70, is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Mr. Glauber has served as an adjunct lecturer at the John F. Kennedy School of Government at Harvard University since July 2007 and as a senior advisor for Peter J. Solomon Company since November 2006. Mr. Glauber is currently serving as a visiting professor at Harvard Law School from January 2009 to June 2009, where he also served in the same capacity from September 2006 to June 2007. Mr. Glauber served as Chairman and Chief Executive Officer of the National Association of Securities Dealers (NASD) from September 2001 to August 2006. From November 2000 to September 2001, Mr. Glauber served as President and Chief Executive Officer of the NASD. From 1992 to October 2000, Mr. Glauber was an adjunct lecturer at the John F. Kennedy School of Government at Harvard University. From 1989 to 1992, Mr. Glauber served as Under Secretary of the Treasury for Finance. Prior to that, Mr. Glauber was a professor of finance at the Harvard Business School. Mr. Glauber is also a director of Freddie Mac and XL Capital Ltd., and is a trustee of the International Accounting Standards Committee Foundation.

Connie Mack

Director since December 2001

Connie Mack, age 68, is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Senator Mack has served as a senior policy advisor at the law firm King & Spalding LLP since February 2005. Since January 2007, Senator Mack has been a partner at Liberty Partners of Florida, LLC, a firm specializing in the development and implementation of successful advocacy strategies at the state level of government. Senator Mack served as a senior policy advisor at the law firm Shaw Pittman, LLP from February 2001 to February 2005. He was a United States Senator (R-FL) from 1989 to January 2001. While in the Senate, Senator Mack was the Republican Conference Chairman from 1997 to 2001, Chairman of the Joint Economic Committee from 1995 to 1997 and 1999 to 2001, and a member of the Senate Finance and Senate Banking, Housing and Urban Affairs committees. Senator Mack was Chairman of the President s Advisory Panel on Federal Tax Reform and is also a director of Darden Restaurants, EXACT Sciences Corporation, Genzyme Corporation, Mutual of America Life Insurance Company, the H. Lee Moffitt Cancer Center and American Momentum Bank.

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Nancy S. Newcomb

Director since February 2005

Nancy S. Newcomb, age 63, is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Ms. Newcomb served as senior corporate officer, risk management, of Citigroup, a financial services company, from May 1998 to April 2004. She served as a customer group executive of Citicorp (the predecessor corporation) from December 1995 to April 1998, and as a division executive, Latin America from September 1993 to December 1995. From January 1988 to August 1993 she was the principal financial officer, responsible for liquidity, funding and capital management. Ms. Newcomb is also a director of The DIRECTV Group, Inc. and SYSCO Corporation.

ITEM 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee appointed KPMG LLP as the Company s independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ending December 31, 2009. KPMG LLP audited the consolidated financial statements of the Company for the year ending December 31, 2008.

As a matter of good corporate governance, the Audit Committee has requested the Board of Directors to submit the selection of KPMG LLP to stockholders for ratification. If the appointment of KPMG LLP is not ratified by stockholders, the Audit Committee will re-evaluate its selection and will determine whether to maintain KPMG LLP as the Company s independent registered public accounting firm or to appoint another independent registered public accounting firm. A representative of KPMG LLP is expected to be present at the Annual Meeting. Such representative will have the opportunity to make a statement if he so desires and is expected to be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2009.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

The aggregate fees for professional services rendered for (i) the integrated audit of the Company s annual financial statements for the years ended December 31, 2008 and 2007, (ii) the review of the financial statements included in the Company s Reports on Forms 10-Q and 8-K, and (iii) statutory audits of non-U.S. subsidiaries, were approximately $1.8 million and $2.6 million in 2008 and 2007, respectively. These fees included amounts accrued but not billed of $0.9 million and $0.2 million in 2008 and 2007, respectively. All 2008 fees were attributable to KPMG LLP and all 2007 fees were attributable to PricewaterhouseCoopers LLP.

Audit-Related Fees

The aggregate fees billed for audit-related services rendered to the Company were approximately $0.2 million and $0.1 million for the years ended December 31, 2008 and 2007, respectively. Such services included employee benefit plan audits and consultations concerning financial accounting and reporting standards. All 2008 fees were attributable to KPMG LLP and all 2007 fees were attributable to PricewaterhouseCoopers LLP.

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Tax Fees

The aggregate fees for professional services rendered for tax services rendered by the auditors for the years ended December 31, 2008 and 2007 were $0 and $0, respectively.

All Other Fees

The aggregate fees billed for all other services rendered to the Company by KPMG LLP for the year ended December 31, 2008 was $0.3 million primarily relating to accounting and payroll services prior to their appointment as independent auditors and by PricewaterhouseCoopers LLP for the year ended December 31, 2007, was $6,000, principally related to accounting research software.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below sets forth the number of shares of Common Stock beneficially owned as of December 31, 2008 by (i) each person who is known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock (the Company s 5% Owners), (ii) each director and nominee for director of the Company, (iii) each named executive officer listed in the Summary Compensation Table below (the Named Executive Officers or NEOs), and (iv) all directors and executive officers of the Company as a group. Stock ownership information is based on (a) the number of shares of Common Stock held by directors and executive officers as of December 31, 2008 (based on information supplied to the Company by them), calculated in accordance with SEC rules, and (b) the number of shares of Common Stock held by the Company s 5% Owners, based on information filed with the SEC by the Company s 5% Owners. Unless otherwise indicated and except for the interests of individuals spouses, the stockholders listed below have sole voting and investment power with respect to the shares indicated as owned by them. Percentages are based upon the number of shares of Common Stock outstanding on December 31, 2008, and, where applicable, the number of shares of Common Stock that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning Stock Units, the value of which is measured by the price of the Common Stock. Stock Units do not confer voting rights and are not considered beneficially owned shares under SEC rules.

Name	Aggregate Amount of Shares Beneficially Owned(1)	Stock Units(2)	Percentage of Shares Outstanding
Mark E. Almeida	373,734(3)		*
Basil L. Anderson	10,839	7,470	*
Brian M. Clarkson	320,001		*
Darrell Duffie	1,499		*
Robert R. Glauber	37,121	1,597	*
John J. Goggins	298,265		*
Linda S. Huber	156,207		*
Ewald Kist	9,952		*
Connie Mack	27,196(4)		*
Michel Madelain	101,275		*
Raymond W. McDaniel, Jr.	1,472,980(5)		*
Henry A. McKinnell, Jr.	85,573	1,600	*
Nancy S. Newcomb	8,386		*
John K. Wulff	17,839	9,178	*
All current directors and executive officers as a group (18 persons)	3,144,470	19,845	1.3%

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Name	Aggregate Amount of Shares Beneficially Owned(1)	Stock Units(2)	Percentage of Shares Outstanding
Berkshire Hathaway, Inc. Warren E. Buffett, OBH, Inc., GEICO Corporation, Government Employees Insurance Company and National Indemnity Company 1440 Kiewit Plaza Omaha, Nebraska 68131	48,000,000(6)(7)		20.41%
Davis Selected Advisers, L.P. 2949 East Alvira Road, Suite 101 Tucson, Arizona 85706	18,851,455(8)		8.02%

* Represents less than 1% of the outstanding Common Stock.

(1) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of December 31, 2008, upon the exercise of vested stock options as follows: Mr. Almeida 281,600; Mr. Anderson 0; Mr. Clarkson 254,450; Dr. Duffie 0; Mr. Glauber 18,000; Mr. Goggins 267,050; Ms. Huber 127,250; Mr. Kist 0; Senator Mack 18,000; Mr. Madelain 76,405; Mr. McDaniel 1,341,677; Dr. McKinnell 46,000; Ms. Newcomb 0; and Mr. Wulff 0; and all current directors and executive officers as a group 2,619,824. Also includes the following shares of restricted stock over which the Named Executive Officers and directors had voting (but not dispositive) power as of December 31, 2008: Mr. Almeida 8,283; Mr. Anderson 4,605; Mr. Clarkson 0; Dr. Duffie 1,499; Mr. Glauber 4,605; Mr. Goggins 8,575; Ms. Huber 15,740; Mr. Kist 4,605; Senator Mack 4,605; Mr. Madelain 4,597; Mr. McDaniel 37,575; Dr. McKinnell 4,605; Ms. Newcomb 4,605; and Mr. Wulff 4,605; and all current directors and executive officers as a group 125,957.

(2) Consists of stock units (payable to non-management directors after retirement), the value of which is measured by the price of the Common Stock, received under various non-management director compensation arrangements of the Company and its predecessor. These units do not confer voting rights and are not considered beneficially owned shares of Common Stock under SEC rules. Additional stock units accrue over time to reflect the deemed reinvestment of dividends.

(3) This amount includes 1,000 shares of Common Stock owned by the estate of Patricia M. Almeida.

(4) This amount includes 484 shares of Common Stock owned by the Priscilla Mack Trust.

(5) This amount includes 2,000 shares of Common Stock owned by Mr. McDaniel s spouse.

(6) As set forth in the Schedule 13D jointly filed with the SEC on January 23, 2009 by Warren E. Buffett, Berkshire Hathaway Inc., OBH, Inc., GEICO Corporation, Government Employees Insurance Company and National Indemnity Company, (a) each of Mr. Buffett, Berkshire Hathaway Inc., OBH, Inc. and National Indemnity Company had shared voting power and shared dispositive power with respect to 48,000,000 shares reported in such Schedule 13D and (b) each of GEICO Corporation and Government Employees Insurance Company had shared voting power and shared dispositive power with respect to 15,719,400 of such 48,000,000 shares.

(7) This address is listed in the Schedule 13D as the address of each of Mr. Buffett, Berkshire Hathaway Inc. and OBH, Inc. The address of National Indemnity Company is listed as 3024 Harney Street, Omaha, Nebraska 68131; the address of GEICO Corporation is listed as 1 GEICO Plaza, Washington, D.C. 20076; and the address of Government Employees Insurance Company is listed as 5260 Western Avenue, Chevy Chase, MD 20815.

(8) A Schedule 13G/A filed by Davis Selected Advisers, L.P. (Davis) with the SEC on February 13, 2009 reported that Davis, a registered investment adviser, had sole voting power with respect to 17,634,603 of such 18,851,455 shares.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company s directors and executive officers and persons who beneficially own more than 10% of a registered class of the Company s equity securities to file with the SEC reports on Forms 3, 4 and 5 concerning their ownership of and transactions in the Common Stock and other equity securities of the Company. As a practical matter, the Company assists its directors and executives by monitoring transactions and completing and filing reports on their behalf.

Based solely on the Company s review of copies of such reports furnished to the Company and written representations that no other reports are required, the Company believes that all of its officers and directors and those greater-than-10% stockholders that filed any reports filed all of such reports on a timely basis during the year ended December 31, 2008.

COMPENSATION DISCUSSION AND ANALYSIS

Moody s long-term success is dependent on a leadership team with the integrity, skills, and dedication necessary to oversee a global organization operating in today s challenging environment. The executive compensation program is designed to link compensation to performance, align rewards with stockholder value, and provide a competitive compensation package that will assist in the retention and motivation of a senior management team with the collective and individual abilities to meet these challenges.

This discussion and analysis should serve as a guide to the executive compensation program and seeks to explain the decisions made for fiscal year 2008 with respect to Raymond McDaniel, the Chairman and Chief Executive Officer (referred to as the CEO), and the other executive officers named in the Summary Compensation Table on page 27 (together with the CEO, referred to as the Named Executive Officers or NEOs).

Moody s confronted significant obstacles in 2008 as credit problems that began in the U.S. housing sector spread to impact the Company s business globally. The severity and protracted nature of market dislocations that grew from the initial credit problems confirmed that the challenges of 2007 would persist, not just for Moody s but for the entire global economy. The considerable adverse market events of this year led to a decline in financial results and in turn, a decrease in the price of Moody s common stock, impacting stockholders in a significant way. This decrease also impacted the NEOs, who have substantial holdings in the Company s stock.

In light of the Company s 22% decrease in annual revenue and 28% decrease in reported earnings per share as compared to 2007, incentive compensation for the NEO group likewise decreased as compared to 2007. The Committee believes this decrease in incentive compensation was appropriate based on the 2008 financial results and reflects the Company s philosophy of strongly aligning compensation with performance. For the four continuing executives who were NEOs in 2008 and 2007, cash incentive awards decreased on average by 64% as compared to 2007 awards. In addition, the value of long-term equity incentive awards granted to the CEO in February 2008 was approximately 60% lower than 2007 award values, and those awarded to the NEO group (excluding the CEO) in February 2008 were, on average, approximately 45% lower than 2007 award values, as disruptions in the credit markets in the second half of 2007 were reflected in 2008 equity compensation. These awards were made based on a review of the circumstances affecting results to determine if any events were unusual or unforeseen and an evaluation of each NEO s performance in light of the challenging environment and the Company s structural reorganization.

It is crucial for the Company to retain and motivate strong leadership with the ability to manage the business during this difficult time. With this in view, the Governance and Compensation Committee (the Committee) changed the compensation structure in 2008 in response to the altered market conditions. For example, as discussed in more detail below, the Committee modified aggregate funding for the 2004 Moody s Corporation

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Covered Employees Cash Incentive Plan (the 2004 Plan), a stockholder approved plan, to be based on Company annual operating income and EPS performance against budget, instead of being measured against constant long-term financial performance growth targets.

The Role Of The Governance And Compensation Committee, Its Consultant And Management

The Committee, which is comprised entirely of independent directors, has responsibility for oversight of the Company s compensation program and has final authority for evaluating and setting compensation for NEOs. To assist in this process, it considers recommendations made by the CEO (except with respect to his own compensation) and uses market data and analyses that the Committee s compensation consultant, Hewitt Associates, provides in order to help formulate target compensation levels.

The consultant conducted a comparison of the elements of Moody s executive compensation structure and practices to those of the Company s peer group, as set forth below, and the broader financial services industry. Based on its review, the consultant concluded that the compensation program structure is consistent with industry practices. However, it did recommend certain changes be made in response to evolving market conditions, which changes the Committee approved. These changes are discussed below.

Philosophy Of The Executive Compensation Program

Moody s executive compensation program is designed to:

- link a substantial part of each executive s compensation to the achievement of the Company s financial and operating objectives and to the individual s performance;
- align executives rewards with changes in the value of stockholders investments; and
- provide a competitive total compensation package that will assist in the retention of the Company s executives and motivate them to perform at a superior level.

Linking annual compensation to performance

Moody s awards the NEOs with compensation based on the Company s performance against financial objectives specified at the beginning of the performance year and an evaluation of individual accomplishments and performance during that year. Each NEO has a list of annual objectives and is evaluated at year-end, in part, through a subjective analysis of performance against those objectives.

Aligning rewards with stockholder value

The program is designed to align rewards with stockholder value. The Committee determined in 2008 that long-term equity awards for members of senior management, including the NEOs, would be comprised solely of stock options as opposed to a mix of stock options and restricted stock. This change was made so that management is not rewarded until there is a recovery in the Company s stock price. The Committee believed that using only stock options would more strongly align the executive s long-term compensation with the interests of stockholders, while the potential for stock price appreciation would serve as a strong retention tool.

Providing a competitive total compensation package

***Peer and Market Review*.** In an effort to provide a competitive compensation package, the Committee annually reviews the structure of the program and target compensation levels by first comparing data to that of a group of select peer companies. For the peer group in 2007, the Company identified companies that were active in credit risk analysis, company and industry credit research, business information services, and other similar services for the investment community. Companies were then selected for the peer group based on common metrics, which include revenue, number of employees and market capitalization.

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In response to the expanding nature of the Moody s business, and changes in the business or existence of peers, the Committee revised the peer group in 2008 with the assistance of its compensation consultant, to more accurately reflect the companies with which Moody s competes for business and executive talent. This revised group also better reflects the companies against which Moody s financial performance is measured. The size of the peer group remained approximately the same but now includes firms that provide analytics products and services in addition to credit risk analysis, company and industry credit research and business information services. As was the case with the 2007 peer group, the 2008 peer group companies also have comparable average revenue, number of employees and market capitalization. The new peer group is as follows:

AllianceBernstein	FactSet Research Systems Inc.	Morningstar
BlackRock Inc.	Fair Isaac Corporation	NASDAQ OMX Group Inc.
CME Group Inc.	Federated Investors, Inc.	NYSE Euronext
Corporate Executive Board Company	Franklin Resources, Inc.	RiskMetrics Group Inc.
Dun & Bradstreet Corp.	Interactive Data Corporation	Thomson Reuters Corp.
Eaton Vance Corp.	Invesco Ltd.	Union Bank California
Equifax Inc.	The McGraw-Hill Companies, Inc.	Verisk Analytics, Inc.

In addition to reviewing compensation practices and pay levels within the Company s peer group, the Committee looks at the broader financial services industry s compensation data furnished by the consultant. The compensation consultant provided the Committee with total compensation data from these comparison groups along with analysis of each element of compensation.

The comparison groups information is reviewed in quartile ranges, generally targeting the 50^{th} to 75^{th} percentile range for total compensation. The Company has found that using a range and taking a broader approach to these figures, instead of targeting a specific percentage, allows for flexibility based on actual yearly performance, market conditions and the unique nature of Moody s business. It has also found that using this particular 50^{th} to 75^{th} percentile range has allowed the Company to retain key talent and remain competitive in the marketplace. The Company does not benchmark discrete elements of compensation against a subset of the peer group.

This range serves as just one of the reference points when establishing targeted total compensation. The Committee also reviews each NEO s skills, experience, tenure and performance during the prior year. These factors contribute to variations in actual and target compensation levels. Based on the Committee s analysis of the above, and consideration of a recommendation from the CEO (other than with respect to his own compensation), the Committee establishes a targeted total compensation level for each NEO that it believes is competitive.

The Committee periodically benchmarks benefits and perquisites and believes benefits to be in line with market practice and perquisites to be below current market practice. Moody s does not provide perquisites or other personal benefits with an aggregate value of $10,000 or more to its executives, including the NEOs.

In 2008, the targeted total compensation opportunity in aggregate for the NEO group was at the median as compared to the peer group and financial services group comparative data. The Committee believes this was appropriate because the companies within the peer group and financial services group faced similar macroeconomic challenges. Actual total compensation payments were between the 25^{th} percentile target total compensation and the median as compared to both the peer group and the broader financial services group.

ELEMENTS OF MOODY S COMPENSATION PROGRAM AND 2008 COMPENSATION UNDER THE PROGRAM

Moody s executive compensation program consists of three primary components:

- Base salary;
- An annual cash incentive award opportunity; and
- Long-term equity incentive compensation.

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Weighting of Elements Fixed versus At Risk compensation

The Company did not have a target weight for each element of compensation in 2008. Instead, the Company reviewed data from its peer group and the broader financial services market and, based on that data, determined what level of the total compensation package should be at risk and what level should be fixed in the form of salary. The Committee concluded that 20% to 30% of total compensation should be fixed and 70% to 80% should be at risk in 2008. This focus differs from past years when the Company focused on the mix of long-term equity compensation versus cash compensation. The Committee believes weighting at risk versus fixed compensation provides motivation incentives and aligns the Company s compensation structure with its focus on an NEO s contribution to overall value to the Company.

Base salary

Base salary is intended to provide a level of pay that is appropriate given professional status, job content, market value, accomplishments and internal equity. In 2008, base salary represented approximately 25% of the aggregate of total compensation for the NEO group. The Company generally set base salaries for each NEO at the median salary of executives in similar positions within the peer group or the broader financial services market.

The Committee determined that it was appropriate to maintain the same salary for Mr. McDaniel as he received in 2007. The Committee also determined that it was appropriate to increase the base salaries of Messrs. Madelain, Goggins and Almeida, and of Ms. Huber. Mr. Madelain assumed a new position in 2008, becoming Chief Operating Officer of Moody s Investors Service. This leadership role encompasses broader responsibilities than his previous position with the Company and therefore, in the Committee s view, merited a salary increase. Mr. Goggins, General Counsel, assumed additional responsibility in 2008 for the Regulatory Affairs and Compliance departments due to an internal reorganization. The added supervision of these two groups, whose roles have taken on particular significance in the current environment, was deemed to have merited a salary increase. Likewise, Mr. Almeida s role as President of Moody s Analytics has resulted in increasing responsibility subsequent to the internal reorganization, as the services and scope of that subsidiary take on added significance for the Company. Finally, with respect to Ms. Huber, the Committee determined that a salary increase was appropriate in light of her successful cost management efforts for the Company, including execution of the restructuring plan announced in the fourth quarter of 2007 and her first full year managing the Corporate Communications group during a challenging time. The base salaries paid to the NEOs during 2008 are reported in the Summary Compensation Table on page 27.

Annual cash incentive awards

Moody s awards the Company s executives, including the NEOs, annual cash incentives based on the Company s performance against financial objectives specified at the beginning of the performance year and an evaluation of individual accomplishments during that year. These awards are intended to reward performance and assist in retention and motivation of management. Award payouts are finalized at the Committee s February meeting following the performance year in question and actual payouts are made typically at the beginning of March.

The awards customarily are made under the 2004 Plan, which was approved by stockholders. The 2004 Plan outlines the performance measures the Committee can use to determine annual incentive awards and is structured to provide compensation that meets the performance-based criteria under Section 162(m) of the Internal Revenue Code. There is not a predetermined aggregate dollar amount for the 2004 Plan funding pool. Instead, it is funded by the Company s performance achievement against pre-set targets. For 2008, funding for the 2004 Plan, and therefore award opportunities for NEOs, was based on operating income and EPS goals relative to budget and reflects pre-agreed adjustments for legacy tax and restructuring activities. Operating income and EPS goals were selected in order for bonus payouts to reflect achievement against budgeted expectations for profitability and performance relative to external guidance regarding EPS. The operating income and EPS goals under the plan for 2008 were $952.6 million and $2.21, respectively. In prior years, annual incentives were based on long-term financial growth targets. The Committee changed this structure to ensure that, at the time they were established and communicated to executives, the performance conditions remained challenging, but had at least some likelihood of achievement. This year s Company financial performance resulted in no funding for the NEOs under the 2004 Plan. Therefore, no annual cash incentive awards were paid out from the 2004 Plan, as shown in the table below:

Name	Target Cash Bonus Under 2004 Plan	Maximum Cash Bonus Under 2004 Plan	Actual Cash Bonus Under 2004 Plan
Raymond W. McDaniel	$ 1,465,200	$ 2,930,400	
Linda S. Huber	660,000	1,320,000	
Michel Madelain	497,046	994,092	
Mark E. Almeida	528,000	1,056,000	
John G. Goggins	385,000	770,000	
Brian M. Clarkson	810,900	1,621,800	

The plan design, together with the size of the annual cash incentive award opportunity, ensures that a significant portion of each NEO s cash compensation is at risk , meaning it varies year to year based on Company performance. In the case of the NEOs whose overall annual cash compensation may exceed $1 million, an overall performance target is established for each NEO to allow their award payouts to be attributable to and dependent upon satisfaction of such performance target, so that they will be deductible by the Company under the federal income tax laws. The Committee retains the discretion to set individual award payouts under the 2004 Plan. For that reason, and after considering the recommendation of the CEO (except with respect to his award), the Committee may apply a negative adjustment to the target award, resulting in actual 2004 Plan awards deviating from the target level. Each NEO has a target award amount, a maximum award amount and an actual award amount.

Discretionary Awards. Separate from the 2004 Plan, however, after a thorough evaluation of each NEO s performance against his or her respective annual objectives, the Committee approved discretionary cash awards at a level of 37% of the aggregate, actual 2007 awards for the NEO group and 27% of the aggregate 2008 targets for the NEO group. The Committee s evaluation was subjective and was based generally on a review of the executive team s efforts in light of the challenging operating environment. The Committee recognized the contributions made by the NEOs individually and as a group in response to the challenges, and the strong leadership demonstrated in connection with the internal reorganization. After completing this evaluation and soliciting advice from the compensation consultant, as appropriate, the Committee determined that the following discretionary cash bonuses were merited this year:

Name	Discretionary Cash Bonus
Raymond W. McDaniel	$ 305,000
Linda S. Huber	200,000
Michel Madelain	122,800
Mark E. Almeida	200,000
John G. Goggins	120,000

Long-term equity incentive compensation

Change in 2008 long-term equity incentive mix. The Committee annually evaluates the mix of long-term equity incentive compensation awards. In 2008, the Committee determined that long-term equity awards for members of senior management, including the NEOs, would be comprised solely of stock options, as opposed to the mix of stock options and restricted stock awarded in the past. This change was made so that management is not rewarded until there is a recovery in the Company s stock price. The Committee believed that using only stock options would more strongly align executive s long-term compensation with the interests of stockholders, while the potential for stock price appreciation would serve as strong incentive and retention tools. These awards are made under the stockholder-approved 2001 Moody s Corporation Key Employees Incentive Plan. The program is adequately balanced by the discretion retained by the Committee under cash compensation arrangements so that management will not be driven to take imprudent risks.

Stock options. Stock options vest based on continued service over four years in annual 25% increments, ensuring (i) that an executive will realize value from his award only if the market price of the Company s stock appreciates above the options exercise price after the shares have vested, and (ii) that executives are motivated to remain with the Company due to the multi-year vesting schedule.

The Committee s primary considerations in recommending 2008 stock option grant levels included the level of each NEO s target total compensation in comparison to the peer group and the financial services industry, and individual performance. It also took into account the disruptions in the credit markets which had already begun to have an impact on the Company s business in the second half of 2007. After consideration of these factors, the Committee recommended, and the Board approved, total equity grants, comprised solely of stock options, with total economic value approximately 55% lower than total equity grants approved in 2007, which were comprised of both stock options and restricted stock. In 2008, as reported in the Grants of Plan-Based Awards of 2008 table on page 30, the following stock option awards, with an exercise price of $38.07, were granted: Mr. McDaniel 185,000; Ms. Huber 85,000; Mr. Madelain 62,500; Mr. Almeida 62,500; Mr. Goggins 50,000; Mr. Clarkson 90,000.

Restricted stock. No restricted stock awards were granted to the NEOs in 2008.

Equity Grant Practices. Equity awards are granted and the exercise price determined, as of the third trading day following the date of public dissemination of Moody s financial results for the prior year (the beginning of February). The exercise price of the stock options is set at the fair market value of the Company s common stock on the grant date. Under 2001 Moody s Corporation Key Employees Incentive Plan, fair market value is based on the arithmetic mean of the high and low trading prices of Moody s common stock as reported on the New York Stock Exchange at the end of each trading day.

Summary of Actual 2008 Equity Awards. In 2008, the aggregate long-term equity compensation awards granted for the NEO group were at the median of executives in the comparative groups. Actual award determinations were based on a targeted total compensation mix, individual performance and competitive market practice. Prior grants did not influence annual decisions; values realized upon option exercises or vesting of restricted stock also did not impact 2008 decisions. Annual awards are determined by an examination of the present period as well as by considering expectations of the future.

As was the case with the total cash compensation in 2008, the Committee concluded that given the significant challenges faced by Moody s in 2008, granting equity with a value below the 2007 level was appropriate.

Chief Executive Officer Compensation

When determining the target compensation opportunity of the CEO, the Committee does not use a targeted multiple versus the other NEOs. Instead, the Committee begins its analysis of total compensation for the CEO by analyzing the compensation of executive officers with similar positions at companies included in its peer group as well as in the broader financial services market. The Company has determined in the past that the CEOs of comparable companies generally are paid compensation that is materially different in amount than that of other named executive officers at such companies. Additionally, the Committee takes into account the scope of the CEO s responsibilities, experience and prior performance, and balances these factors against competitive market data for comparable positions when determining overall compensation. Because the CEO of the Company is responsible for the entire organization, and is not only responsible for one area of its operations, as is the case with the other NEOs, the scope of his position led to a determination that a materially higher total compensation package was warranted. The CEO s compensation program consists of the same three primary components that apply to all NEOs: base salary, annual cash incentive award opportunity and long-term equity incentive compensation.

For 2008, the Committee determined that Mr. McDaniel s base salary should remain unchanged from 2007, set at $936,000. The Committee also established a target annual cash incentive award of $1,465,200. This target was based on an evaluation of competitive benchmark data for total compensation of CEOs in the Company s peer group and the financial services industry. Payment of Mr. McDaniel s annual incentive award under the 2004 Plan, like for the other NEOs, is based on operating income and EPS goals, as described above in Annual Incentive Awards. Payments are also based on assessment of his performance against his annual, personal objectives which are set by examining the Company s needs, setting Company-wide goals and ascertaining his role in the achievement of those goals. One key element this year was his leadership role in the structural reorganization. At the end of the year, Mr. McDaniel conducted a self-assessment and submitted this to the Committee. The Committee evaluated his performance and as discussed in the paragraph titled Discretionary Awards above, with the assistance of and reliance on the compensation consultant, the Committee determined that although no bonuses would be paid under the 2004 Plan, he would receive 20% of his target annual incentive award amount in the form of a discretionary bonus award. As reported in the Grants of Plan-Based Awards of 2008 table on page 30. Mr. McDaniel was granted 185,000 stock option awards, with an exercise price of $38.07.

Mr. McDaniel s targeted total compensation for 2008 was at the median as compared to the Company s peer group and the broader market data provided to the Company by its compensation consultant. His actual total compensation was approximately 20% to 25% below the median levels of the benchmark target total compensation levels of the comparative groups.

Additional Executive Compensation Policies

To further the objectives of Moody s executive compensation program, the Committee has adopted a number of supplemental policies that it believes help the Company to meet the compensation program s goals.

Retirement benefits

Moody s provides retirement benefits to its NEOs under three defined benefit and defined contribution pension plans.

The defined benefit pension plans are the Retirement Account, the Pension Benefit Equalization Plan (PBEP) and the Supplemental Executive Benefit Plan (SEBP). The Retirement Account, which closed to new entrants effective December 31, 2007, is a broad-based tax-qualified defined benefit pension plan for all Moody s U.S. employees. The PBEP is a non-tax-qualified defined benefit pension plan that restores benefits to participants in the Retirement Account that would otherwise be lost due to limitations under the federal income tax laws on the provision of benefits under tax-qualified defined benefit pension plans. The Retirement Account, together with the PBEP, provides income upon retirement based on a percentage of annual compensation. The SEBP is a non-tax-qualified supplemental executive retirement plan that provides more generous benefits than the PBEP for designated executive officers. The SEBP was closed as of January 1, 2008 to new participants and the only NEOs who participate in the plan are Mr. McDaniel, Ms. Huber and Mr. Goggins (due to the fact that they were participants prior to the closing of the plan). The determination to close the plan was made based on the Committee s review of retirement benefits. More details regarding the SEBP are provided in the narrative following the Pension Benefits Table for 2008.

Moody s also offers its U.S. employees, including the NEOs, the opportunity to participate in a tax-qualified defined contribution plan, the Profit Participation Plan (PPP). In addition, through December 31, 2007, U.S. employees, including the NEOs, whose participation in the PPP is restricted due to limitations under the federal income tax laws on the provision of benefits under tax-qualified defined contribution plans, participated in the Profit Participation Benefit Equalization Plan (PPBEP). The PPBEP was terminated effective December 31, 2007, and in 2008, the Company began to offer a voluntary deferred compensation plan (the Moody s Corporation Deferred Compensation Plan or the DCP). The primary purpose of the DCP is to allow certain employees to continue pre-tax deductions into a nonqualified plan and receive the maximum company match on compensation which exceeds the IRS limits for allowable pre-tax deferrals into the PPP. A limited group of highly compensated senior management has the option of immediate deferral of up to 50% of base salary and/or bonus. However, the Company match only applies to deferrals in excess of the IRS limit on compensation. In addition, the Company will credit to the DCP employer contributions that would have been made to the PPP but for the application of the compensation limit. Additional information regarding the DCP is found on page 36.

These plans provide Moody s U.S. employees with the opportunity to accumulate retirement benefits and, with the exception of the DCP and the SEBP, these plans are open to all eligible U.S. employees. Mr. Madelain participates in Moody s UK Group Personal Pension Plan, described on page 36.

The actuarial present values of the accumulated pension benefits of the NEOs who participate in these plans as of the end of 2008, as well as other information about each of Moody s defined benefit pension plans, are reported in the Pension Benefits Table on page 33.

Employment agreements

Moody s does not enter into employment agreements with its executives, including the NEOs. All of the Company s executives are at will employees.

Severance policy

Moody s does not have severance agreements in place with any current NEO. All NEOs are subject to the Moody s Career Transition Plan (CTP), an ERISA-based plan that is available to all employees. The NEOs do not receive any extra severance benefits. The CTP is designed to compensate eligible employees in the following situations: (i) where there has been a reduction in the Company s workforce or elimination of specific jobs, (ii) where the individual s job performance has not met expectations (but does not involve a basis for terminating his performance for cause), or (iii) where the Company has agreed with an individual that it is in the mutual best interests of the parties to sever the employment relationship. While having such a plan in place is an important tool in Moody s retention efforts, and is in the best long-term interest of stockholders, the plan is not designed to reward individuals who have not performed to expectations or who have engaged in conduct that is detrimental to the Company and its stockholders and contain provisions to ensure this.

Moody s believes that these payment arrangements are similar to the general practice among the Company s peer group, although it has not benchmarked the severance practices of Moody s peer companies.

Mr. Clarkson, who most recently served as President and Chief Operating Officer of Moody s Investors Service, left the Company in May 2008 after nearly 17 years of service. He remained at Moody s until the end of July in order to ensure a smooth transition. In addition to receiving 52 weeks of salary and benefits continuation under the CTP and participation in the 2004 Plan, Mr. Clarkson was a participant in the SEBP. The SEBP features a cliff vesting provision pursuant to which any SEBP participant who terminates employment before both reaching the age of 55 and accumulating 10 years of service will have his SEBP benefits reduced by 60 percent of the otherwise accrued benefit. The Board exercised its authority to waive the reduction in benefits for pre-age 55 terminations and granted Mr. Clarkson the full value of his accrued SEBP benefit, otherwise in accordance with the plan terms. Because Mr. Clarkson s departure was a retirement under the Company s equity plans, as a consequence, his restricted stock grants vested in full and all restrictions on such shares lapsed upon his termination and his unvested stock options (other than the grant he received in 2008) will continue to vest and (together with his vested stock options) be exercisable for five years from the date of termination or, if shorter, the remaining stated term of each option. Mr. Clarkson is party to a separation agreement with the Company dated May 7, 2008, which was included as an exhibit to the Company s Form 10-Q filed on August 5, 2008.

Change in control arrangements

So that Moody s executives are motivated to pursue potential transactions that would enhance the value of stockholders investments, Moody s believes it is important to provide certain arrangements upon a potential change in control of the organization. While Moody s does not provide specific change in control agreements for its executives, the Company s 2001 Stock Incentive Plan provides for accelerated vesting of outstanding awards, including stock options and restricted stock awards, upon a change in control of the Company. A change in control is defined to include: (i) a person acquiring more than 20% of the voting power of the Company s then outstanding securities; (ii) the stockholders of the Company approving a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would not change the current voting power position; or (iii) the stockholders of the Company approving a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company s assets. Relative to the overall value of the Company, however, the value of this potential change in control benefit is minor.

The NEOs receive no extra cash severance upon a change in control. The Committee does not take into account compensation that would become payable to each of the NEOs under certain existing plans and arrangements if the executive s employment had terminated under the specified circumstances or if there had been a change in control. Therefore, when discussing the factors considered by the Committee when determining overall compensation, potential payments upon termination or change in control were not included.

The estimated payments and benefits payable to the NEOs assuming a change of control of the Company as of the last day of 2008 are reported in the discussion of Potential Payments Upon Termination or Change in Control on page 37.

Perquisites and other personal benefits

Moody s does not provide perquisites or other personal benefits with an aggregate value of $10,000 or more to its executives, including the NEOs.

Stock ownership guidelines

In July 2004, Moody s adopted stock ownership guidelines for its executives, including the NEOs, and its non-management directors, requiring them to acquire and maintain a meaningful stake in the Company. These guidelines were revised in February 2008 to reflect the new management structure resulting from the Company s reorganization. Moody s believes that these guidelines encourage its executive officers to act as owners, thereby better aligning the executives interests with those of the Company s stockholders.

The guidelines are intended to satisfy an individual s need for portfolio diversification, while ensuring an ownership level sufficient to assure stockholders of their commitment to value creation. Executive officers are expected, within five years, to acquire and hold shares of the Company s common stock equal in value to a specified multiple of their base salary (which varies based on position). The current ownership level multiples are five times base salary for the CEO, three times base salary for the remaining Named Executive Officers, and five times the annual cash retainer for non-management directors.

Restricted shares and shares owned by immediate family members or through the Company s tax-qualified savings and retirement plans count toward satisfying the guidelines. Stock options, whether vested or unvested, do not count toward satisfying the guidelines. The guidelines for an individual executive officer may be suspended at the discretion of the Board of Directors in situations that it deems appropriate. All executive officers and directors are subject to a securities trading policy whereby hedging transactions are prohibited.

Tax deductibility policy

Section 162(m) of the Tax Code limits income tax deductibility of compensation in excess of $1 million that is not performance-based as defined under the income tax regulations, paid to any employee who as of the close of the taxable year was the CEO or, whose total compensation is required to be reported to stockholders under the Securities Exchange Act of 1934 by reason of such employee being among the three highest compensated officers for the taxable year (other than the CEO and CFO). Stock options awarded under the Company s stockholder-approved stock incentive plans are performance-based for purposes of the federal

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income tax laws, and any amounts required to be included in an executive s income upon the exercise of options do not count toward the $1 million limitation. For other compensation to be performance-based under the regulations, it must be contingent on the attainment of performance goals the material terms of which are approved by stockholders and the specific objectives of which are established by, and attainment of which objectives are certified by, a committee of the Board which consists entirely of independent directors.

While Moody s generally seeks to ensure the deductibility of the incentive compensation paid to the Company s executives, the Committee intends to retain the flexibility necessary to provide cash and equity compensation in line with competitive practice. Under Moody s annual cash incentive plan for the NEOs whose compensation is potentially to be in excess of $1 million, annual bonuses are preliminarily funded on the basis of achievement relative to quantitative measures of performance and then are subject to negative discretion based on the degree of achievement of qualitative objectives. The Committee can also make positive adjustments based on achievement of qualitative objectives, but such adjustments may not be tax deductible.

Clawback Policy

The Board has the right to make retroactive adjustments to any annual cash incentive awards granted after July 28, 2008, where payment was predicated upon the achievement of specified financial results and those results must later be revised. Where the results are revised by reason of a significant or material restatement, recoupment can be sought against executive officers, as defined in accordance with SEC rules; where the results are revised by reason of a restatement resulting from fraud or other misconduct, recoupment can be sought against the person engaging in such misconduct, as well as against any executive officer. The value with respect to which recoupment may be sought shall be determined by the Board.

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SUMMARY COMPENSATION TABLE

The following table sets forth, for the years ended December 31, 2008, 2007 and 2006, the total compensation of the Company s Named Executive Officers. The Named Executive Officers for 2008, 2007 and 2006 include Moody s Principal Executive Officer, its Principal Financial Officer, and the three most highly-compensated executive officers of the Company (other than the Principal Executive Officer and Principal Financial Officer) who were serving as executive officers at the end of the last completed fiscal year. The table also includes details regarding one officer for whom, but for the fact that he was not serving as an executive officer at the end of the 2008 fiscal year, disclosure would have been required.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
Raymond W. McDaniel	2008	$ 936,000	$ 305,000	$ 830,041	$ 2,123,428	$	$ 3,360,721	$ 14,791	$ 7,569,981
Chairman and Chief	2007	936,000		1,873,732	2,066,087	1,051,000	1,302,492	147,244	7,376,555
Executive Officer	2006	900,000		1,708,913	1,826,666	1,863,490	1,709,230	187,468	8,195,767
Linda S. Huber	2008	495,708	200,000	350,655	889,475		238,475	10,129	2,184,442
Executive Vice President	2007	485,500	50,809	781,383	677,872	477,191	210,877	66,356	2,749,988
and Chief Financial Officer	2006	475,500		647,508	427,974	730,000	165,511	80,430	2,526,923
Michel Madelain(7)	2008	398,611	122,800	103,087					