

MOODYS CORP /DE/

FORM 10-Q (Quarterly Report)

Filed 11/14/2000 For Period Ending 9/30/2000

| | |
|-------------|--|
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| Industry | Business Services |
| Sector | Services |
| Fiscal Year | 12/31 |

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

001-14037
Commission file number

MOODY'S CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|--|---|
| Delaware | 13-3998945 |
| ----- | ----- |
| (State of Incorporation) | (I.R.S. Employer Identification No.) |
| 99 Church Street, New York N.Y. | 10007 |
| ----- | ----- |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code (212) 553-0300

The Dun & Bradstreet Corporation,
One Diamond Hill Rd.,
Murray Hill, New Jersey 07974
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

| | |
|---|---|
| Title of Class | Shares Outstanding at October 31, 2000 |
| Common Stock, Par value \$0.01 per share | 162.5 million |

MOODY'S CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

**MOODY'S CORPORATION
AND SUBSIDIARIES**

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------|------------------------------------|----------|
| | 2000 | 1999 | 2000 | 1999 |
| REVENUES | \$ 152.5 | \$ 139.3 | \$ 441.2 | \$ 423.8 |
| EXPENSES | | | | |
| Operating, general and administrative expenses..... | 75.1 | 69.6 | 216.9 | 212.6 |
| Depreciation and amortization..... | 4.5 | 3.1 | 12.8 | 9.7 |
| OPERATING INCOME..... | 72.9 | 66.6 | 211.5 | 201.5 |
| Non-operating income (expense), net..... | (0.4) | 9.0 | 0.1 | 8.8 |
| Income before provision for income taxes..... | 72.5 | 75.6 | 211.6 | 210.3 |
| Provision for income taxes..... | 32.0 | 33.4 | 93.5 | 92.9 |
| NET INCOME..... | \$ 40.5 | \$ 42.2 | \$ 118.1 | \$ 117.4 |
| BASIC EARNINGS PER SHARE OF COMMON STOCK..... | \$ 0.25 | \$ 0.26 | \$ 0.73 | \$ 0.72 |
| DILUTED EARNINGS PER SHARE OF COMMON STOCK..... | \$ 0.25 | \$ 0.26 | \$ 0.72 | \$ 0.71 |
| WEIGHTED AVERAGE SHARES OUTSTANDING USED IN COMPUTING EARNINGS PER SHARE: | | | | |
| BASIC..... | 162.2 | 160.9 | 161.8 | 162.7 |
| DILUTED..... | 163.9 | 162.7 | 163.1 | 164.9 |

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MOODY'S CORPORATION
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(AMOUNTS IN MILLIONS, EXCEPT SHARE DATA)**

| | SEPTEMBER 30, 2000 ---- | DECEMBER 31, 1999 ---- |
|---|-------------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash..... | \$ 22.6 | \$ 3.4 |
| Accounts receivable, net of allowances of \$25.2 and \$24.5 in 2000 and 1999, respectively..... | 87.8 | 84.4 |
| Other current assets..... | 57.9 | 84.9 |
| | ----- | ----- |
| Total Current Assets | 168.3 | 172.7 |
| Property and equipment, net..... | 42.9 | 43.3 |
| Prepaid pension costs..... | 50.6 | 49.7 |
| Intangibles, net..... | 14.2 | 2.2 |
| Other assets..... | 21.0 | 15.2 |
| | ----- | ----- |
| TOTAL ASSETS | \$ 297.0 | \$ 283.1 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities..... | \$ 107.3 | \$ 275.1 |
| Deferred revenue..... | 112.7 | 100.4 |
| | ----- | ----- |
| Total Current Liabilities | 220.0 | 375.5 |
| Notes payable..... | 195.5 | -- |
| Other liabilities..... | 142.6 | 130.7 |
| | ----- | ----- |
| TOTAL LIABILITIES | 558.1 | 506.2 |
| | ----- | ----- |
| Commitments and contingencies (Notes 3 and 4) | | |
| SHAREHOLDERS' EQUITY | | |
| Preferred stock, par value \$.01 per share, authorized - 10,000,000 shares; issued and outstanding - none..... | -- | -- |
| Series common stock, par value \$.01 per share; authorized - 10,000,000 shares; issued and outstanding - none..... | -- | -- |
| Common stock, par value \$.01 per share; authorized - 400,000,000 shares; issued - 171,451,136 shares..... | 1.7 | 1.7 |
| Capital surplus..... | -- | -- |
| Retained earnings..... | (258.7) | (222.3) |
| Treasury stock, at par, 9,099,098 and 10,627,327 shares of common stock for 2000 and 1999, respectively..... | (0.1) | (0.1) |
| Cumulative translation adjustment..... | (4.0) | (2.4) |
| | ----- | ----- |
| Total Shareholders' Equity | (261.1) | (223.1) |
| | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 297.0 | \$ 283.1 |
| | ===== | ===== |

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MOODY'S CORPORATION
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(AMOUNTS IN MILLIONS)**

| | NINE MONTHS ENDED SEPTEMBER 30, | |
|---|------------------------------------|----------|
| | 2000 | 1999 |
| | ---- | ---- |
| Cash flows from operating activities: | | |
| Net income..... | \$ 118.1 | \$ 117.4 |
| Reconciliation of net income to net cash provided by operating activities: | | |
| Depreciation and amortization..... | 12.8 | 9.7 |
| Deferred income taxes..... | (0.1) | (0.1) |
| Gain on sale of business..... | -- | (9.2) |
| Changes in assets and liabilities, exclusive of assets and liabilities of acquired business: | | |
| (Increase) decrease in accounts receivable, net..... | (1.4) | 3.4 |
| (Increase) decrease in other current assets..... | 25.5 | 0.1 |
| (Increase) decrease in prepaid pension costs..... | (0.1) | (1.4) |
| (Increase) decrease in other assets..... | -- | (0.1) |
| Increase (decrease) in accounts payable and accrued liabilities..... | (163.4) | 3.9 |
| Increase (decrease) in deferred revenue..... | 10.9 | 14.4 |
| Increase (decrease) in other liabilities..... | 5.3 | (2.1) |
| | 7.6 | 136.0 |
| | ----- | ----- |
| Cash flows from investing activities: | | |
| Net additions to property and equipment..... | (8.0) | (5.7) |
| Additions to computer software..... | (2.2) | -- |
| Acquisition of business..... | (17.4) | -- |
| Other..... | (1.2) | 0.9 |
| | (28.8) | (4.8) |
| | ----- | ----- |
| Cash flows from financing activities: | | |
| Increase in notes payable..... | 195.5 | -- |
| Net distributions to Dun & Bradstreet..... | (154.5) | (130.5) |
| | 41.0 | (130.5) |
| | ----- | ----- |
| Effect of exchange rate changes on cash..... | (0.6) | 0.1 |
| | 19.2 | 0.8 |
| Increase in cash..... | 3.4 | 4.0 |
| Cash, beginning of period..... | 22.6 | 4.8 |
| Cash, end of period..... | \$ 22.6 | \$ 4.8 |
| | ===== | ===== |

The accompanying notes are an integral part of the condensed consolidated financial statements.

**MOODY'S CORPORATION
AND SUBSIDIARIES**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(AMOUNTS IN MILLIONS)

1. BACKGROUND AND BASIS OF PRESENTATION

On December 15, 1999, The Dun & Bradstreet Corporation ("D&B") announced a plan to separate into two independent, publicly traded companies - The New D&B Corporation ("New D&B") and Moody's Corporation ("Moody's" or the "Company"). On September 30, 2000 (the "Distribution Date"), the separation was accomplished through a tax-free distribution to the shareholders of D&B (the "Distribution") of all of the shares of common stock of a newly formed, wholly owned subsidiary corporation (New D&B) comprising the business of the D&B operating company (the "D&B Business"). The remaining business of D&B consisted solely of the business of providing ratings and related research and risk management services (the "Moody's Business") and D&B was renamed "Moody's Corporation". Shares of common stock of D&B represent a continuing interest in the Moody's Business and D&B's common stock became Moody's common stock. The financial statements of Moody's have been restated to reflect the recapitalization described above.

For purposes of, among other things, governing certain of the ongoing relations between Moody's and New D&B as a result of the Distribution and allocating certain tax, employee benefit and other liabilities arising prior to the Distribution, the companies entered into various agreements, including a Distribution Agreement (the "Distribution Agreement"), Tax Allocation Agreement, Employee Benefits Agreement, Intellectual Property Assignment, Shared Transaction Services Agreement, Insurance and Risk Management Services Agreement, Data Services Agreement and Transition Services Agreement.

In general, pursuant to the terms of the Distribution Agreement, all of the assets and liabilities of the D&B Business were allocated to New D&B and all of the assets and liabilities of the Moody's Business were allocated to Moody's. The net indebtedness of D&B at the Distribution Date was allocated equally between the parties, before giving effect to certain adjustments, including adjustments relating to the estimated future cash costs of stock option exercises (see Note 3 below). As of September 30, 2000, Moody's had a payable to New D&B of \$5.6 million, which represented the final adjustment to the net indebtedness allocation (including option-related adjustments). Financial responsibility for substantially all other liabilities as of the Distribution Date was generally allocated equally between New D&B and Moody's. Such liabilities include contingent and other liabilities relating to former businesses of D&B and certain prior business transactions, which consist primarily of potential liabilities arising from the legal action initiated by IRI and potential tax liabilities that may arise with respect to reviews by tax authorities of D&B's global tax planning initiatives, both as described in Note 4 below.

The condensed consolidated financial statements reflect the financial position, results of operations, and cash flows of Moody's as if it were a separate entity for all periods presented. The financial statements include allocations of certain D&B corporate headquarters assets (including prepaid pension costs) and liabilities (including postretirement benefits and corporate and tax obligations) that were transferred from D&B at the Distribution Date. The financial statements also include an allocation of certain D&B expenses (including cash management, legal, accounting, tax, employee benefits, insurance services, data services, and other D&B corporate overhead) relating to Moody's. These expenses have been allocated to Moody's based on utilization of specific services or, where an estimate could not be determined, based on Moody's revenue in proportion to D&B's total revenues. Management believes that these allocations are reasonable. However, the costs of these services and benefits charged to Moody's are not necessarily indicative of the costs that would have been incurred if Moody's had performed or provided these functions as a separate entity. These allocations, which are included in expenses in the condensed consolidated statements of operations, totaled \$13.3 million and \$12.9 million for the nine months ended September 30, 2000 and 1999, respectively.

Historically, D&B used a centralized cash management system to finance Moody's operations. Cash deposits from the majority of the Moody's businesses were transferred to D&B on a daily basis, and D&B funded the majority of Moody's disbursements from its centralized cash management system. Net distributions to D&B reflect these intercompany cash activities.

No interest was charged or credited on these transactions with D&B. At the time of the Distribution, Moody's established its own bank accounts. It now controls the use of its cash and does not participate in D&B's cash management system.

The interim financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the financial statements and related notes of Moody's for the year ended December 31, 1999, included in the Information Statement filed on October 4, 2000 as Exhibit 99.1 to Moody's Current Report on Form 8-K dated September 30, 2000. The results of interim periods are not necessarily indicative of results for the full year or any subsequent period. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position, results of operations and cash flows at the dates and for the periods presented have been included.

2. RECONCILIATION OF SHARES USED IN COMPUTING EARNINGS PER SHARE

As required by SFAS No. 128, "Earnings per Share," below is a reconciliation of basic weighted average shares to diluted weighted average shares (share data in millions):

| | THREE MONTHS ENDED SEPTEMBER 30, ----- | | NINE MONTHS ENDED SEPTEMBER 30, ----- | |
|--|---|-------|--|-------|
| | 2000 | 1999 | 2000 | 1999 |
| Weighted average number of shares - Basic | 162.2 | 160.9 | 161.8 | 162.7 |
| Dilutive effect of shares issuable under stock option and performance share plans | 1.7 | 1.8 | 1.3 | 2.2 |
| Weighted average number of shares - Diluted | 163.9 | 162.7 | 163.1 | 164.9 |
| | ===== | ===== | ===== | ===== |

Inclusion of diluted shares in EPS had no impact on Moody's operating results. Options to purchase 2.7 million and 3.2 million shares of common stock were outstanding at September 30, 2000 and 1999, respectively, but were not included in the computation of diluted earnings per share for the respective nine month periods because the options' exercise prices were greater than the year-to-date average market price of the Company's common stock (as adjusted for the Distribution). The options generally expire 10 years after the initial grant date.

3. INDEBTEDNESS

Pursuant to the Distribution Agreement, Moody's was allocated \$195.5 million of debt at September 30, 2000. Moody's funded this debt with borrowings under a \$160 million unsecured bank revolving credit facility and a bank bridge loan of \$35.5 million.

On October 3, 2000 the Company issued \$300 million of notes in a private placement. The private placement notes have a five-year term and carry a 7.61% interest rate, payable semi-annually. The cash proceeds from the private placement were used in part to pay down the outstanding balance on the revolving credit facility and to repay the bridge loan.

The revolving credit facility, which was undrawn as of October 4, 2000, consists of an \$80 million 5-year facility and an \$80 million 364-day facility. Interest rates on borrowings under the facility are based on prevailing short-term interest rates at the time of such borrowings.

4. CONTINGENCIES

Moody's is involved in legal proceedings, claims and litigation arising in the ordinary course of business. Although the outcome of such matters cannot be predicted with certainty, in the opinion of management, the ultimate liability of the Company in connection with such matters will not have a material effect on the Company's financial position, results of operations or cash flows.

In addition, Moody's has certain other contingencies discussed below.

Information Resources, Inc.

On July 29, 1996, Information Resources, Inc. ("IRI") filed a complaint in the United States District Court for the Southern District of New York, naming as defendants the corporation then known as "The Dun & Bradstreet Corporation" and, as discussed below, now known as "R.H. Donnelley Corporation" ("Donnelley"), A.C. Nielsen Company (a subsidiary of ACNielsen Corporation) and I.M.S. International, Inc. (a subsidiary of the company then known as Cognizant Corporation). At the time of the filing of the complaint, each of the other defendants was a wholly owned subsidiary of Donnelley.

The complaint alleges various violations of United States antitrust laws, including purported violations of Sections 1 and 2 of the Sherman Act. The complaint also alleges a claim of tortious interference with a contract and a claim of tortious interference with a prospective business relationship. These claims relate to the acquisition by defendants of Survey Research Group Limited ("SRG"). IRI alleges SRG violated an alleged agreement with IRI when it agreed to be acquired by the defendants and that the defendants induced SRG to breach that agreement.

IRI's complaint alleges damages in excess of \$350 million, which amount IRI asked to be trebled under antitrust laws. IRI also seeks punitive damages in an unspecified amount.

In November 1996, Donnelley completed a distribution to its shareholders (the "1996 Distribution") of the capital stock of ACNielsen Corporation ("ACNielsen") and Cognizant Corporation ("Cognizant"). On October 28, 1996, in connection with the 1996 Distribution, Cognizant, ACNielsen and Donnelley entered into an Indemnity and Joint Defense Agreement (the "Indemnity and Joint Defense Agreement") pursuant to which they have agreed (i) to certain arrangements allocating potential liabilities ("IRI Liabilities") that may arise out of or in connection with the IRI action and (ii) to conduct a joint defense of such action. In particular, the Indemnity and Joint Defense Agreement provides that ACNielsen will assume exclusive liability for IRI Liabilities up to a maximum amount to be calculated at such time such liabilities, if any, become payable (the "ACN Maximum Amount"), and that Donnelley and Cognizant will share liability equally for any amounts in excess of the ACN Maximum Amount. The ACN Maximum Amount will be determined by an investment banking firm as the maximum amount that ACNielsen is able to pay after giving effect to (i) any plan submitted by such investment bank that is designed to maximize the claims-paying ability of ACNielsen without impairing the investment banking firm's ability to deliver a viability opinion (but which will not require any action requiring stockholder approval), and (ii) payment of related fees and expenses. For these purposes, financial viability means the ability of ACNielsen, after giving effect to such plan, the payment of related fees and expenses and the payment of the ACN Maximum Amount, to pay its debts as they become due and to finance the current and anticipated operating and capital requirements of its business, as reconstituted by such plan, for two years from the date any such plan is expected to be implemented.

In June 1998, Donnelley completed a distribution to its shareholders (the "1998 Distribution") of the capital stock of D&B and changed its name to R.H. Donnelley Corporation. In connection with the 1998 Distribution, D&B and Donnelley entered into an agreement whereby the Company has assumed all potential liabilities of Donnelley arising from the IRI action and agreed to indemnify Donnelley in connection with such potential liabilities.

During 1998, Cognizant separated into two companies, IMS Health Incorporated ("IMS Health") and Nielsen Media Research, Inc. ("NMR"). IMS Health and NMR are each jointly and severally liable for all Cognizant liabilities under the Indemnity and Joint Defense Agreement.

Under the terms of the Distribution Agreement, as a condition to the Distribution, New D&B undertook to be jointly and severally liable with Moody's for D&B's obligations to Donnelley under the distribution agreement pursuant to which the 1998 Distribution was effected, including any liabilities arising under the Indemnity and Joint Defense Agreement. However, as between themselves, each of New D&B and Moody's will be responsible for 50% of any payments to be made with respect to the IRI action pursuant to such distribution agreement, including legal fees or expenses related thereto.

Management is unable to predict at this time the final outcome of the IRI action or whether the resolution of this matter could materially affect Moody's results of operations, cash flows or financial position. As such, no amount in respect of this complaint has been accrued in the financial statements of the Company.

Tax Matters

Pursuant to the Distribution Agreement, New D&B and Moody's have agreed to each be financially responsible for 50% of any potential liabilities that may arise with respect to the reviews described below, to the extent such potential liabilities are not directly attributable to their respective business operations.

D&B entered into global tax planning initiatives in the normal course of business, principally through tax-free restructurings of both its foreign and domestic operations. These initiatives are subject to normal review by tax authorities. It is possible that additional liabilities may be proposed by tax authorities as a result of these reviews and that some of the reviews could be resolved unfavorably. At this time, Moody's management is unable to predict the extent of such reviews, the outcome thereof or whether the resolution of these matters could materially affect Moody's results of operations, cash flows or financial position.

The IRS has completed its review of the utilization of certain capital losses generated during 1989 and 1990. On June 26, 2000, the IRS, as part of its audit process, issued a formal assessment with respect to the utilization of these capital losses and D&B responded by filing a petition for a refund in the U.S. District Court on September 21, 2000, after the payments described below were made.

On May 12, 2000, an amended tax return was filed for the 1989 and 1990 tax periods, which reflects \$561.6 million of tax and interest due. D&B paid the IRS approximately \$349.3 million of this amount on May 12, 2000. Moody's 50% share of this payment had been previously accrued in its financial statements. IMS Health has informed D&B that it paid to the IRS approximately \$212.3 million on May 17, 2000. The payments were made to the IRS to stop further interest from accruing. Notwithstanding the filing and payment, D&B is contesting the IRS's formal assessment and would also contest the assessment of amounts, if any, in excess of the amounts paid.

5. COMPREHENSIVE INCOME

Total comprehensive income was as follows:

| | NINE MONTHS ENDED SEPTEMBER 30, | |
|---|------------------------------------|----------|
| | 2000 | 1999 |
| | ---- | ---- |
| Net income..... | \$ 118.1 | \$ 117.4 |
| Other comprehensive (loss) income - foreign currency translation adjustment.. | (1.6) | 0.2 |
| | ----- | ----- |
| Total comprehensive income..... | \$ 116.5 | \$ 117.6 |
| | ===== | ===== |

6. SEGMENT INFORMATION

The Company reports segment information in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". In accordance with SFAS No. 131, operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates primarily in one reportable business segment - ratings, which accounts for approximately 90% of the Company's total revenues. Revenues of the opinion research products and risk management services businesses have been aggregated as "Other" for reporting purposes. Given the dominance of the ratings segment to Moody's overall results, the Company does not separately measure and report operating income for the ratings business. Rather, revenue is the predominant measure utilized by senior management for assessing performance and for the allocation of resources, and operating income is evaluated for the Company as a whole. Moody's also reports revenue separately for two geographic areas: U.S. and international.

The ratings segment is comprised of four major rating groups, each of which has similar economic and financial

characteristics. They are corporate finance ratings, structured finance ratings, financial institutions and sovereign ratings and public finance ratings.

There are no intersegment sales and no single customer accounted for 10% or more of total revenue.

| | NINE MONTHS ENDED SEPTEMBER 30, | |
|---|------------------------------------|----------|
| | 2000 | 1999 |
| | ----- | ----- |
| Revenues: | | |
| Ratings: | | |
| Corporate finance ratings..... | \$ 125.8 | \$ 127.7 |
| Structured finance ratings..... | 139.6 | 124.0 |
| Financial institutions and sovereign ratings... | 83.8 | 79.7 |
| Public finance ratings..... | 33.5 | 47.7 |
| | ----- | ----- |
| Total ratings revenue..... | 382.7 | 379.1 |
| Other..... | 58.5 | 44.7 |
| | ----- | ----- |
| Total revenues..... | 441.2 | 423.8 |
| Total expenses..... | 229.7 | 222.3 |
| Non-operating income (expense), net..... | 0.1 | 8.8 |
| | ----- | ----- |
| Income before provision for income taxes..... | \$ 211.6 | \$ 210.3 |
| | ===== | ===== |
| | | |
| Revenues by geographic area: | | |
| United States..... | \$ 311.5 | \$ 322.8 |
| International..... | 129.7 | 101.0 |
| | ----- | ----- |
| Total revenues..... | \$ 441.2 | \$ 423.8 |
| | ===== | ===== |

7. ACQUISITION

On January 27, 2000, the Company acquired the net assets of a financial software products company for \$17.4 million in cash. The acquisition was accounted for using the purchase method of accounting for business combinations from the date of acquisition. The purchase price has been preliminarily allocated based on estimated fair values at the date of acquisition, pending final determination of certain acquired balances. This preliminary allocation has resulted in acquired goodwill and other intangibles of approximately \$17.2 million, which will be amortized on a straight-line basis over 3-10 years. The impact of the acquisition on the results of operations had the acquisition occurred on January 1, 1999 would not have been material.

8. SUBSEQUENT EVENTS

On October 18, 2000 the Board of Directors of Moody's Corporation authorized a share repurchase program of up to \$250 million of Moody's common stock. The program includes both special share repurchases and systematic repurchases of Moody's common stock to offset the dilutive effect of share issuances under Moody's employee benefit arrangements.

Also on October 18, 2000, the Board of Directors approved a quarterly dividend of 4.5 cents per share of Moody's common stock, payable on December 10, 2000 to shareholders of record at the close of business on November 20, 2000.

9. RECENTLY ISSUED ACCOUNTING STANDARDS

In March 2000, the Financial Accounting Standards Board issued Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB Opinion No. 25" ("FIN No. 44"). The interpretation provides guidance for certain issues relating to stock compensation involving employees that arose in applying APB Opinion No. 25. Among other things, this Interpretation clarifies (a) the definition of an employee for purposes of applying APB Opinion No. 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of

various modifications to the terms of a previously fixed stock option or award, and (d) the accounting for an exchange of stock compensation awards in a business combination. The provisions of FIN No. 44 are effective July 1, 2000, except for the provisions regarding modifications to fixed stock option awards that reduce the exercise price of an award, which apply to modifications made after December 15, 1998. Provisions regarding modifications to fixed stock option awards to add reload features apply to modifications made after January 12, 2000. The effect of adopting FIN No. 44 did not have a material impact on Moody's.

In December 1999, the staff of the SEC issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 summarizes some of the staff's interpretations of the application of generally accepted accounting principles to revenue recognition. The staff provided this guidance due, in part, to the large number of revenue recognition issues that it has encountered in registrant filings. In June 2000, SAB 101B, "Amendment: Revenue Recognition in Financial Statements", was issued, which defers the effective date of SAB 101 until the fourth fiscal quarter of 2000. Moody's believes that it is in compliance with this guidance.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires recognition of all derivatives as either assets or liabilities on the balance sheet and measurement of those instruments at fair value. If certain conditions are met, a derivative may be designated specifically as: (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (a fair value hedge); (b) a hedge of the exposure to variable cash flows of a forecasted transaction (a cash flow hedge); or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security, or a foreign-currency-denominated forecasted transaction. In June 1999, the Financial Accounting Standards Board issued SFAS No. 137 delaying the effective date of SFAS No. 133. The provisions of SFAS No. 133 are effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Moody's currently does not engage in any transactions that would be impacted by the adoption of SFAS No. 133.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

On December 15, 1999, The Dun & Bradstreet Corporation ("D&B") announced a plan to separate into two independent, publicly traded companies - The New D&B Corporation ("New D&B") and Moody's Corporation ("Moody's" or the "Company"). On September 30, 2000 (the "Distribution Date"), the separation was accomplished through a tax-free distribution to the shareholders of D&B (the "Distribution") of all of the shares of common stock of a newly formed, wholly owned subsidiary corporation (New D&B) comprising the business of the D&B operating company (the "D&B Business"). The remaining business of D&B consisted solely of the business of providing ratings and related research and risk management services (the "Moody's Business") and D&B was renamed "Moody's Corporation". Shares of common stock of D&B represent a continuing interest in the Moody's Business and D&B's common stock became Moody's common stock. The financial statements of Moody's have been restated to reflect the recapitalization described above.

For purposes of, among other things, governing certain of the ongoing relations between Moody's and New D&B as a result of the Distribution and allocating certain tax, employee benefit and other liabilities arising prior to the Distribution, the companies entered into various agreements, including a Distribution Agreement (the "Distribution Agreement"), Tax Allocation Agreement, Employee Benefits Agreement, Intellectual Property Assignment, Shared Transaction Services Agreement, Insurance and Risk Management Services Agreement, Data Services Agreement and Transition Services Agreement.

In general, pursuant to the terms of the Distribution Agreement, all of the assets and liabilities of the D&B Business were allocated to New D&B and all of the assets and liabilities of the Moody's Business were allocated to Moody's. The net indebtedness of D&B at the Distribution Date was allocated equally between the parties, before giving effect to certain

adjustments, including adjustments relating to the estimated future cash costs of stock option exercises (see Note 3 to the financial statements). As of September 30, 2000, Moody's had a payable to New D&B of \$5.6 million, which represented the final adjustment to the net indebtedness allocation (including option-related adjustments). Financial responsibility for substantially all other liabilities as of the Distribution Date was generally allocated equally between New D&B and Moody's. Such liabilities include contingent and other liabilities relating to former businesses of D&B and certain prior business transactions, which consist primarily of potential liabilities arising from the legal action initiated by IRI and potential tax liabilities that may arise with respect to reviews by tax authorities of D&B's global tax planning initiatives, both as described in Note 4 to the financial statements).

The condensed consolidated financial statements reflect the financial position, results of operations, and cash flows of Moody's as if it were a separate entity for all periods presented. The financial statements include allocations of certain D&B corporate headquarters assets (including prepaid pension costs) and liabilities (including postretirement benefits and corporate and tax obligations) that were transferred from D&B at the Distribution Date. The financial statements also include an allocation of certain D&B expenses (including cash management, legal, accounting, tax, employee benefits, insurance services, data services, and other D&B corporate overhead) relating to Moody's. These expenses have been allocated to Moody's based on utilization of specific services or, where an estimate could not be determined, based on Moody's revenue in proportion to D&B's total revenues. Management believes that these allocations are reasonable. However, the costs of these services and benefits charged to Moody's are not necessarily indicative of the costs that would have been incurred if Moody's had performed or provided these functions as a separate entity. These allocations, which are included in expenses in the condensed consolidated statements of operations, totaled \$13.3 million and \$12.9 million for the nine months ended September 30, 2000 and 1999, respectively.

Historically, D&B used a centralized cash management system to finance Moody's operations. Cash deposits from the majority of the Moody's businesses were transferred to D&B on a daily basis, and D&B funded the majority of Moody's disbursements from its centralized cash management system. Net distributions to D&B reflect these intercompany cash activities. No interest was charged or credited on these transactions with D&B. At the time of the Distribution, Moody's established its own bank accounts. It now controls the use of its cash and does not participate in D&B's cash management system.

OPERATING SEGMENTS

Moody's operates primarily in one reportable business segment - ratings, which accounts for approximately 90% of Moody's total revenue. The ratings segment is composed of four major ratings groups: corporate finance, structured finance, financial institutions and sovereigns, and public finance. Given the dominance of the ratings segment to Moody's overall results, Moody's does not separately measure and report operating income for the ratings business. Rather, revenue is the predominant measure utilized by senior management for assessing performance and for the allocation of resources, and operating income is evaluated for Moody's as a whole. Moody's also reports revenue separately for two geographic areas: U.S. and international.

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 1999

Revenue of \$152.5 million in the third quarter of 2000 grew 9.5% compared to \$139.3 million in the same period of 1999. Revenue growth reflected strong gains in international ratings combined with modest growth in the U.S., resulting in a 6.0% increase in total ratings revenue. Opinion research products revenue achieved double-digit growth, due to strong demand for services delivered via the Internet and increased international sales. Revenue for Moody's Risk Management Services increased primarily due to the January 2000 acquisition of a financial software products company.

Ratings revenue was \$131.2 million in the third quarter, an increase of \$7.4 million or 6.0% from \$123.8 million in 1999. Strong growth from international corporate finance ratings, global structured finance ratings and syndicated bank loan ratings was partially offset by the effects of lower issuance volumes in the high yield, public finance and commercial mortgage-backed sectors.

Structured finance ratings revenue was \$48.1 million for the third quarter of 2000, an increase of \$7.4 million, or 18.2%, from \$40.7 million in the third quarter of 1999. The increase was principally driven by strong growth in Europe and Japan, and in credit derivatives.

Revenue from corporate ratings was \$43.0 million in the third quarter of 2000, compared with \$42.0 million in the same period of 1999. Strong revenue growth from European corporate issuers was substantially offset by the effects of continued declines in U.S. corporate issuance. U.S. investment grade revenue decreased slightly due to a 3% decline in the number of bonds issued. Revenue from high yield bond ratings decreased \$4.0 million, driven by a 45% reduction in the number of bonds issued. Bank loan ratings revenue grew 39%, or \$1.6 million in the third quarter, to partially offset the decline in high yield revenue.

Revenue from financial institution and sovereign ratings was \$28.2 million for the third quarter of 2000, an increase of \$3.0 million, or 11.9% over 1999. Increased international volumes more than offset the effects of a decline in U.S. debt issuance and U.S. industry consolidation in this sector.

Public finance ratings revenue declined 25.2% to \$11.9 million for the third quarter of 2000, from \$15.9 million in the same period of 1999. This decline was principally the result of a 27% decrease in the number of U.S. municipal bond issues.

Other revenue increased \$5.8 million, or 37.4%, to \$21.3 million reflecting double digit growth in opinion products revenue due to continued strong demand for opinion research products delivered via the Internet as well as increased international sales. In addition, revenue for Moody's Risk Management Services increased primarily due to the January 2000 acquisition of a financial software products company.

Revenue in the United States was \$108.3 million for the third quarter of 2000, an increase of 5.0% over the third quarter of 1999. This increase reflected growth in ratings revenue of 3% for the quarter, driven by strong growth in asset-backed finance, credit derivatives, and bank loan ratings, partially offset by the effects of lower issuance volumes in the high yield, public finance, and commercial mortgage-backed sectors. In addition, U.S. opinion research products and risk management services both achieved double-digit revenue growth in the quarter.

Moody's international revenue was \$44.2 million for the third quarter of 2000, an increase of 22.1% over \$36.2 million in the same period of 1999. International revenue reflected 16% growth in ratings due to strong gains in structured finance in Europe and Japan, as well as double digit growth in opinion research products and risk management services. For the third quarter, international revenue represented 29% of total Moody's revenue.

Operating, selling and administrative expenses were \$75.1 million in the third quarter of 2000, an increase of \$5.5 million, or 7.9% over the third quarter of 1999. The increase principally reflected higher compensation and benefit costs due to an increase in the number of analysts, particularly in Europe and the structured finance business. Depreciation and amortization rose from \$3.1 million in the third quarter of 1999 to \$4.5 million in the third quarter of 2000. The increase was primarily related to the above-mentioned acquisition of a financial software products company.

Moody's operating income of \$72.9 million for the third quarter of 2000 was up 9.5% from \$66.6 million in the same period of 1999.

Non-operating expense was \$0.4 million for the third quarter of 2000 compared with \$9.0 million of non-operating income for the same period of 1999. The 1999 quarter included a \$9.2 million gain related to the sale of the Company's Financial Information Services division (FIS).

Moody's effective tax rate was 44.2% in the third quarters of both 2000 and 1999.

As a result of the foregoing, Moody's reported net income of \$40.5 million for the third quarter of 2000. Net income grew 9.2% over \$37.1 million for the same period of 1999, excluding the \$5.1 million after-tax gain on the sale of FIS that was reported in the third quarter of 1999. Basic and diluted earnings per share were \$0.25 for the third quarter of 2000 compared with \$0.26 for the third quarter of 1999. Excluding the \$0.03 per share impact of the 1999 gain on the sale of FIS, third quarter 2000 basic and diluted earnings grew 8.7% over the same period of 1999.

**NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED WITH NINE MONTHS ENDED
SEPTEMBER 30, 1999**

Revenue for the first nine months of 2000 was \$441.2 million, an increase of \$17.4 million or 4.1% from \$423.8 million for the same period of 1999. Revenue growth reflected double digit growth in opinion research products and risk management services revenue. Ratings revenue increased slightly, as strong gains in international ratings were substantially offset by weakness in U.S. ratings.

Ratings revenue was \$382.7 million in the first nine months of 2000, an increase of \$3.6 million from \$379.1 million in 1999. Strong growth from international corporate finance and global structured finance ratings was substantially offset by the effects of a decline in securities issuance in the U.S. capital markets, principally as a result of unsettled market conditions related to interest rate increases.

Structured finance ratings revenue was \$139.6 million for the first nine months of 2000, an increase of \$15.6 million or 12.6% from \$124.0 million in 1999. The increase was principally driven by strong growth in Europe and Japan, and in U.S. asset-backed finance and credit derivatives.

Revenue from corporate ratings was \$125.8 million for the year to date, down 1.5% from \$127.7 million in 1999. Growth in international ratings revenue from issuance in Europe was more than offset by the effects of a decline in U.S. corporate bond issuance, most notably in the high yield sector. Revenue from bank loan ratings grew 62% to \$13.6 million in the first nine months of 2000.

Revenue from financial institution and sovereign ratings was \$83.8 million for the first nine months of 2000, an increase of 5.1% from \$79.7 million in 1999. Volume growth of 20% in international bond and medium-term note issuance more than offset the effects of a decline in U.S. debt issuance and U.S. industry consolidation in this sector.

Public finance ratings revenue declined 29.8% to \$33.5 million for the first nine months of 2000. This decline was principally the result of a 24% decrease in the number of U.S. municipal bonds issued in the first nine months of 2000 versus the same period of 1999.

Other revenue increased 30.9%, to \$58.5 million in the first nine months of 2000. Double digit growth in opinion research products revenue was driven by continued strong demand for research delivered via the Internet and increased international sales. In addition, revenue for Moody's Risk Management Services more than doubled in the first nine months of 2000 versus the same period of 1999, primarily due to the acquisition of a financial software products company.

United States revenue for the first nine months of 2000 was \$311.5 million, a decline of 3.5% versus the same period of 1999. Ratings revenue declined by 6% in the period, as the effects of lower issuance levels in the core corporate and public finance sectors were partially offset by strong growth in asset-backed finance and bank loan ratings. Double-digit growth was achieved in opinion products and risk management services revenue.

Moody's international revenue grew 28.4% to \$129.7 million in the first nine months of 2000, from \$101.0 million in the same period of 1999. The strong gain reflected 25% growth in ratings revenue to \$106.7 million, driven by increased European corporate issuance volumes, and strong growth in structured ratings in Europe and Japan. Continued strong growth was achieved in international opinion research products, reflecting new products and international expansion and in risk management services revenue.

Operating, selling and administrative expenses increased 2.0% to \$216.9 million in the first nine months of 2000, from \$212.6 million in the same period of 1999. Increases in compensation and related costs due to higher analytic headcount, especially in Europe, were partially offset by cost containment efforts in light of weak revenue in several sectors. Depreciation and amortization rose from \$9.7 million in the first nine months of 1999 to \$12.8 million in the same period of 2000, principally reflecting amortization related to the previously mentioned acquisition.

Moody's operating income of \$211.5 million for the first nine months of 2000 was up 5.0% from \$201.5 million in the same period of 1999.

Non-operating income was \$0.1 million for the first nine months of 2000 compared with \$8.8 million for the same period of 1999. The 1999 amount included the \$9.2 million gain related to the sale of FIS.

Moody's effective tax rate was 44.2% for the nine months ended September 30, 2000 and 1999.

Net income was \$118.1 million for the first nine months of 2000 compared with \$117.4 million in 1999. Excluding the 1999 gain on the sale of FIS, year to date 2000 net income increased 5.2% over \$112.3 million in 1999. Earnings per share for the first nine months of 2000 were \$0.73 basic and \$0.72 diluted, compared with \$0.72 basic and \$0.71 diluted for the same period of 1999. Excluding the gain on the sale of FIS, 2000 basic and diluted earnings per share for the first nine months grew 5.8% and 5.9%, respectively, over the same period of 1999.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$7.6 million and \$136.0 million for the nine months ended September 30, 2000 and 1999, respectively. The year to date 2000 activity reflected a payment of approximately \$175 million, representing Moody's 50% share of a payment to the IRS made by D&B in connection with an amended tax return filed by D&B on May 12, 2000. The 2000 activity also reflected higher payments for incentive compensation compared with the same period of 1999.

Net cash used in investing activities was \$28.8 million for the nine months ended September 30, 2000 compared with \$4.8 million for the same period of 1999. This increase was principally due to the acquisition of a financial software products company in January 2000 for \$17.4 million and increased spending on computer equipment.

Net cash provided by (used in) financing activities consisted of the allocation of debt from D&B in accordance with the Distribution Agreement, and net distributions to D&B. The year-to-date net distributions to D&B reflect the allocation of debt from D&B (a \$195.5 million distribution to D&B) offset in part by the payment made to the IRS in connection with an amended tax return (a \$174.7 million distribution from D&B).

Pursuant to the Distribution Agreement, Moody's was allocated \$195.5 million of debt at September 30, 2000. Moody's funded this debt with borrowings under a \$160 million unsecured bank revolving credit facility and a bank bridge loan of \$35.5 million.

On October 3, 2000 the Company issued \$300 million of notes in a private placement. The private placement notes have a five-year term and carry a 7.61% interest rate, payable semi-annually. The cash proceeds from the private placement were used in part to pay down the outstanding balance on the revolving credit facility and to repay the bridge loan.

The revolving credit facility, which was undrawn as of October 4, 2000, consists of an \$80 million 5-year facility and an \$80 million 364-day facility. Interest rates on borrowings under the facility are based on prevailing short-term interest rates at the time of such borrowings.

On October 18, 2000 the Board of Directors of Moody's Corporation authorized a share repurchase program of up to \$250 million of Moody's common stock. The program includes both special share repurchases and systematic repurchases of Moody's common stock to offset the dilutive effect of share issuances under Moody's employee benefit arrangements.

Also on October 18, 2000, the Board of Directors approved a quarterly dividend of 4.5 cents per share of Moody's common stock, payable on December 10, 2000 to shareholders of record at the close of business on November 20, 2000.

Moody's existing balances of cash, cash generated from operations and debt capacity are expected to be sufficient to fund Moody's operating needs, service debt and pay dividends, over the next year.

RECENTLY ISSUED ACCOUNTING STANDARDS

In March 2000, the Financial Accounting Standards Board issued Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB Opinion No. 25" ("FIN No. 44"). The interpretation

provides guidance for certain issues relating to stock compensation involving employees that arose in applying APB Opinion No. 25. Among other things, this Interpretation clarifies (a) the definition of an employee for purposes of applying APB Opinion No. 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of a previously fixed stock option or award, and (d) the accounting for an exchange of stock compensation awards in a business combination. The provisions of FIN No. 44 are effective July 1, 2000, except for the provisions regarding modifications to fixed stock option awards that reduce the exercise price of an award, which apply to modifications made after December 15, 1998. Provisions regarding modifications to fixed stock option awards to add reload features apply to modifications made after January 12, 2000. The effect of adopting FIN No. 44 did not have a material impact on Moody's.

In December 1999, the staff of the SEC issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 summarizes some of the staff's interpretations of the application of generally accepted accounting principles to revenue recognition. The staff provided this guidance due, in part, to the large number of revenue recognition issues that it has encountered in registrant filings. In June 2000, SAB 101B, "Amendment: Revenue Recognition in Financial Statements", was issued, which defers the effective date of SAB 101 until the fourth fiscal quarter of 2000. Moody's believes that it is in compliance with this guidance.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires recognition of all derivatives as either assets or liabilities on the balance sheet and measurement of those instruments at fair value. If certain conditions are met, a derivative may be designated specifically as: (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (a fair value hedge); (b) a hedge of the exposure to variable cash flows of a forecasted transaction (a cash flow hedge); or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security, or a foreign-currency-denominated forecasted transaction. In June 1999, the Financial Accounting Standards Board issued SFAS No. 137 delaying the effective date of SFAS No. 133. The provisions of SFAS No. 133 are effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Moody's currently does not engage in any transactions that would be impacted by the adoption of SFAS No. 133.

MARKET RISK SENSITIVE INSTRUMENTS

Moody's maintains operations in 14 countries outside of the United States, and approximately 20% of its expenses are incurred in currencies other than the U.S. dollar. Over 90% of Moody's revenues for the nine months ended September 30, 2000 were billed and collected in U.S. dollars. Fluctuations in the value of foreign currencies relative to the U.S. dollar may increase the volatility of U.S. dollar operating results. In the nine month periods ended September 30, 2000 and 1999, foreign currency translation had immaterial impacts on U.S. dollar revenue growth and operating income growth.

As of September 30, 2000, approximately 13% of Moody's assets were located outside the U.S. Moody's aggregate cash balance of \$22.6 million was not concentrated in any one country other than the U.S. Non-U.S. monetary assets are maintained in currencies other than the U.S. dollar, principally in the U.K. and Japan. Changes in the value of these currencies relative to the U.S. dollar are charged or credited to the cumulative translation adjustment component of shareholders' equity.

OTHER

Pursuant to the Distribution Agreement, New D&B and Moody's have agreed to each be financially responsible for 50% of any potential liabilities that may arise with respect to the reviews described below, to the extent such potential liabilities are not directly attributable to their respective business operations.

D&B entered into global tax planning initiatives in the normal course of business, principally through tax-free restructurings of both its foreign and domestic operations. These initiatives are subject to normal review by tax authorities. It is possible that additional liabilities may be proposed by tax authorities as a result of these reviews and that some of the reviews could be resolved unfavorably. At this time, Moody's management is unable to predict the extent of such reviews, the outcome thereof or whether the resolution of these matters could materially affect Moody's results of operations, cash flows or financial

position.

The IRS has completed its review of the utilization of certain capital losses generated during 1989 and 1990. On June 26, 2000, the IRS, as part of its audit process, issued a formal assessment with respect to the utilization of these capital losses and D&B responded by filing a petition for a refund in the U.S. District Court on September 21, 2000, after the payments described below were made.

On May 12, 2000, an amended tax return was filed for the 1989 and 1990 tax periods, which reflects \$561.6 million of tax and interest due. D&B paid the IRS approximately \$349.3 million of this amount on May 12, 2000. Moody's 50% share of this payment had been previously accrued in its financial statements. IMS Health has informed D&B that it paid to the IRS approximately \$212.3 million on May 17, 2000. The payments were made to the IRS to stop further interest from accruing. Notwithstanding the filing and payment, D&B is contesting the IRS's formal assessment and would also contest the assessment of amounts, if any, in excess of the amounts paid.

In addition, Moody's has certain other contingencies as described in

Part II Item 1, "Legal Proceedings."

FORWARD-LOOKING STATEMENTS

This document contains information about future expectations, plans and prospects for the Company's business and operations that constitute forward-looking statements. The forward-looking statements and other information are made as of the date of this report, and the Company disclaims any duty to supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors include, but are not limited to, changes in the volume of debt securities issued in domestic and/or global capital markets; changes in interest rates and other volatility in the financial markets; possible loss of market share through competition; introduction of competing products or technologies by other companies; pricing pressures from competitors and/or customers; the potential emergence of government-sponsored credit rating agencies; proposed U.S., foreign, state and local legislation and regulations, including those relating to nationally recognized statistical rating organizations; the possible loss of key employees to investment or commercial banks or elsewhere and related compensation cost pressures; the outcome of any review by controlling tax authorities of the company's global tax planning initiatives; the uncertainty regarding market acceptance and revenue generating opportunities for web-based research products; and other factors as discussed in The New D&B Corporation Form 10 (Amendment No. 2) filed on September 11, 2000 with the Securities and Exchange Commission and in other filings made by the Company from time to time with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information in response to this Item is set forth in Note 4 - Contingencies in Part I, Item 1 of this Report. For additional information regarding the IRI case, reference is made to such Note and to the information under the caption "Moody's Corporation Business - Legal Proceedings" in the Information Statement filed as Exhibit 99.1 to Moody's Current Report on Form 8-K dated September 30, 2000. On December 22, 1999, defendants filed a motion for partial summary judgment seeking to dismiss IRI's non-U.S. antitrust claims. On July 12, 2000, the court granted the motion dismissing claims of injury suffered from activities in foreign markets where IRI operates through subsidiaries or companies owned by joint ventures or "relationships" with local companies.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

| EXHIBIT NO. | DESCRIPTION |
|-------------|--|
| 3.1 | Restated Certificate of Incorporation of the Registrant dated June 15, 1998, as amended effective June 30, 1998, and as further amended effective October 1, 2000 (incorporated by reference to Exhibit 3.1 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 4.1 | Specimen Common Stock certificate (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 4.2 | Amended and Restated Rights Agreement between the Registrant and EquiServe Trust Company, N.A., dated as of September 27, 2000 (incorporated by reference to Exhibit 4.1 to the Report on Form 8-K of the Registrant, file number 1-14037, filed September 29, 2000). |
| 4.3 | Five-Year Credit Agreement, dated as of September 11, 2000, among the Registrant, certain subsidiaries of the Registrant, the lenders party thereto, The Chase Manhattan Bank, as administrative agent, Citibank, N.A., as syndication agent, and The Bank of New York, as documentation agent (incorporated by reference to Exhibit 4.2 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 4.4 | 364-Day Credit Agreement, dated as of September 11, 2000, among the Registrant, certain subsidiaries of the Registrant, the lenders party thereto, The Chase Manhattan Bank, as administrative agent, Citibank, N.A., as syndication agent, and The Bank of New York, as documentation agent (incorporated by reference to Exhibit 4.3 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 10.1 | Distribution Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.1 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 10.2 | Tax Allocation Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.2 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 10.3 | Employee Benefits Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.3 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |
| 10.4 | Intellectual Property Assignments, dated as of September 1, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.4 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000). |

- 10.5 Shared Transaction Services Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.5 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000).
- 10.6 Data Services Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.6 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000).
- 10.7 Transition Services Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.7 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000).
- 10.8 Insurance and Risk Management Services Agreement, dated as of September 30, 2000, between the Registrant and The Dun & Bradstreet Corporation (f.k.a. The New D&B Corporation) (incorporated by reference to Exhibit 10.8 to the Report on Form 8-K of the Registrant, file number 1-14037, filed October 4, 2000).
- 10.9 Pension Benefit Equalization Plan of Moody's Corporation.
- 10.10 Supplemental Executive Benefit Plan of Moody's Corporation.
- 10.11 Profit Participation Benefit Equalization Plan of Moody's Corporation.
- 10.12 The Moody's Corporation Nonfunded Deferred Compensation Plan for Non-Employee Directors.
- 10.13 1998 Moody's Corporation Replacement Plan for Certain Non-Employee Directors Holding Dun & Bradstreet Corporation Equity-Based Awards.
- 10.14 1998 Moody's Corporation Replacement Plan for Certain Employees Holding Dun & Bradstreet Corporation Equity-Based Awards.
- 10.15 1998 Moody's Corporation Non-Employee Directors' Stock Incentive Plan.
- 10.16 1998 Moody's Corporation Key Employees' Stock Incentive Plan.

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed on September 29, 2000 under Item 5 of such form reporting amendments to Moody's shareholder rights plan. A Current Report on Form 8-K was filed on October 4, 2000 under Item 5 of such form reporting the Distribution. A Current Report on Form 8-K was filed on November 7, 2000 under Item 5 of such form reporting the posting of a presentation to investors on Moody's website.

MOODY'S CORPORATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2000 by:

/s/ JEANNE M. DERING

*Jeanne M. Dering
Senior Vice President and
Chief Financial Officer*

Date: November 14, 2000 by:

/s/ CHARLES R. BRUSCHI

*Charles R. Bruschi
Vice President and
Corporate Controller*

Exhibit 10.9

**PENSION BENEFIT EQUALIZATION PLAN
OF
MOODY'S CORPORATION**

I PURPOSE OF THE PLAN

The purpose of the Pension Benefit Equalization Plan of Moody's Corporation (the "Plan") is to provide a means of equalizing the benefits of those employees of Moody's Corporation (the "Corporation") and its subsidiaries participating in the Retirement Account of Moody's Corporation (the "Retirement Account") whose funded benefits under the Retirement Account are or will be limited by the application of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Internal Revenue Code of 1986, as amended (the "Code") or any applicable law or regulation. The Plan is intended to be an "excess benefit plan", as that term is defined in Section 3(36) of ERISA, with respect to those participants whose benefits under the Retirement Account have been limited by Section 415 of the Code, and a "top hat" plan meeting the requirements of Sections 201(2), 301(a)(3), 401(a)(1) and 4021(b)(6) of ERISA with respect to those participants whose benefits under the Retirement Account have been limited by Section 401(a)(17) of the Code.

II ADMINISTRATION OF THE PLAN

The Board of Directors ("Board") of the Corporation and the Compensation and Benefits Committee appointed by the Board (the "Committee") severally (and not jointly) shall be responsible for the administration of the Plan. The Committee shall consist of not less than three (3) nor more than seven (7) members, as may be appointed by the Board from time to time. Any member of the Committee may resign at will by notice to the Board or be removed at any time (with or without cause) by the Board.

The members of the Committee may from time to time allocate responsibilities among themselves and may delegate to any management committee, employee, director or agent its responsibility to perform any act hereunder, including without limitation those matters involving the exercise of discretion, provided that such delegation shall be subject to revocation at any time at its discretion.

The Committee (and its delegees) shall have the exclusive authority to interpret the provisions of the Plan and construe all of its terms (including, without limitation, all disputed and uncertain terms), to adopt, amend, and rescind rules and regulations for the administration of the Plan, and generally to conduct and administer the Plan and to make all determinations in connection with the Plan as may be necessary or advisable. All such actions of the Committee shall be conclusive and binding upon all Participants, Former Participants, Vested Former Participants and Surviving Spouses. All deference permitted by law shall be given to such interpretations, determinations and actions.

Any action to be taken by the Committee shall be taken by a majority of its members, either at a meeting or by written instrument approved by such majority in the absence of a meeting. A written resolution or memorandum signed by one Committee member and the secretary of the Committee shall be sufficient evidence to any person of any action taken pursuant to the Plan.

Any person, corporation or other entity may serve in more than one fiduciary capacity under the Plan.

III PARTICIPATION IN THE PLAN

All members of the Retirement Account shall be eligible to participate in this Plan whenever their benefits under the Retirement Account, as from time to time in effect, would exceed the limitations on benefits and contributions imposed by Sections 401, 415 or any other applicable Section of the Code, calculated from and after September 2, 1974. For purposes of this Plan, benefits of a participant in this Plan shall be determined as though no provision were contained in the Retirement Account incorporating limitations imposed by Sections 401, 415 or any other Section of the Code.

IV EQUALIZED BENEFITS

The Corporation shall pay to each eligible member of the Retirement Account and his beneficiaries a supplemental pension benefit equal to the benefit which would have been payable to them under the Retirement Account, as if no provision were set forth therein incorporating limitations imposed by Sections 401, 415 or any other applicable Section of the Code, to the extent that such benefit otherwise payable under the Retirement Account exceeds the benefit limitations related to the Retirement Account as described in Section III of this Plan.

Subject to Section XI of this Plan, such supplemental pension benefits shall be payable in accordance with all of the terms and conditions applicable to the participant's benefits under the Retirement Account, including whatever optional benefits he may have elected; provided, however, if an Election (as defined in Section VIII of this Plan) or a Special Election (as defined in Section IX of this Plan) has been made and becomes effective prior to the date when benefits under this Plan would otherwise be payable, the form of payment of benefits under this Plan shall be in the form so elected pursuant to such Election or Special Election; provided further, that notwithstanding any Election or Special Election, if the lump sum value, determined in the same manner as provided under Section VIII below, of the benefits payable under this Plan is Ten Thousand Dollars (\$10,000) or less at the time such benefits are payable under this Plan, such benefits shall be payable as a lump sum.

Any portion of the benefits payable under this Plan as a lump sum, including any amounts payable as a lump sum under Section V, shall be paid sixty (60) days after the date when payments of the same benefits under this Plan, if payable in the form of an annuity, would otherwise commence, or as soon as practicable thereafter, provided the Committee has approved such payment. Any such lump sum distribution of a participant's or beneficiary's benefits under this Plan shall fully satisfy all present and future Plan liability with respect to such participant or beneficiary for such portion or all of such benefits so distributed. Any portion of the benefits

payable under this Plan as an annuity shall commence on the date when annuity benefits under this Plan would otherwise commence, without regard to any Election or Special Election.

V PAYMENTS OF BENEFITS IN THE EVENT OF DEATH

In case of the death of the participant, the amount in his account shall, where applicable and subject to Section XI of this Plan, be distributed to the surviving beneficiary who has been designated to receive benefits under the Retirement Account and in the manner which has been elected under the Retirement Account; provided, however, if an Election (as defined in Section VIII of this Plan) or a Special Election (as defined in Section IX of this Plan) has been made and becomes effective prior to the date when benefits under this Plan would otherwise be payable, the form of payment of benefits payable to such surviving beneficiary under this Plan shall be in the form so elected pursuant to such Election or Special Election; provided further, that notwithstanding any Election or Special Election, if the lump sum value, determined in the same manner as provided under Section VIII below, of the benefits payable under this Plan is Ten Thousand Dollars (\$10,000) or less at the time such benefits are payable to such surviving beneficiary under this Plan, such benefits shall be payable as a lump sum.

If the participant has not designated a beneficiary under the Retirement Account, or if no such beneficiary is living at the time of the participant's death, the amount, if any, in the participant's account that is distributable upon his death shall be distributed to the person or persons who would otherwise be entitled to receive a distribution of the participant's Retirement Account benefits. Payment to such person or persons shall completely discharge the Plan with respect to the amount so paid.

VI CHANGE IN CONTROL

(a) Upon the occurrence of a "Change in Control" of the Corporation, as such term is defined below,

(i) each participant and beneficiary already receiving benefits and/or survivor's benefits under the Plan shall receive a lump sum distribution of their unpaid benefits and/or survivor's benefits under the Plan in an amount equal to the present value of such benefits and/or survivor's benefits in full satisfaction of all present and future Plan liability with respect to such participant or beneficiary, and

(ii) each vested participant who is not already receiving benefits under the Plan shall receive (a) a lump sum distribution of the present value of his accrued benefit under the Plan as of the date of such Change in Control, within thirty (30) days of the date of such Change in Control and (b) a lump sum distribution of the present value of his additional benefit, if any, accrued under the Plan from the date of the Change in Control until the date he retires or terminates employment with the Corporation, within thirty (30) days from the date of the participant's retirement or termination of employment with the Corporation.

(b) In determining the amount of the lump sum distributions to be paid under this Section VI, the following actuarial assumptions shall be used:

(i) the interest rate used shall be the interest rate used by the Pension Benefit Guaranty Corporation for determining the value of immediate annuities as of January 1st of either the year of the occurrence of the Change in Control or the participant's retirement or termination of employment, whichever is applicable;

(ii) the 1983 Group Annuity Mortality Table shall be used; and

(iii) it shall be assumed that all participants retired or terminated employment with the Corporation on the date of the occurrence of the Change in Control for purposes of determining the amount of the lump sum distribution to be paid upon the occurrence of the Change in Control.

(c) For purposes of this Plan, a "Change in Control" shall be deemed to have occurred if

(i) any "Person," as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Corporation, any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, or any corporation owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation), is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding securities;

(ii) during any period of twenty-four (24) months (not including any period prior to the effective date of this provision), individuals who at the beginning of such period constitute the Board, and any new director (other than (1) a director designated by a person who has entered into an agreement with the Corporation to effect a transaction described in clause (A), (C) or (D) of this Section), (2) a director designated by any Person (including the Corporation) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or

(3) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Corporation representing ten percent (10%) or more of the combined voting power of the Corporation's securities) whose election by the Board or nomination for election by the Corporation's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination

for election was previously so approved cease for any reason to constitute at least a majority thereof;

(iii) the shareholders of the Corporation approve a merger or consolidation of the Corporation with any other company, other than (1) a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation and (2) after which no Person holds twenty percent (20%) or more of the combined voting power of the then outstanding securities of the Corporation or such surviving entity; or

(d) the shareholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets.

VII FUNDING

Benefits payable under this Plan shall not be funded and shall be made out of the general funds of the Corporation; provided, however, that the Corporation reserves the right to establish one (1) or more trusts to provide alternate sources of benefit payments under this Plan, provided further, however, that upon the occurrence of a "Potential Change in Control" of the Corporation, as defined below, the appropriate officers of the Corporation are authorized to make contributions to such a trust fund, established as an alternate source of benefits payable under the Plan, as are necessary to fund the lump sum payments to Plan participants required pursuant to Section VI of this Plan in the event of a Change in Control of the Corporation; provided further, however, that if payments are made from such trust fund, such payments will satisfy the Corporation's obligations under this Plan to the extent made from such trust fund.

(a) In determining the amount of the necessary contribution to the trust fund in the event of a Potential Change in Control, the following actuarial assumptions shall be used:

(i) the interest rate used shall be the interest rate used by the Pension Benefit Guaranty Corporation for determining the value of immediate annuities as of January 1st of the year of the occurrence of the Potential Change in Control;

(ii) the 1983 Group Annuity Mortality Table shall be used; and

(iii) it shall be assumed that all participants will retire or terminate employment with the Corporation as soon as practicable after the occurrence of the Potential Change in Control.

(b) For the purposes of this Plan, "Potential Change in Control" means:

(i) the Corporation enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Corporation;

(ii) any person (including the Corporation) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Corporation;

(iii) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation (or a Corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation), who is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing nine and one-half percent (9.5%) or more of the combined voting power of the Corporation's then outstanding securities, increases his beneficial ownership of such securities by five percent (5%) or more over the percentage so owned by such person; or

(iv) the Board of Directors of the Corporation adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control of the Corporation has occurred.

VIII ELECTION OF FORM OF PAYMENT

A participant under this Plan may make an election, on a form supplied by the Committee, to receive all, none, or a specified portion of his benefits under this Plan in a lump sum and to receive any balance of such benefits in the form of an annuity (an "Election"); provided, that any such Election shall be effective for purposes of this Plan only if (i) such participant remains in the employment of the Corporation or an Affiliate (as defined under Section XI below), as the case may be, for the full twelve (12) calendar months immediately following the Election Date of such Election, except in the case of such participant's death or disability, as provided below, and (ii) such participant complies with the administrative procedures set forth by the Committee with respect to the making of the Election. A participant making such Election shall be subject to the provisions of Section XI of this Plan.

A participant may elect a payment form different than the payment form previously elected by him under this Section VIII by filing a revised election form; provided, that any such new Election shall be effective only if the conditions in clauses (i) and (ii) of the immediately preceding paragraph are satisfied with respect to such new Election. Any prior Election made by a participant that has satisfied such conditions remains effective for purposes of this Plan until such participant has made a new Election that satisfies such conditions.

A participant making an election under this Section VIII may specify the portion of his benefits under this Plan to be received in a lump sum as follows:

zero percent (0%), twenty five percent (25%), fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%).

In the event a participant who has made an Election dies or becomes "totally disabled" (as defined in and for purposes of the long term disability plan of the Corporation as in effect from time to time) while employed by the Corporation or an Affiliate and such death or total disability occurs during the twelve (12) calendar month period immediately following the Election Date of such Election, the condition that such participant remain employed with the Corporation or an Affiliate (as defined in Section XI) for such twelve (12) month period shall be deemed to be satisfied and such Election shall be effective with respect to benefits payable to such participant or participant's beneficiaries under this Plan.

The amount of any portion of the benefits payable as a lump sum under this Section VIII will equal the present value of such portion of such benefits, and the present value shall be determined (i) based on a discount rate equal to the average of eighty-five percent (85%) of the fifteen (15) year non-callable U.S. Treasury bond yields as of the close of business on the last business day of each of the three (3) months immediately preceding the date the annuity value is determined and (ii) using the 1983 Group Annuity Mortality Table.

"Election Date" for purposes of this Plan means the date that a properly completed election form with respect to an Election or Special Election (as defined in Section X below) is received by the Corporate Assistant Treasurer of the Corporation.

IX SPECIAL ELECTION OF FORM OF PAYMENT

Any Participant who, as of the Effective Time, had made a valid Special Election in accordance with the procedures set forth in Section X of the Pension Benefit Equalization Plan of The Dun and Bradstreet Corporation, will be entitled to receive all, none, or his or her specified percentages of his or her Retirement Benefit under the Plan in a lump sum and to receive the balance of such Retirement Benefit in the form of an annuity. (A list of such Participants is annexed hereto as Schedule A.) The amount of any portion of a Participant's or a Vested Former Participant's Retirement Benefit payable as a lump sum under this Section 4.6 will equal the present value of such portion of the Retirement Benefit, and such present value shall be determined (A) based on a discount rate equal to the average of eighty-five percent (85%) of the fifteen (15) year non-callable U.S. Treasury bond yields as of the close of business on the last business day of each of the three (3) months immediately preceding the date the annuity value is determined, and (B) using the 1993 Group Annuity Mortality Table.

In the event a participant who has made a Special Election dies or becomes "totally disabled" (as defined in the long term disability plan of the Corporation as in effect from time to time) while employed by the Corporation or an Affiliate (as defined in Section XI below) and such death or total disability occurs during the one (1) calendar month period immediately following the Election Date of such Special Election, the participant shall, for purposes of this Section IX, be deemed to have been employed with the Corporation or an Affiliate (as defined in Section XI below), as the case may be, for such one (1) calendar month period, and such Special Election shall be effective with respect to benefits payable to such participant or participant's beneficiaries under this Plan.

The amount of any portion of the benefits payable as a lump sum under this Section IX will equal the present value of such portion of such benefits, and the present value shall be

determined (i) based on a discount rate equal to the average of eighty-five percent (85%) of the fifteen (15) year non-callable U.S. Treasury bond yields as of the close of business on the last business day of each of the three (3) months immediately preceding the date the annuity value is determined and (ii) using the 1983 Group Annuity Mortality Table.

X INDEMNIFICATION

Subject to certain conditions as provided below, the Corporation shall indemnify each participant or beneficiary who receives any benefits under this Plan in the form of an annuity for any interest and penalties that may be assessed by the U.S. Internal Revenue Service (the "Service") with respect to U.S. federal income tax on such benefits (payable under the Plan in the form of an annuity) upon final settlement or judgment with respect to any such assessment in favor of the Service, provided the basis for the assessment is that the amendment of this Plan to provide for the Election or the Special Election causes the participant or the beneficiary, as the case may be, to be treated as being in constructive receipt of such benefits prior to the time when such benefits are actually payable under the Plan.

In case any such assessment shall be made against a participant or beneficiary, such participant or beneficiary, as the case may be (the "indemnified party"), shall promptly notify the Corporation's Treasurer in writing, and the Corporation, upon request of such indemnified party, shall select and retain an accountant or legal counsel reasonably satisfactory to the indemnified party to represent the indemnified party in connection with such assessment and shall pay the fees and expenses of such accountant or legal counsel related to such representation, and the Corporation shall have the right to determine how and when such assessment by the Service should be settled, litigated or appealed. In connection with any such assessment, any indemnified party shall have the right to retain his own accountant or legal counsel, but the fees and expenses of such accountant or legal counsel shall be at the expense of such indemnified party unless the Corporation and the indemnified party shall have mutually agreed to the retention of such accountant or legal counsel.

The Corporation shall not be liable to a participant or beneficiary for any payments under this Section X with respect to any assessment described in the second preceding paragraph if such participant or beneficiary against whom such assessment is made has not notified or allowed the Corporation to participate with respect to such assessment in the manner described above or, following demand by the Corporation, has not made the deposit to avoid additional interest or penalties as described below, or has agreed to, or otherwise settled with the Service with respect to, such assessment without the Corporation's written consent, provided, however, (i) if such assessment is settled with such consent or if there is a final judgment for the Service, (ii) the Corporation has been notified and allowed to participate in the manner as provided above, and (iii) such participant or beneficiary has made any required deposit to avoid additional interest or penalties as described below, the Corporation agrees to indemnify the indemnified party to the extent set forth in this Section X.

In the event a final settlement or judgment with respect to an assessment as described under this Section X has been made against a participant or beneficiary, such participant or beneficiary may elect to receive a portion or all of his benefits that is otherwise payable as an annuity under the Plan in the form of a lump sum in accordance with procedures as the

Committee may set forth, and such lump sum distribution will be made as soon as practicable after any such election. At the time such assessment is made against such participant or beneficiary (the "assessed party") and prior to any final settlement or judgement with respect to such assessment, if so directed by the Corporation, such assessed party shall, as a condition to receiving an indemnity under this Section X, as soon as practicable after notification of such assessment make a deposit with the Service to avoid any additional interest or penalties with respect to such assessment and, upon the request of such assessed party, the Corporation shall lend, or arrange for the lending to, such assessed party a portion of his remaining benefit under the Plan, not to exceed the lump sum value of such benefit under the Plan, determined using the actuarial assumptions set forth in Section VIII, solely for purposes of providing the assessed party with funds to make a deposit with the Service to avoid any additional interest or penalties with respect to such assessment.

XI LIMITATIONS ON PAYMENT OF BENEFITS

If a participant under this Plan has, at any time, made an Election or a Special Election to have all or a portion of the benefits under this Plan distributed in a lump sum, such participant shall be subject to this Section XI.

(a) Notwithstanding any other provision of this Plan to the contrary, no benefits or further benefits, as the case may be, shall be paid to a participant who is subject to this Section XI, if the Committee reasonably determines that such participant has:

(i) To the detriment of the Corporation or any Affiliate, directly or indirectly acquired, without the prior written consent of the Committee, an interest in any other company, firm, association, or organization (other than an investment interest of less than one percent (1%) in a publicly-owned company or organization), the business of which is in direct competition with the business (present or future) of the Corporation or any of its Affiliates;

(ii) To the detriment of the Corporation or any Affiliate, directly or indirectly competed with the Corporation or any Affiliate as an owner, employee, partner, director or contractor of a business, in a field of business activity in which the participant has been primarily engaged on behalf of the Corporation or any Affiliate or in which he has considerable knowledge as a result of his employment by the Corporation or any Affiliate, either for his own benefit or with any person other than the Corporation or any Affiliate, without the prior written consent of the Committee; or

(iii) Been discharged from employment with the Corporation or any Affiliate for "Cause."

An "Affiliate" for purposes of this Plan means any corporation, partnership, division or other organization controlling, controlled by or under common control with the Corporation or any joint venture entered into by the Corporation.

(b) "Cause" for purposes of this Section XI shall include the occurrence of any of the following events or such other dishonest or disloyal act or omission as the Committee determines to be "cause":

(i) The participant has misappropriated any funds or property of the Corporation or any Affiliate;

(ii) The participant has, without the prior knowledge or written consent of the Committee, obtained personal profit as a result of any transaction by a third party with the Corporation or any Affiliate; or

(iii) The participant has sold or otherwise imparted to any person, firm, or corporation the names of the customers of the Corporation or any Affiliate or any confidential records, data, formulae, specifications and other trade secrets or other information of value to the Corporation or any Affiliate derived by his or her association with the Corporation or any Affiliate.

In any case described in this Section XI, the participant shall be given prior written notice that no benefits or no further benefits, as the case may be, will be paid to such participant. Such written notice shall specify the particular act(s), or failures to act, on the basis of which the decision to terminate his benefits has been made.

Notwithstanding any other provision of this Plan to the contrary, a participant who receives in a lump sum any portion of his benefits under this Plan pursuant to an Election or Special Election shall receive such lump sum portion of his benefits subject to the condition that if such participant engages in any of the acts described in clause (i) or (ii) of this Section XI, then such participant shall, within sixty (60) days after written notice by the Corporation, repay to the Corporation the amount described in the immediately following sentence. The amount to be repaid shall equal the amount, as determined by the Committee, of the participant's lump sum benefit paid under this Plan to which such participant would not have been entitled, if such lump sum benefit had instead been payable in the form of an annuity under this Plan and such annuity payments were subject to the provisions of this Section XI.

XII MISCELLANEOUS

This Plan may be terminated at any time by the Board, in which event the rights of participants to their accrued benefits shall become nonforfeitable. This Plan may also be amended at any time by the Board, except that no such amendment shall deprive any participant of his benefits accrued at the time of such amendment.

No right to payment or any other interest under this Plan may be alienated, sold, transferred, pledged, assigned, or made subject to attachment, execution, or levy of any kind.

Nothing in this Plan shall be construed as giving any employee the right to be retained in the employ of the Corporation. The Corporation expressly reserves the right to dismiss any employee at any time without regard to the effect which such dismissal might have upon him under the Plan.

This Plan shall be construed, administered and enforced according to the laws of the State of New York.

XIII EFFECTIVE DATE

This Plan shall be effective as of September 30, 2000, upon its adoption by the Board of Directors of Moody's Corporation.

Exhibit 10.10

**SUPPLEMENTAL EXECUTIVE BENEFIT PLAN
OF
MOODY'S CORPORATION**

PREAMBLE

The principal purpose of this Supplemental Executive Benefit Plan is to ensure the payment of a competitive level of retirement income and disability benefits in order to attract, retain and motivate selected executives of the Corporation and its affiliated companies.

SECTION 1 DEFINITIONS

1.01. "Affiliate" means any corporation, partnership, division or other organization controlling, controlled by or under common control with the Corporation or any joint venture entered into by the Corporation.

1.02. "Average Final Compensation" means the greater of (a) a Participant's or Vested Former Participant's average final compensation as defined in the Moody's Corporation Retirement Account as if no provision were set forth therein incorporating limitations imposed by Sections 401 or 415 or any other applicable Section of the Code, or (b) if the Participant is disabled at the time of his Retirement, the Participant's Basic Earnings. For purposes of (a), Average Final Compensation will not include an employee's compensation while the employee is a Vested Former Participant or a Former Participant and will include compensation from the date of the Participant's employment with the Corporation or an Affiliate.

1.03. "Basic Disability Plan" means as to any Participant either (a) the long-term disability plan of the Corporation or an Affiliate pursuant to which long-term disability benefits are payable to such Participant or (b) if the Affiliate which employs such Participant has not adopted a long-term disability plan, the long-term disability plan of the Corporation.

1.04. "Basic Disability Plan Benefit" means the amount of benefits actually payable to a Participant from the Basic Disability Plan or which would be payable if the Participant were a member of such Plan. For purposes of determining a Participant's Basic Disability Plan Benefit, a disability benefit shall not be treated as actually payable to a Participant unless the Participant is actually covered by a long-term disability plan of the Corporation or an Affiliate.

1.05. "Basic Earnings" means the total amount paid by the Corporation or any Affiliate to a Participant in the twelve (12) months immediately preceding the onset of the Participant's disability, (a) including salary, wages, regular cash bonuses and commissions, lump sum payments in lieu of foregone merit increases, "bonus buyouts" as the result of job changes, and any portion of such amounts (i) voluntarily deferred or reduced by the Participant under any employee benefit plan of the Corporation or any Affiliate available to all levels of Employees of the Corporation and/or any Affiliate(s) on a non-discriminatory basis upon satisfaction of eligibility requirements or (ii) voluntarily deferred or reduced under any executive deferral plan

of the Corporation or any Affiliate (so long as such amounts would otherwise not have been excluded had they not been deferred), but (b) excluding any pension, retainers, severance pay, special stay-on bonus payments, income derived from stock options, stock appreciation rights and restricted stock awards and dispositions of stock acquired thereunder, payments dependent upon any contingency after the period of Credited Service and other special remuneration (including performance units).

1.06. "Basic Plan" means, as to any Participant or Vested Former Participant, the defined benefit pension plan of the Corporation or an Affiliate, which is intended to meet the requirements of Section 401(a) of the Code and pursuant to which retirement benefits are payable to such Participant or Vested Former Participant or to the Surviving Spouse or designated beneficiary of a deceased Participant or Vested Former Participant.

1.07. "Basic Plan Benefit" means the amount of benefits payable from the Basic Plan to a Participant or Vested Former Participant.

1.08. "Board" means the Board of Directors of Moody's Corporation.

1.09. "Change in Control" means:

(a) Any "person," as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Corporation, any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, or any Corporation owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding securities;

(b) during any period of twenty-four (24) months (not including any period prior to the effective date of this provision), individuals who at the beginning of such period constitute the Board, and any new director (other than (i) a director designated by a person who has entered into an agreement with the Corporation to effect a transaction described in clause

(a), (c) or (d) of this Section), (ii) a director designated by any Person (including the Corporation) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control, or (iii) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Corporation representing ten percent (10%) or more of the combined voting power of the Corporation's securities) whose election by the Board or nomination for election by the Corporation's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

(c) the shareholders of the Corporation approve a merger or consolidation of the Corporation with any other company, other than (i) a merger or consolidation which

would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation and (ii) after which no Person holds twenty percent (20%) or more of the combined voting power of the then outstanding securities of the Corporation or such surviving entity; or

(d) the shareholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets.

1.10. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.11. "Committee" means the Compensation and Benefits Committee of the Board.

1.12. "Corporation" means Moody's Corporation, a Delaware corporation, and any successor or assigns thereto.

1.13. "Credited Service" means a Participant's, Former Participant's or Vested Former Participant's Credited Service as defined in the Moody's Corporation Retirement Account, except that Credited Service will include service while the Participant is receiving Disability Benefits and service from the date the Participant, Former Participant or Vested Former Participant was employed by the Corporation or an Affiliate, but will not include service while an employee is a Former Participant or Vested Former Participant. In the case of an acquired company, however, the Participant's, Former Participant's or Vested Former Participant's service with that company prior to the date of acquisition will not be counted unless such service is recognized for benefit accrual purposes under the relevant Basic Plan.

1.14. "Disability Benefit" means the benefits provided to Participants and Vested Former Participants pursuant to Section 5 of the Plan.

1.15. "Effective Date" means September 30, 2000.

1.16. "Election" means an election as to the form of benefit payment made pursuant to Section 4.5 of the Plan.

1.17. "Election Date" means the date that a properly completed election form with respect to an Election or a Special Election is received by the Corporation's Treasurer.

1.18. "Former Participant" means an employee who has not completed five (5) or more years of Credited Service at the time his employment with the Corporation or an Affiliate terminates or at the time he was removed, upon written notice by the Chief Executive Officer of the Corporation and with the approval of the Committee, from further participation in the Plan.

1.19. "Other Disability Income" means (a) the disability insurance benefit that the Participant is entitled to receive under the Federal Social Security Act while he is receiving the

Basic Disability Plan Benefit and (b) the disability income payable to a Participant from the following sources:

(i) any supplemental executive disability plan of any Affiliate; and

(ii) any other contract, agreement or other arrangement with the Corporation or an Affiliate (excluding any Basic Disability Plan) to the extent it provides disability benefits.

1.20. "Other Retirement Income" means (a)(i) the Social Security retirement benefit that the Participant or Vested Former Participant is entitled to receive under the Federal Social Security Act as of the date of his Retirement or (ii) if the Participant or Vested Former Participant is not eligible to receive a Social Security retirement benefit commencing on such date, the Social Security retirement benefit he is entitled to receive at the earliest age he is eligible to receive such a benefit, discounted to the date his Benefit under the Plan actually commences, using the actuarial assumptions then in use under the relevant Basic Plan, assuming for purposes of (i) and (ii) above that for years prior to the Participant's employment with the Corporation and for years following the Participant's termination of employment with the Corporation up until the Participant attains age sixty-two (62), the Participant earned compensation so as to accrue the maximum Social Security benefits, and (b) the retirement income payable to a Participant or Vested Former Participant from the following sources:

(a) any retirement benefits equalization plan of the Corporation or an Affiliate or any former Affiliate, the purpose of which is to provide the Participant or Vested Former Participant with the benefits he is precluded from receiving under any relevant Basic Plan as a result of limitations under the Internal Revenue Code; and

(b) any supplemental executive retirement plan of any Affiliate; and

(c) any other contract, agreement or other arrangement with the Corporation or an Affiliate or any former Affiliate (excluding any Basic Plan and any defined contribution plan intended to meet the requirements of Section 401(a) of the Code) to the extent it provides retirement or pension benefits.

1.21. "Participant" means an employee of the Corporation or an Affiliate who becomes a participant in the Plan pursuant to Section 2 and has not been removed pursuant to Section 2.2.

1.22. "Plan" means this Supplemental Executive Benefit Plan of Moody's Corporation, as amended from time to time.

1.23. "Potential Change in Control" means:

(a) the Corporation enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Corporation;

(b) any person (including the Corporation) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Corporation;

(c) any person, other than a trustee or their fiduciary holding securities under an employee benefit plan of the Corporation (or a Corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation), who is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing nine and one half percent (9.5%) or more of the combined voting power of the Corporation's then outstanding securities, increases his beneficial ownership of such securities by five percent (5%) or more over the percentage so owned by such person; or

(d) the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control of the Corporation has occurred.

1.24. "Retirement" means the termination, other than at death, of a Participant's or Vested Former Participant's employment with the Corporation or an Affiliate (a) after reaching age fifty-five (55) and completing ten (10) years of Vesting Service, or (b) immediately following the cessation of the payment of Disability Benefits under the Plan to such Participant or Vested Former Participant while he is still disabled, as such term is defined under the Basic Disability Plan.

1.25. "Retirement Benefit" means the benefits provided to Participants and Vested Former Participants pursuant to Section 4 of the Plan.

1.26. "Special Election" means an election as to the form of benefit payment made pursuant to Section 4.6 of the Plan.

1.27. "Surviving Spouse" means the spouse of a deceased Participant or Vested Former Participant to whom such Participant or Vested Former Participant is legally married immediately preceding such Participant or Vested Former Participant's death.

1.28. "Surviving Spouse's Benefits" mean the benefits provided to a Participant's or Vested Former Participant's Surviving Spouse pursuant to Section 6 of the Plan.

1.29. "Vested Former Participant" means an employee who completed five (5) or more years of Credited Service at the time his employment with the Corporation or an Affiliate terminated or at the time he was removed, upon written notice by the Chief Executive Officer of the Corporation and with the approval of the Committee, from further participation in the Plan.

1.30. The masculine gender, where appearing in the Plan, will be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary.

SECTION 2 ELIGIBILITY AND PARTICIPATION

2.01. All key management employees of the Corporation and its Affiliates who are responsible for the management, growth or protection of the business of the Corporation and its Affiliates, who are designated by the Chief Executive Officer of the Corporation in writing, are

eligible, upon approval by the Committee, for participation in the Plan as of the effective date of such designation.

2.02. A Participant's participation in the Plan shall terminate upon termination of his or her employment. Prior to termination of employment, a Participant may be removed, upon written notice by the Chief Executive Officer of the Corporation and with the approval of the Committee, from further participation in the Plan. As of the date of termination or removal, no further benefits shall accrue to such individual.

SECTION 3 ELIGIBILITY FOR BENEFITS

3.01. Each Participant or Vested Former Participant is eligible for an annual Retirement Benefit under this Plan upon Retirement, or upon termination of employment with the Corporation before Retirement after completing five (5) or more years of Credited Service.

3.02. Each Participant is eligible to commence receiving a Disability Benefit under this Plan upon the actual or deemed commencement of benefits under the relevant Basic Disability Plan. Notwithstanding the above, a Participant may not receive a Disability Benefit if he has not previously enrolled for the maximum disability insurance coverage available under the relevant Basic Disability Plan.

3.03. Notwithstanding any other provision of the Plan to the contrary, no benefits or no further benefits, as the case may be, shall be paid to a Participant, Vested Former Participant or Surviving Spouse if the Committee reasonably determines that such Participant or Vested Former Participant has:

(a) to the detriment of the Corporation or any Affiliate, directly or indirectly acquired, without the prior written consent of the Committee, an interest in any other company, firm, association, or organization (other than an investment interest of less than one percent (1%) in a publicly-owned company or organization), the business of which is in direct competition with any business of the Corporation or an Affiliate;

(b) to the detriment of the Corporation or any Affiliate, directly or indirectly competed with the Corporation or any Affiliate as an owner, employee, partner, director or contractor of a business, in a field of business activity in which the Participant or Vested Former Participant has been primarily engaged on behalf of the Corporation or any Affiliate or in which he has considerable knowledge as a result of his employment by the Corporation or any Affiliate, either for his own benefit or with any person other than the Corporation or any Affiliate, without the prior written consent of the Committee; or

(c) been discharged from employment with the Corporation or any Affiliate for "Cause". "Cause" shall include the occurrence of any of the following events or such other dishonest or disloyal act or omission as the Committee reasonably determines to be "cause":

(i) the Participant or Vested Former Participant has misappropriated any funds or property of the Corporation or any Affiliate or committed any other

act of willful malfeasance or willful misconduct in connection with his or her employment;

(ii) the Participant or Vested Former Participant has, without the prior knowledge or written consent of the Committee, obtained personal profit as a result of any transaction by a third party with the Corporation or any Affiliate;

(iii) the Participant or Vested Former Participant has sold or otherwise imparted to any person, firm, or corporation the names of the customers of the Corporation or any Affiliate or any confidential records, data, formulae, specifications and other trade secrets or other information of value to the Corporation or any Affiliate derived by his or her association with the Corporation or any Affiliate;

(iv) the Participant or Vested Former Participant fails, on a continuing basis, to perform such duties as are requested by any employee to whom the Participant or Vested Former Participant reports or the Board; or

(v) the Participant or Vested Former Participant commits any felony or any misdemeanor involving moral turpitude.

In any case described in this Section 3.3, the Participant, Vested Former Participant or Surviving Spouse shall be given prior written notice that no benefits or no further benefits, as the case may be, will be paid to such Participant, Vested Former Participant or Surviving Spouse. Such written notice shall specify the particular act(s), or failures to act, on the basis of which the decision to terminate benefits has been made.

3.04. (a) Notwithstanding any other provision of the Plan to the contrary, a Participant or Vested Former Participant who receives in a lump sum any portion of his Retirement Benefit pursuant to an Election or Special Election shall receive such lump sum portion of his Retirement Benefit subject to the condition that if such Participant or Vested Former Participant engages in any of the acts described in clause (i) or (ii) of Section 3.3(c), then such Participant or Vested Former Participant shall, within sixty (60) days after written notice by the Corporation, repay to the Corporation the amount described in Section 3.4(b).

(b) The amount described under this Section 3.4(b) shall equal the amount, as determined by the Committee, of the Participant's or Vested Former Participant's lump sum benefit paid under this Plan to which such Participant or Vested Former Participant would not have been entitled, if such lump sum benefit had instead been payable in the form of an annuity under this Plan and such annuity payments were subject to the provisions of Section 3.3.

SECTION 4 AMOUNT AND FORM OF RETIREMENT BENEFITS

4.01. The Retirement Benefit provided by the Plan is designed to provide each Participant and Vested Former Participant with an annual pension from the Plan and certain other sources equal to his Retirement Benefit as hereinafter specified. Thus, the Retirement Benefits

described hereunder as payable to Participants and Vested Former Participants will be offset by retirement benefits payable from sources outside the Plan as specified herein.

4.02. (a) The Retirement Benefit of a Participant or Vested Former Participant upon Retirement shall be an annual benefit equal to forty percent (40%) of his Average Final Compensation with respect to his first ten (10) years of credited service, plus two percent (2%) of Average Final Compensation for each year of Credited Service in excess of ten (10) years of Credited Service, but not to exceed twenty (20) years of Credited Service, offset by his Other Retirement Income and his Basic Plan Benefit. A full month is credited for each completed and partial month of Credited Service. If such a Participant or Vested Former Participant retires before age sixty (60) without the Corporation's consent, his Retirement Benefit shall be reduced by three percent (3%) for each year or fraction thereof that Retirement commenced prior to reaching age sixty (60).

(b) Any portion of the Retirement Benefit provided under this

Section 4.2 payable in the form of an annuity pursuant to Section 4.4 shall be payable in monthly installments and will commence on the first day of the calendar month coinciding with or next following the day the Participant or Vested Former Participant retires, and any portion of such Retirement Benefit payable in a lump sum pursuant to Section 4.4 shall be paid on the date that is sixty (60) days after the date when annuity payments under this Section 4.2 commence, or would commence if any portion of the Retirement Benefit were payable in the form of an annuity, or as soon as practicable thereafter, provided the Committee has approved any such lump sum payments.

4.03. (a) Subject to Section 4.3(c), the Retirement Benefit of a Participant or Vested Former Participant who terminates employment with the Corporation with five (5) or more years of Credited Service before he is eligible to retire under the relevant Basic Plan shall be an annual benefit equal to twenty percent (20%) of his Average Final Compensation with respect to his first five (5) years of Credited Service, plus four percent (4%) of Average Final Compensation for each additional year of Credited Service between six (6) and ten (10) years of Credited Service, plus two percent (2%) of Average Final Compensation for each additional year of Credited Service from eleven (11) to twenty (20) years, offset by his Other Retirement Income and his Basic Plan Benefit; a full month is credited for each completed and partial month of Credited Service.

(b) Any portion of the Retirement Benefit provided under this

Section 4.3 payable in the form of an annuity pursuant to Section 4.4 shall be payable in monthly installments and will commence on the first day of the calendar month coinciding with or next following the day the Participant or Vested Former Participant reaches age fifty-five (55) or the date of his termination, if later, and any portion of such Retirement Benefit payable in a lump sum pursuant to Section 4.4 shall be paid on the date that is sixty (60) days after the date when annuity payments under this Section 4.3 commence, or would commence if any portion of the Retirement Benefit were payable in the form of an annuity, or as soon as practicable thereafter, provided the Committee has approved any such lump sum payments.

(c) If a Participant or Vested Former Participant terminates employment with the Corporation without the Corporation's consent, and the payment of his Retirement

Benefit commences, or would commence if it were payable in the form of an annuity, before he reaches age sixty (60), his Retirement Benefit shall be reduced by ten percent (10%) for each year or fraction thereof that the payment of his Retirement Benefit commences, or would commence if it were payable in the form of an annuity, prior to his reaching age sixty (60).

4.04. (a) Except as provided under Section 4.4(b) or Section 4.4(c), a Retirement Benefit under this Plan shall be payable to a Participant or Vested Former Participant in the form of a straight life annuity and without regard to any optional form of benefits elected under the Basic Plan.

(b) If a Participant or a Vested Former Participant makes an Election while he is a Participant pursuant to Section 4.5 or a Special Election pursuant to Section 4.6 and such Election or Special Election becomes effective (i) prior to the date such Participant or such Vested Former Participant retires or terminates employment with the Corporation or an Affiliate and (ii) while he was still a Participant, a Retirement Benefit under this Plan shall be payable to such Participant or such Vested Former Participant in the form or combination of forms of payment elected pursuant to such Election or Special Election under Section 4.5 or Section 4.6, as the case may be, and without regard to any optional form of benefit elected under the Basic Plan. Any lump sum distribution of a Participant's or Vested Former Participant's Retirement Benefit under the Plan shall fully satisfy all present and future Plan liability with respect to such Participant or Vested Former Participant for such portion or all of such Retirement Benefit so distributed.

(c) Notwithstanding any Election or Special Election made under Section 4.5 or 4.6, if the lump sum value, determined in the same manner as provided under Section 4.5(a), of a Participant's or Vested Former Participant's Retirement Benefit is Ten Thousand Dollars (\$10,000) or less at the time such Retirement Benefit is payable under this Plan, such benefit shall be payable as a lump sum.

(d) If the Retirement Benefit under this Plan is payable to a Participant or Vested Former Participant in a different form and/or at a different time than his Other Retirement Income or his Basic Plan Benefits, the offset provided in this Plan for such Participant's or Vested Former Participant's Other Retirement Income and Basic Plan Benefit shall be converted, using actuarial assumptions that are reasonable and appropriate and in accordance with applicable law at the time the benefit under this Plan is determined, to the extent required as follows, but solely for purposes of calculating the amount of such offset:

(i) a percentage of the benefits to be offset equal to the percentage of such Participant's or Vested Former Participant's benefits payable in the form of an annuity under this Plan shall be actuarially converted to the extent required into the form of a straight life annuity, commencing at the time such benefits payable under this Plan commence or on the date such Participant or Vested Former Participant would first become eligible for the payment of such benefits under this Plan, if earlier; and

(ii) the balance, if any, of the benefits to be offset shall be actuarially converted to a lump sum payment payable on the date which is sixty (60) days after the date described in Section 4.4(d)(i).

4.05. (a) A Participant may elect, on a form supplied by the Committee, to receive all, none, or a specified portion, as provided in Section 4.5 (c), of his Retirement Benefit under the Plan in a lump sum and to receive any balance of such Retirement Benefit in the form of an annuity; provided, that any such Election shall be effective for purposes of this Plan only if the conditions of Section 4.5(b) are satisfied. A Participant may elect a payment form different than the payment form previously elected by him under this Section 4.5(a) by filing a revised election form; provided, that any such new Election shall be effective only if the conditions of Section 4.5(b) are satisfied with respect to such new Election. Any prior Election made by a Participant that has satisfied the conditions of Section 4.5(b) remains effective for purposes of the Plan until such Participant has made a new Election satisfying the conditions of Section 4.5(b). The amount of any portion of a Participant's or a Vested Former Participant's Retirement Benefit payable as a lump sum under this Section 4.5 will equal the present value of such portion of the Retirement Benefit, and such present value shall be determined (i) based on a discount rate equal to eighty-five percent (85%) of the average of the fifteen (15) year non-callable U.S. Treasury bond yields as of the close of business on the last business day of each of the three months immediately preceding the date the annuity value is determined and (ii) using the 1983 Group Annuity Mortality Table.

(b) A Participant's Election under Section 4.5(a) becomes effective only if the following conditions are satisfied: (i) such Participant remains in the employment of the Corporation or an Affiliate, as the case may be, for the full twelve (12) calendar months immediately following the Election Date of such Election, except in case of death or disability of such Participant as provided in Section 4.5(d), and (ii) such Participant complies with the administrative procedures set forth by the Committee with respect to the making of the Election.

(c) A Participant making an election under Section 4.5(a) may specify the portion of his Retirement Benefit under the Plan to be received in a lump sum as follows: zero percent (0%), twenty-five percent (25%), fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%).

(d) In the event a Participant who has made an Election pursuant to Section 4.5(a) dies or becomes totally and permanently disabled for purposes of the relevant Basic Disability Plan while employed by the Corporation or an Affiliate and such death or total and permanent disability occurs during the twelve (12) calendar month period, as described under Section 4.5(b)(i), immediately following the Election Date of such Election, the condition under Section 4.5(b)(i) shall be deemed satisfied with respect to such Participant.

4.06. Any Participant who, as of the Effective Time, had made a valid Special Election in accordance with the procedures set forth in Section 4.6(a) of the Supplemental Executive Benefit Plan of The Dun and Bradstreet Corporation, will be entitled to receive all, none, or his or her specified percentages or his or her Retirement Benefit under the Plan in a lump sum and to receive the balance of such Retirement Benefit in the form of an annuity. (A list of such

Participants is annexed hereto as Schedule A.) The amount of any portion of a Participant's or a Vested Former Participant's Retirement Benefit payable as a lump sum under this Section 4.6 will equal the present value of such portion of the Retirement Benefit, and such present value shall be determined (A) based on a discount rate equal to the average of eighty-five percent (85%) of the fifteen (15) year non-callable U.S. Treasury bond yields as of the close of business on the last business day of each of the three (3) months immediately preceding the date the annuity value is determined, and (B) using the 1993 Group Annuity Mortality Table.

4.07. Subject to Section 3.1, Section 3.3, Section 3.4 and the foregoing limitations of this Section 4, the Retirement Benefit of each Participant and Vested Former Participant under the Plan shall at all times be one hundred percent (100%) vested and nonforfeitable.

4.08. (a) Subject to Section 4.8(c), the Corporation shall indemnify each Participant, Vested Former Participant and Surviving Spouse who receives any portion of a Retirement Benefit or Surviving Spouse's Benefit under this Plan in the form of an annuity for any interest and penalties that may be assessed by the U.S. Internal Revenue Service (the "IRS") with respect to U.S. federal income tax on such benefits (payable under the Plan in the form of an annuity) upon final settlement or judgment with respect to any such assessment in favor of the IRS, provided the basis for the assessment is that the amendment of the Plan to provide for the Election or the Special Election causes the Participant, Vested Former Participant or Surviving Spouse, as the case may be, to be treated as being in constructive receipt of such benefits prior to the time when such benefits are actually payable under the Plan.

(b) In case any assessment shall be made against a Participant, Vested Former Participant or Surviving Spouse as described in Section 4.8(a), such Participant, Vested Former Participant or Surviving Spouse, as the case may be (the "indemnified party"), shall promptly notify the Corporation's Treasurer in writing and the Corporation, upon request of such indemnified party, shall select and retain an accountant or legal counsel reasonably satisfactory to the indemnified party to represent the indemnified party in connection with such assessment and shall pay the fees and expenses of such an accountant or legal counsel related to such representation, and the Corporation shall have the right to determine how and when such assessment by the IRS should be settled, litigated or appealed. In connection with any such assessment, any indemnified party shall have the right to retain his own accountant or legal counsel, but the fees and expenses of such accountant or legal counsel shall be at the expense of such indemnified party unless the Corporation and the indemnified party shall have mutually agreed to the retention of such accountant or legal counsel.

(c) The Corporation shall not be liable for any payments under this Section 4.8 with respect to any assessment described in Section 4.8(a) if a Participant, Vested Former Participant or Surviving Spouse against whom such assessment is made has not promptly notified or allowed the Corporation to participate with respect to such assessment in the manner described in Section 4.8(b) or, following demand by the Corporation, has not made the deposit to avoid additional interest or penalties as described in Section 4.8(d) or has agreed to, or otherwise settled with the IRS with respect to, such assessment without the Corporation's written consent; provided, however, if (i) such assessment is settled with such consent or if there is a final judgment

for the IRS, (ii) the Corporation has been notified and allowed to participate in the manner as provided in Section 4.8(b), and (iii) such Participant, Vested Former Participant or Surviving Spouse has made any required deposit to avoid additional interest or penalty as described in Section 4.8(d), the Corporation agrees to indemnify the indemnified party to the extent set forth in this Section 4.8.

(d) In the event a final settlement or judgment with respect to an assessment as described under Section 4.8 has been made against a Participant, Vested Former Participant or Surviving Spouse, such Participant, Vested Former Participant or Surviving Spouse may elect to receive a portion or all of his Retirement Benefit or Surviving Spouse's Benefit that is otherwise payable as an annuity under the Plan in the form of a lump sum in accordance with procedures as the Committee may set forth, and such lump sum distribution will be made as soon as practicable after any such election. At the time such assessment is made against such Participant, Vested Former Participant or Surviving Spouse (the "assessed party") and prior to any final settlement or judgment with respect to such assessment, if so directed by the Corporation, such assessed party shall, as a condition to receiving any indemnity under this Section 4.8, as soon as practicable after notification of such assessment make a deposit with the IRS to avoid any additional interest or penalties with respect to such assessment and, upon the request of such assessed party, the Corporation shall lend, or arrange for the lending to, such assessed party a portion of his remaining Retirement Benefit or Surviving Spouse's Benefit under the Plan, not to exceed the lump sum value of such benefit under the Plan, determined using the actuarial assumptions set forth in Section 4.5(a), solely for purposes of providing the assessed party with funds to make a deposit with the IRS to avoid any additional interest or penalties with respect to such assessment.

SECTION 5 DISABILITY BENEFITS

5.01. The Disability Benefit provided by the Plan is designed to provide each Participant with a disability benefit from the Plan and certain other sources equal to his Disability Benefit as hereinafter specified. Thus, Disability Benefits described hereunder as payable to Participants will be offset by disability benefits payable from sources outside the Plan (other than benefits payable under the relevant Basic Disability Plan) as specified herein.

5.02. In the event that a Participant has become totally and permanently disabled for the purposes of the relevant Basic Disability Plan, an annual Disability Benefit shall be payable in monthly installments under this Plan during the same period as disability benefits are actually or deemed paid by the relevant Basic Disability Plan, in an amount equal to sixty percent (60%) of the Participant's Basic Earnings. Such Disability Benefit shall be offset by the Participant's Other Disability Income, if any. A Participant's Disability Benefits shall also be offset by the Participant's Basic Plan Benefit, if the Participant's Basic Disability Plan Benefit does not already include such an offset.

SECTION 6 SURVIVING SPOUSE'S BENEFITS

- 6.01. Upon the death of a Participant or Vested Former Participant, while employed by the Corporation or an Affiliate, who has completed at least ten (10) years of Credited Service with the Corporation or an Affiliate and has attained age fifty-five (55), his Surviving Spouse will be entitled to a Surviving Spouse's Benefit under this Plan equal to fifty percent (50%) of the Retirement Benefit that would have been provided from the Plan had the Participant or Vested Former Participant retired from the Corporation or an Affiliate with the Corporation's consent, on the date of his death.
- 6.02. Upon the death of a Participant or Vested Former Participant, while employed by the Corporation or an Affiliate, who has completed at least five (5) years of Credited Service with the Corporation or an Affiliate and has not attained age fifty-five (55), his Surviving Spouse will be entitled to a Surviving Spouse's Benefit under this Plan equal to fifty percent (50%) of the Retirement Benefit that would have been provided from the Plan had the Participant or Vested Former Participant terminated employment with the Corporation or an Affiliate on the date of his death with the Corporation's consent, and elected to have the payment of his Basic Plan Benefit commence at age fifty-five (55) in the form of a straight life annuity.
- 6.03. Upon the death of a Vested Former Participant while no longer employed by the Corporation or an Affiliate, who has not attained age fifty-five (55), his Surviving Spouse will be entitled to a Surviving Spouse's Benefit under this Plan equal to fifty percent (50%) of the Retirement Benefit that would have been provided from the Plan to the Vested Former Participant at age fifty-five (55), taking into account whether the Corporation consented to the termination.
- 6.04. Upon the death of a Participant or Vested Former Participant, while employed by the Corporation or an Affiliate, who has completed at least five (5), but less than ten (10) years of Credited Service with the Corporation or an Affiliate and has attained age fifty-five (55), his Surviving Spouse will be entitled to a Surviving Spouse's Benefit under this Plan equal to fifty percent (50%) of the Retirement Benefit that would have been provided from the Plan had the Participant or Vested Former Participant terminated employment with the Corporation or an Affiliate on the date of his death with the Corporation's consent and his Basic Plan Benefit commenced immediately in the form of a straight life annuity.
- 6.05. Upon the death of a Vested Former Participant while he is receiving Retirement Benefits, his Surviving Spouse shall receive a Surviving Spouse's Benefit equal to fifty percent (50%) of the Retirement Benefit the Vested Former Participant was receiving at the time of his death.
- 6.06. Except as provided in Section 6.8, the Surviving Spouse's Benefit provided under Section 6.1, 6.4 and 6.5 will be payable monthly, will commence as of the first day of the month coincident with or next following the month in which the Participant or Vested Former Participant dies, and will continue until the first day of the month in which the Surviving Spouse dies.

6.07. Except as provided in Section 6.8, the Surviving Spouse's Benefit provided under Section 6.2 and 6.3 will be payable monthly, will commence as of the first day of the month coincident with or next following the month in which the Participant or Vested Former Participant would have attained age fifty-five

(55), and will continue until the first day of the month in which the Surviving Spouse dies.

6.08. (a) If a Participant or a Vested Former Participant while he was a Participant has made an Election under Section 4.5 or a Special Election under

Section 4.6 and such Election or Special Election is effective on the date of such Participant's or Vested Former Participant's death, the Surviving Spouse's Benefit payable to a Surviving Spouse of such Participant or Vested Former Participant will be payable in the form or combination of forms of payment so elected by such Participant or Vested Former Participant pursuant to such Election or Special Election. The amount of any lump sum payment under this

Section 6.8 shall be the present value of the applicable portion of the Surviving Spouse's Benefit payable under the Plan, and such present value shall be determined using the actuarial assumptions set forth in Section 4.5(a). Any lump sum distribution of a Surviving Spouse's Benefit under the Plan shall fully satisfy all present and future Plan liability with respect to such Surviving Spouse for such portion or all of such Surviving Spouse's Benefit so distributed.

(b) Notwithstanding any Election or Special Election made under Section 4.5 or 4.6, if the lump sum value, determined in the same manner as provided under Section 4.5(a), of a Surviving Spouse's Benefit is Ten Thousand Dollars (\$10,000) or less at the time such Surviving Spouse's Benefit is payable under this Plan, such benefit shall be payable as a lump sum.

(c) Any portion of a Surviving Spouse's Benefit provided under Section 6.1, 6.4 and 6.5 which is payable as an annuity shall be paid in the manner and at such time as set forth in Section 6.6, and any such benefit which is payable as a lump sum shall be paid sixty (60) days after the date when annuity payments commence, or would commence if any portion of such Surviving Spouse's Benefit were payable as an annuity as set forth in Section 6.6.

(d) Any portion of a Surviving Spouse's Benefit provided under Section 6.2 and 6.3 which is payable as an annuity shall be paid in the manner and at such time as set forth in Section 6.7, and any such benefit which is payable as a lump sum shall be paid sixty (60) days after the date when annuity payments commence, or would commence if any portion of such Surviving Spouse's Benefit were payable as an annuity, as set forth in Section 6.7.

6.09. Notwithstanding the foregoing provisions of Section 6, the amount of a Surviving Spouse's Benefit shall be reduced by one (1) percentage point for each year (including a half year or more as a full year) in excess of ten (10) that the age of the Participant or Vested Former Participant exceeds the age of the Surviving Spouse.

SECTION 7 COMMITTEE

7.01. The Board and the Committee severally (and not jointly) shall be responsible for the administration of the Plan. The Committee shall consist of not less than three (3) nor more than seven (7) members, as may be appointed by the Board from time to time. Any member of the Committee may resign at will by notice to the Board or may be removed at any time (with or without cause) by the Board.

7.02. The members of the Committee may, from time to time, allocate responsibilities among themselves, and may delegate to any management committee, employee, director or agent its responsibility to perform any act hereunder, including, without limitation, those matters involving the exercise of discretion, provided that such delegation shall be subject to revocation at any time at its discretion.

7.03. The Committee (and its delegees) shall have the exclusive authority to interpret the provisions of the Plan and construe all of its terms (including, without limitation, all disputed and uncertain terms), to adopt, amend, and rescind rules and regulations for the administration of the Plan, and generally to conduct and administer the Plan and to make all determinations in connection with the Plan as may be necessary or advisable. All such actions of the Committee shall be conclusive and binding upon all Participants, Former Participants, Vested Former Participants and Surviving Spouses. All deference permitted by law shall be given to such interpretations, determinations and actions.

7.04. Any action to be taken by the Committee shall be taken by a majority of its members, either at a meeting or by written instrument approved by such majority in the absence of a meeting. A written resolution or memorandum signed by one (1) Committee member and the secretary of the Committee shall be sufficient evidence to any person of any action taken pursuant to the Plan.

7.05. Any person, corporation or other entity may serve in more than one (1) fiduciary capacity under the Plan.

SECTION 8 MISCELLANEOUS

8.01. The Board may, in its sole discretion, terminate, suspend or amend this Plan at any time or from time to time, in whole or in part. However, no termination, suspension or amendment of the Plan may adversely affect a Participant's or Vested Former Participant's vested benefit under the Plan, or a retired Participant's or Vested Former Participant's right or the right of a Surviving Spouse to receive or to continue to receive a benefit in accordance with the Plan as in effect on the date immediately preceding the date of such termination, suspension or amendment.

8.02. Nothing contained herein will confer upon any Participant, Former Participant or Vested Former Participant the right to be retained in the Service of the Corporation or any Affiliate, nor will it interfere with the right of the Corporation or any Affiliate to discharge or

otherwise deal with Participants, Former Participants or Vested Former Participants with respect to matters of employment without regard to the existence of the Plan.

8.03. Notwithstanding anything herein to the contrary, at any time following the termination of Service of a Participant or Vested Former Participant, the Committee may authorize, under uniform rules applicable to all Participants, Vested Former Participants and Surviving Spouses under the Plan, a lump sum distribution of a Participant's, Vested Former Participant's and/or Surviving Spouse's Retirement Benefit or Surviving Spouse's Benefit under the Plan in an amount equal to the present value of such Retirement Benefit or Surviving Spouse's Benefit, using the actuarial assumptions then in use for funding purposes under The Dun & Bradstreet Corporation Retirement Account, in full satisfaction of all present and future Plan liability with respect to such Participant, Vested Former Participant and/or Surviving Spouse, if the amount of such present value is less than Two Hundred Fifty Thousand Dollars (\$250,000). Such lump sum distribution may be made without the consent of the Participant, Vested Former Participant or Surviving Spouse.

8.04. (a) Notwithstanding anything in this Plan to the contrary, if a Participant has less than five (5) years of Credited Service at the time of a Change in Control, and as a result of the Change in Control, and before he completes five (5) years of Credited Service, (i) the Plan is terminated, (ii) the Participant is removed from further participation in the Plan, or (iii) the Participant is terminated as a result of action initiated directly or indirectly by the Corporation or any Affiliate, such Participant shall be entitled to a Benefit of twenty percent (20%) of his Average Final Compensation and the Corporation will remain obligated to pay all benefits under the Plan.

(b) Notwithstanding anything in this Plan to the contrary, upon the occurrence of a Change in Control,

(i) no reduction shall be made in a Participant's or Vested Former Participant's Retirement Benefit, notwithstanding his termination of employment or Retirement prior to age sixty (60) without the Corporation's consent;

(ii) the provisions of Section 3.3(i) and (ii) shall not apply to any Participant, Vested Former Participant or Surviving Spouse;

(iii) each Participant and Vested Former Participant already receiving a Retirement Benefit under the Plan shall receive a lump sum distribution of his unpaid Retirement Benefit and, if he is married, his Surviving Spouse's Benefit under the Plan within thirty (30) days of the Change of Control in an amount equal to the present value of such Retirement Benefit and Surviving Spouse's Benefit in full satisfaction of all present and future Plan liability with respect to such Participant, Vested Former Participant and Surviving Spouse, if any, and each Surviving Spouse already receiving a Surviving Spouse's Benefit under the Plan shall receive a lump sum distribution of his unpaid Surviving Spouse's Benefit at the same time in an amount equal to the present value of such Surviving Spouse's Benefit in full satisfaction of Plan liability to such Surviving Spouse;

(iv) each Vested Former Participant who is not already receiving a Retirement Benefit under the Plan shall receive a lump sum distribution of his unpaid Retirement Benefit and, if he is married, his Surviving Spouse's Benefit within thirty (30) days of the Change in Control in an amount equal to the present value of such Retirement Benefit and Surviving Spouse's Benefit, and each Surviving Spouse of either a Vested Former Participant or a Participant with five (5) or more years of Credited Service who is not already receiving a Surviving Spouse's Benefit under the Plan shall receive a lump sum distribution of his unpaid Surviving Spouse's Benefit at the same time in amount equal to the present value of such Surviving Spouse's Benefit;

(v) each Participant with less than five (5) years of Credited Service who is entitled to a benefit under Section 8.4(a) shall receive a lump sum distribution of the present value of such Retirement Benefit within thirty (30) days from the earlier of the date the Plan is terminated, the date he is removed from further participation in the Plan, or the date his employment with the Corporation is terminated, and of his Surviving Spouse's Benefit based upon the amount of such Retirement Benefit if he is married on the applicable date; and

(vi) each Participant who is not included in (v) above and who is not already receiving a Retirement Benefit under the Plan shall receive

(A) within thirty (30) days of the later to occur of the date of such Change in Control or the date he completes five (5) years of Credited Service, a lump sum distribution of the present value of his accrued Retirement Benefit under the Plan as of the applicable date and, if he is married on such date, the present value of his Surviving Spouse's Benefit, and

(B) within thirty (30) days from the earliest of the date of his Retirement or termination of employment with the Corporation, the date the Plan is terminated or the date he is removed from further participation in the Plan, a lump sum distribution of the present value of his additional Retirement Benefit accrued after the applicable event in (A) computed as of the applicable date herein set forth in (B) and, if he is married on such applicable date, the present value of his surviving Spouse's Benefit.

In determining the amount of the lump sum distributions to be paid under this Section 8.4, the following actuarial assumptions shall be used: (I) the interest rate used shall be the interest rate used by the Pension Benefit Guaranty Corporation for determining the value of immediate annuities as of January 1st of either the year of the occurrence of the Change in Control or the Participant's retirement or termination of employment, whichever is applicable, (II) the 1983 Group Annuity Mortality Table shall be used; and (III) it shall be assumed that all Participants retired or terminated employment with the Corporation on the date of the occurrence of the

Change in Control and with the Corporation's consent for purposes of determining the amount of the lump sum distribution to be paid upon the occurrence of the Change in Control.

8.05. (a) The Plan is unfunded, and the Corporation will make Plan benefit payments solely on a current disbursement basis, provided, however, that the Corporation reserves the right to purchase insurance contracts, which may or may not be in the name of a Participant or Vested Former Participant, or establish one or more trusts to provide alternative sources of benefit payments under this Plan, provided, further, however, that upon the occurrence of a "Potential Change in Control" the appropriate officers of the Corporation are authorized to make such contributions to such trust or trusts as are necessary to fund the lump sum distributions to Plan Participants required pursuant to Section 8.4 of this Plan in the event of a Change in Control. In determining the amount of the necessary contribution to the trust or trusts in the event of a Potential Change in Control, the following actuarial assumptions shall be used:

(i) the interest rate used shall be the interest rate used by the Pension Benefit Guaranty Corporation for determining the value of immediate annuities as of January 1st of the year of the occurrence of the Potential Change in Control,

(ii) the 1983 Group Annuity Mortality Table shall be used; and

(iii) it shall be assumed that all Participants will retire or terminate employment with the Corporation as soon as practicable after the occurrence of the Potential Change in Control and with the Corporation's consent.

The existence of any such insurance contracts, trust or trusts shall not relieve the Corporation of any liability to make benefit payments under this Plan, but to the extent any benefit payments are made from any such insurance contract in the name of the Corporation or any Affiliate or from any such trust, such payment shall be in satisfaction of and shall reduce the Corporation's liabilities under this Plan. Further, in the event of the Corporation's bankruptcy or insolvency, all benefits accrued under this Plan shall immediately become due and payable in a lump sum and all Participants, Vested Former Participants and Surviving Spouses shall be entitled to share in the Corporation's assets in the same manner and to the same extent as general unsecured creditors of the Corporation.

(b) Members and Vested Former Members shall have the status of general unsecured creditors of the Corporation and this Plan constitutes a mere promise by the Corporation to make benefit payments at the time or times required hereunder. It is the intention of the Corporation that this Plan be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended and any trust created by the Corporation in meeting its obligations under the Plan shall meet the requirements necessary to retain such unfunded status.

8.06. If any dispute arises under the Plan between the Corporation and a Participant, Former Participant, Vested Former Participant or Surviving Spouse

(collectively or individually referred to as "Participant" in this Section 8.6) as to the amount or timing of any benefit payable under the Plan or as to the persons entitled thereto, such dispute shall be resolved by binding arbitration proceedings initiated by either party to the dispute in accordance with the rules of the American Arbitration Association and the results of such proceedings shall be conclusive on

both parties and shall not be subject to judicial review. If the disputed benefits involve the benefits of a Participant who is no longer employed by the Corporation or any Affiliate, the Corporation shall pay or continue to pay the benefits claimed by the Participant until the results of the arbitration proceedings are determined unless such claim is patently without merit; provided, however, that if the results of the arbitration proceedings are adverse to the Participant, then in such event the recipient of the benefits shall be obligated to repay the excess benefits to the Corporation. The Corporation expressly acknowledges that the amounts payable under the Plan are necessary to the livelihood of Participants and their family members and that any refusal or neglect to pay benefits under the preceding sentence prior to the resolution of any dispute shall be prima facie evidence of bad faith on its part and will be conclusive grounds for an arbitration award resulting in an immediate lump sum payment to the Participant, of the Participant's benefits under the Plan then due and payable to him, unless the arbitrator determines that the claim for the disputed benefits was without merit. The amount of such lump sum payment shall be equal to the then actuarial value of such benefits calculated by utilizing the actuarial assumptions then in use for funding purposes under the Moody's Corporation Retirement Account. In addition, in the event of any dispute covered by this Section 8.6 the Corporation agrees to pay the entire costs of any arbitration proceeding or legal proceeding brought hereunder, including the fees and expenses of counsel and pension experts engaged by a Participant and that such expenses shall be reimbursed promptly upon evidence that such expenses have been incurred without awaiting the outcome of the arbitration proceedings; provided, however, that such costs and expenses shall be repaid to the Corporation by the recipient of same if it is finally determined by the arbitrators that the position taken by such person was without merit.

8.07. To the maximum extent permitted by law, no benefit under the Plan shall be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, attachment or encumbrances of any kind.

8.08. The Corporation may withhold from any benefit under the Plan an amount sufficient to satisfy its tax withholding obligations.

8.09. The Plan is established under and will be construed according to the laws of the State of New York.

PROFIT PARTICIPATION BENEFIT EQUALIZATION PLAN

OF

MOODY'S CORPORATION

I. Purpose of the Plan

The purpose of the Profit Participation Benefit Equalization Plan of Moody's Corporation (the "Plan") is to provide a means of equalizing the benefits of those employees of Moody's Corporation ("the Corporation") and its subsidiaries participating in the Profit Participation Plan of Moody's Corporation (the "Profit Participation Plan"), whose funded benefits under the Profit Participation Plan are or will be limited by the application of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Internal Revenue Code of 1986, as amended (the "Code"), or any applicable law or regulation. The Plan is intended to be an "excess benefit plan" as that term is defined in Section 3(36) of ERISA with respect to those participants whose benefits under the Profit Participation Plan have been limited by Section 415 of the Code, and a "top hat" plan meeting the requirements of Sections 201(2), 301(a)(3), 401(a)(1) and 4021(b)(6) of ERISA with respect to those participants whose benefits under the Profit Participation Plan have been limited by Section 401(a)(17) of the Code.

II. Administration of the Plan

The Board of Directors ("Board") of the Corporation and the Compensation and Benefits Committee appointed by the Board (the "Committee") severally (and not jointly) shall be responsible for the administration of the Plan. The Committee shall consist of not less than three (3) nor more than seven (7) members, as may be appointed by the Board from time to time. Any member of the Committee may resign at will by notice to the Board or be removed at any time (with or without cause) by the Board.

The members of the Committee may from time to time allocate responsibilities among themselves and may delegate to any management committee, employee, director or agent its responsibility to perform any act hereunder, including, without limitation, those matters involving the exercise of discretion, provided that such delegation shall be subject to revocation at any time at its discretion.

The Committee (and its delegates) shall have the exclusive authority to interpret the provisions of the Plan and construe all of its terms (including, without limitation, all disputed and uncertain terms), to adopt, amend, and rescind rules and regulations for the administration of the Plan, and generally to conduct and administer the Plan and to make all determinations in connection with the Plan as may be necessary or advisable. All such actions of the Committee shall be conclusive and binding upon all Participants, Former Participants, Vested Former

Participants and Surviving Spouses. All deference permitted by law shall be given to such interpretations, determinations and actions.

Any action to be taken by the Committee shall be taken by a majority of its members, either at a meeting or by written instrument approved by such majority in the absence of a meeting. A written resolution or memorandum signed by one Committee member and the secretary of the Committee shall be sufficient evidence to any person of any action taken pursuant to the Plan.

Any person, corporation or other entity may serve in more than one (1) fiduciary capacity under the Plan.

III. Participation in the Plan

All members of the Profit Participation Plan shall be eligible to participate in this Plan whenever their benefits under the Profit Participation Plan, as from time to time in effect, would exceed the limitations on benefits and contributions imposed by Sections 401 or 415 or any other applicable Section of the Code, calculated from and after September 2, 1974. For purposes of this Plan, benefits of a participant in this Plan shall be determined as though no provision were contained in the Profit Participation Plan incorporating limitations imposed by Sections 401 or 415 or any other Section of the Code.

IV. Equalized Benefits

If member participating contributions or Company contributions to the Profit Participation Plan are suspended during any calendar year because any such contributions would cause the participant's account under such plan to exceed the benefit limitations related to such plan as described in Section III of this Plan, the Corporation shall pay the participant, on or about March 1st of the following year, an amount equal to:

- (a) the Company contributions that otherwise would have been credited to such participant's account under the Profit Participation Plan for the balance of the year in which such suspension occurs, as if no provision were set forth therein incorporating limitations imposed by Section 401, 415 or any other applicable Section of the Code, and the participant had continued his participating contributions to the Profit Participation Plan at the rate in effect at the time such contributions were suspended for the balance of the year in which such suspension occurs, plus
- (b) an interest factor equal to one-half (1/2) of the annual return which would have been received by the participant had such payment been invested eighty percent (80%) in the Blended Managed Income Portfolio of the Profit Participation Plan and twenty percent (20%) in the US Equity Index Commingled Pool of the Profit Participation Plan during the year in which such suspension occurs, less
- (c) any applicable withholding taxes.

Effective with respect to calendar years beginning on or after January 1, 2001, no participant shall be eligible to receive a payment under this Section IV unless he or she is an

employee of the Corporation or any participating affiliate or subsidiary as of the last day of the calendar year for which the payment is made.

V. Change in Control

Upon the occurrence of a "Change in Control", each participant under the Plan shall receive a lump sum distribution equal to:

- (a) the total amount which such participant had accrued under the Plan which has not yet been distributed to such participant pursuant to Section IV(a) hereof as of the date of such Change in Control, plus
- (b) an interest factor equal to one-half (1/2) of the return which would have been received by the participant had such amount been invested eighty percent (80%) in the Blended Managed Income Portfolio of the Profit Participation Plan and twenty (20%) in the US Equity Index Commingled Pool of the Profit Participation Plan during the portion of the calendar year subsequent to the date contributions to such participant's account were suspended under the Profit Participation Plan and prior to such Change in Control, less
- (c) any applicable withholding taxes.

Any such lump sum distribution shall be paid to the participant within sixty (60) days of the Change in Control, provided, however, that any such payment will not prevent the further accrual of benefits under the Plan after the date of such Change in Control.

(d) For purposes of this Plan, a "Change in Control" shall be deemed to have occurred if

- (i) any "Person," as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Corporation, any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, or any corporation owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation), is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding securities;
- (ii) during any period of twenty-four (24) months (not including any period prior to the effective date of this provision), individuals who at the beginning of such period constitute the Board, and any new director (other than (1) a director designated by a person who has entered into an agreement with the Corporation to effect a transaction described in clause (a), (c) or (d) of this Section), (2) a director designated by any Person (including the Corporation) who publicly announces an intention to take or

to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (3) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Corporation representing ten percent (10%) or more of the combined voting power of the Corporation's securities) whose election by the Board or nomination for election by the Corporation's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

(iii) the shareholders of the Corporation approve a merger or consolidation of the Corporation with any other company, other than (1) a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation and (2) after which no Person holds twenty percent (20%) or more of the combined voting power of the then outstanding securities of the Corporation or such surviving entity; or

(iv) the shareholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets.

VI. Miscellaneous

This Plan may be terminated at any time by the Board of Directors of the Corporation, in which event the rights of participants to their accrued benefits shall become nonforfeitable. This Plan may also be amended at any time by the Board of Directors of the Corporation, except that no such amendment shall deprive any participant of his benefits accrued at the time of such amendment.

Benefits payable under this Plan shall not be funded and shall be made out of the general funds of the Corporation; provided, however, that the Corporation reserves the right to establish a trust fund as an alternate source of benefits payable under the Plan and to the extent payments are made from such trust, such payments will satisfy the Corporation's obligations under this Plan.

No right to payment or any other interest under this Plan may be alienated, sold, transferred, pledged, assigned, or made subject to attachment, execution, or levy of any kind.

Nothing in this Plan shall be construed as giving any employee the right to be retained in the employ of the Corporation. The Corporation expressly reserves the right to dismiss any employee at any time without regard to the effect which such dismissal might have upon him under the Plan.

This Plan shall be construed, administered and enforced according to the laws of the State of New York.

VII. Effective Date

This Plan shall be effective as of September 30, 2000, upon its adoption by the Board of Directors of Moody's Corporation.

Exhibit 10.12

**THE MOODY'S CORPORATION
NONFUNDED DEFERRED COMPENSATION PLAN
FOR NONEMPLOYEE DIRECTORS**

1. Members of the Board of Directors ("Directors") of the Company who are not employees of the Company or any of its subsidiaries ("Nonemployee Directors") may elect on or before December 31 of any year to have payment of all or a specified part of all fees payable to them for their services as Directors (including fees payable to them for services as members of a committee of the Board of Directors of the Company (the "Board")) during the calendar year following such election and succeeding calendar years deferred until they cease to be Directors of the Company. Any person, not an employee, who shall become a Director during any calendar year, and who was not a Director of the Company on the preceding December 31, may elect, within 30 days of the date on which his or her term as a Director begins, to have payment of all or a specified part of such fees for the remainder of such calendar year and for succeeding calendar years so deferred. Any such election shall be made by written notice delivered to the Secretary of the Company. The "Company" means The Dun & Bradstreet Corporation, to be renamed the "Moody's Corporation" after the shares of The New D&B Corporation ("New D&B") are distributed as a dividend to the shareholders of The Dun & Bradstreet Corporation ("D&B") (the "Spinoff").
2. All deferred fees shall be held in the general funds of the Company, shall be credited to the Director's account and shall be deemed to have been invested in one or more of the funds (as set forth on the Deferred Compensation Election Form attached hereto as Exhibit A) in the Addendum to the Company's Profit Participation Plan (or successor plan) (the "Employee Plan") as such Director shall have most recently elected. Such election shall be made on a Deferred

Compensation Election Form filed with the Secretary of the Company. The Director's account shall be credited with deferred fees and with the investment performance of the respective funds in which the account is invested on the same basis and in the same manner as is applicable to employees participating in the Employee Plan. Directors may elect to have deferred amounts held and invested in one or more of the funds in multiples of 10%, except that no Director may elect to have more than 50% of his or her account invested in the Moody's Common Stock Fund. Subject to the foregoing investment limitation in the Moody's Common Stock Fund and to the limitation on multiples of 10%, each Director may, at any time, make a revised investment election applicable to amounts deferred, or elect to have the amount credited to his or her account reallocated among the investment funds, such revised election or reallocation to be effective from and after the first day of the month following receipt of a Deferred Compensation Election Form by the Secretary of the Company. In the event a Director fails to make an investment election, his or her entire account shall be credited to the Special Fixed Income Fund.

3. With respect to each Nonemployee Director who was a nonemployee director of D&B prior to the Spinoff and continues to be a Nonemployee Director of the Company following the Spinoff, each such Director's account shall be credited with the balance in the Director's account as of the effective date of the Spinoff under The Dun & Bradstreet Corporation Nonfunded Deferred Compensation Plan for Non-Employee Directors ("Prior Plan"), giving effect to the election by each such Director to transfer such funds into the funds available under the Employee Plan; provided, however, that with respect to amounts deemed to be invested in the Dun & Bradstreet Common Stock Fund under the Prior Plan (the "D&B Fund"), each Director shall have (i) an amount of New D&B stock credited to the Dun & Bradstreet Common Stock Fund under the Plan equal to the number of shares of New D&B stock such Director would have

received pursuant to the Spinoff if such Director owned the D&B stock credited to the D&B Fund as at the record date of the Spinoff and (ii) an amount of Company stock credited to the Moody's Common Stock Fund under the Plan equal to the number of deemed shares of D&B stock such Director held under the D&B Fund; provided, further, that a Director may not reallocate his or her account, or elect to defer any additional amounts, into the New D&B Common Stock Fund.

4. The aggregate balance in the Director's account, giving effect to the investment performance of the fund(s) to which deferred fees were credited, shall be paid to the Director in five or ten annual installments or in a lump sum, as the Director shall elect in the notice referred to in Paragraph 1 above. The first installment (or lump sum payment if the Director so elects) shall be paid on the tenth day of the calendar year immediately following the calendar year in which the Director ceases to be a Director of the Company, and subsequent installments shall be made on the tenth day of each succeeding calendar year until the entire amount credited to the Director's account shall have been paid. The amount of each installment shall be determined by multiplying the balance credited to the Director's account as of the December 31 immediately preceding the installment payment date by a fraction, the numerator of which shall be one and the denominator of which shall be the number of installment payments over which payment of such amount is to be made, less the number of installments theretofore made. Thus, if payment is to be made in ten installments, the fraction for the first installment shall be 1/10th, for the second installment 1/9th, and so on.

5. If a Director should die before full payment of all amounts credited to the Director's account, the full amount credited to the account as of December 31 of the year of the Director's death shall be paid on the tenth day of the calendar year following the year of death to the

Director's estate or to such beneficiary or beneficiaries as previously designated by the Director in a written notice delivered to the Secretary of the Company.

6. A Director's election to defer compensation shall continue until a Director ceases to be a Director or until the Director changes or terminates such election by written notice delivered to the Secretary of the Company. Any such notice of change or termination shall become effective as of the end of the calendar year in which such notice is given. Amounts credited to the account of a Director prior to the effective date of such change or termination shall not be affected thereby and shall be paid to the Director only in accordance with paragraph 4 (or Paragraph 5 in the event of death) above.

7. The right of a Director to any deferred fees and/or the interest thereon shall not be subject to assignment by the Director. If a Director does make an assignment of any deferred fees and/or the interest thereon, the Company may disregard such assignment and discharge its obligation hereunder by making payment as though no such assignment has been made.

8. If there is a "Change in Control" of the Company, as defined in Paragraph 9:

a) The total amount to the credit of each Director's account as of the date of such Change in Control under the Plan shall be paid to the Director in a lump sum within 30 days from the date of such Change in Control; provided, however, if such payment is not made within such 30-day period, the amount to the credit of the Director's account shall be credited with interest from the date of such Change in Control until the actual payment date at an annual rate equal to the yield on 90-day U.S. Treasury Bills plus one percentage point. For this purpose the yield on U.S. Treasury Bills shall be the rate published in The Wall Street Journal on the first business day of the calendar month in which the Change in Control occurred.

b) The total amount credited to each Director's account under the Plan from the date of the Change in Control until the date the Director ceases to be a Director shall be paid to the Director in a lump sum within 30 days from the date the Director ceases to be a Director.

c) If a Director elects to change or terminate an election with respect to the deferral of fees by written notice delivered to the Secretary of the Company, and such notice is given during the calendar year in which a Change in Control occurs and on or before the date of the Change in Control, the change or termination of election shall become effective as of the date of the Change in Control. If such notice is given subsequent to the date of the Change in Control, it shall become effective as of the end of the calendar year in which the notice is given.

9. A "Change in Control" of the Company shall mean the occurrence of any of the following events:

a) any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities;

b) during any period of twenty-four months (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new Director (other than (1) a Director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c) or (d) of this Section, (2) a Director designated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (3) a Director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

c) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation (1) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (2) after which no Person would hold 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

d) the shareholders of the Company approve 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.

10. Notwithstanding any provision herein to the contrary, amounts payable under this Plan shall not be funded and shall be made out of the general funds of the Company; provided, however, that the Company reserves the right to establish one or more trusts to provide alternate sources of benefit payments under this Plan; provided, further, however, that upon the occurrence of a "Potential Change in Control" of the Company, as defined below, the appropriate officers of the Company are authorized to make transfers to such a trust fund, established as an alternate source of benefits payable under the Plan, as are necessary to fund the lump sum payments to Directors required pursuant to Paragraph 8 of this Plan in the event of a Change in Control of the Company; provided, further, however, that if payments are made from such trust fund, such payments will satisfy the Company's obligations under this Plan to the extent made from such trust fund.

For the purposes of this Plan, "Potential Change in Control" means:

- a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company;
- b) any person (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company;
- c) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company (or a company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), who is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 9.5% or more of the combined voting power of the Company's then outstanding securities, increases such person's beneficial ownership of such securities by 5% or more over the percentage so owned by such person; or
- d) the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control of the Company has occurred.

11. The Compensation and Benefits Committee of the Board (the "Committee") shall be responsible for the administration of the Plan and may delegate to any management committee, employee, Director or agent its responsibility to perform any act hereunder, including without limitation those matters involving the exercise of discretion, provided that such delegation shall be subject to revocation at any time at its discretion. The Committee shall have full authority to interpret the provisions of the Plan and construe all of its terms, to adopt, amend and rescind rules and regulations for the administration of the Plan, and generally to conduct and administer the Plan and to make all determinations in connection with the Plan as may be necessary or advisable, other than those determinations delegated to management employees or independent third parties by the Board. All of its rules, interpretations and decisions shall be applied in a uniform manner to all Directors similarly situated and decisions of the Committee shall be conclusive and binding on all persons. Any action permitted to be taken by the Committee may be taken by the Board, in its discretion.

12. Neither participation in the Plan nor any action under the Plan shall be construed to give any Director a right to be retained in the service of the Company.

13. The Plan may be modified, amended or revoked at any time by the Board.

14. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of New York.

Exhibit 10.13

1998 MOODY'S CORPORATION REPLACEMENT PLAN FOR CERTAIN NON-EMPLOYEE DIRECTORS HOLDING DUN & BRADSTREET CORPORATION EQUITY-BASED AWARDS (as amended and restated as of the Distribution Date)

1. PURPOSE OF THE PLAN

The purpose of the 1998 Moody's Replacement Plan for Certain Non-employee Directors Holding Dun & Bradstreet Corporation Equity-Based Awards (the "Plan") is to provide for the award of substantially identical replacement stock options, replacement restricted stock, replacement phantom stock units and replacement deferred performance share units to certain non-employee directors of The New Dun & Bradstreet Corporation, a Delaware corporation to be renamed "The Dun & Bradstreet Corporation" after the Spinoff, to be renamed "Moody's Corporation" after the Distribution Date (the "Company") whose awards under the 1996 The Dun & Bradstreet Corporation Non-Employee Directors' Stock Incentive Plan and The Dun & Bradstreet Corporation Non-Employee Directors' Restricted Stock Plan (the "D&B Plans") were cancelled pursuant to the spinoff of the Company from The Dun & Bradstreet Corporation, a Delaware corporation to be renamed "R.H. Donnelley Corporation" after the Spinoff ("D&B") (the "Spinoff") and to certain retired non-employee directors who elect, pursuant to the Spinoff, to have the awards granted under the D&B Plans cancelled (the "Eligible Holders"). The Company expects that the Plan will aid the Company in attracting, retaining and compensating non-employee Directors and to enable them to increase their ownership of Shares. The Plan will be beneficial to the Company and its shareholders since it will allow non-employee Directors to have a greater personal financial stake in the Company through the ownership of Shares, in addition to underscoring their common interest with shareholders in increasing the value of the Shares on a long-term basis. It is the intention of the Company that the terms of the replacement awards will (i) substantially preserve the economic value of the cancelled D&B awards and (ii) except for the terms described in Section 7, 8, 9 and 10 of this Plan, remain substantially identical to the terms of the cancelled D&B awards. As a result of the distribution of the shares of New D&B (as defined below) owned by the Company to the holder of record of Shares, the Company has amended and restated the Plan as of the Distribution Date (as defined below)

2. DEFINITIONS

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

- (a) Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.
- (b) Awards: Replacement options, replacement restricted stock and replacement phantom stock units granted pursuant to the Plan.
- (c) Beneficial Owner: As defined in rule 13d-3 under the Act (or any successor rule thereto).
- (d) Board: The Board of Directors of the Company.

(e) Change in Control: The occurrence of any of the following events:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Act, (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board, and any new Director (other than (1) a Director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii) or (iv) of this Section, (2) a Director designated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (3) a Director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (2) after which no Person holds 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

(iv) the shareholders of the Company approve 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.

(f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(g) Committee: The Compensation and Benefits Committee of the Board.

- (h) Company: The New Dun & Bradstreet Corporation, a Delaware corporation to be renamed "The Dun & Bradstreet Corporation" after the Spinoff, to be renamed "Moody's Corporation" following the Distribution Date.
- (i) D&B Deferred Performance Share Units: A bookkeeping entry, equivalent in value to the number of deferred performance shares of D&B stock credited to an Eligible Holder's account as of the opening of business on the Spinoff Date, pursuant to the D&B Plans.
- (j) D&B Restricted Stock: Restricted stock held by an Eligible Holder that was granted under the D&B Plans.
- (k) D&B Phantom Stock Units: A bookkeeping entry, equivalent in value to the number of phantom shares of D&B stock credited to an Eligible Holder's account as of the opening of business on the Spinoff Date, pursuant to the D&B Plans.
- (l) Daily Average Trading Prices: The average of the high and low trading prices for stock on a given day.
- (m) Deferred Performance Share Unit: A bookkeeping entry, equivalent in value to one Share, credited in accordance with Section 10 of the Plan.
- (n) Determination Day: As such term is defined in Section 9(b) of the Plan.
- (o) Disability: Inability to continue to serve as a non-employee Director due to a medically determinable physical or mental impairment which constitutes a permanent and total disability, as determined by the Committee (excluding any member thereof whose own Disability is at issue in a given case) based upon such evidence as it deems necessary and appropriate; provided, however, that following the Distribution Date, the Disability of a New D&B Director shall be determined by the New D&B Committee (excluding any member thereof whose own Disability is at issue in a given case). An Eligible Holder shall not be considered disabled unless he or she furnished such medical or other evidence of the existence of the Disability as the Committee or the New D&B Committee, as the case may be, in its sole discretion, may require.
- (p) Distribution Date: The date on which the shares of New D&B that are owned by the Company are distributed to the holders of record of shares of the Company.
- (q) Effective Date: The date on which the Plan takes effect, as defined pursuant to Section 15 of the Plan.
- (r) Fair Market Value: On a given date, the average of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the average of the per Share closing bid price and per Share closing asked price on such date as quoted on the National association of Securities Dealers Automated Quotation System

(or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities Exchange on such date or quoted on the National Association of Securities Dealers Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(s) New D&B: The New D&B Corporation, a Delaware corporation, to be renamed "The Dun & Bradstreet Corporation" following the Distribution Date.

(t) New D&B Board: The Board of Directors of New D&B.

(u) New D&B Change in Control: The occurrence of any of the following events:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Act, (other than New D&B, any trustee or other fiduciary holding securities under an employee benefit plan of New D&B, or any corporation owned, directly or indirectly, by the shareholders of New D&B in substantially the same proportions as their ownership of stock of New D&B), is or becomes the Beneficial Owner, directly or indirectly, of securities of New D&B representing 20% or more of the combined voting power of New D&B's then outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the New D&B Board, and any new Director (other than (1) a Director designated by a person who has entered into an agreement with New D&B to effect a transaction described in clause (i),

(iii) or (iv) of this Section, (2) a Director designated by any Person (including New D&B) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or

(3) a Director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of New D&B representing 10% or more of the combined voting power of New D&B's securities) whose election by the New D&B Board or nomination for election by New D&B's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

(iii) the shareholders of New D&B approve a merger or consolidation of New D&B with any other corporation, other than (1) a merger or consolidation which would result in the voting securities of New D&B outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting

securities of the surviving entity) more than 50% of the combined voting power of the voting securities of New D&B or such surviving entity outstanding immediately after such merger or consolidation and

(2) after which no Person holds 20% or more of the combined voting power of the then outstanding securities of New D&B or such surviving entity; or

(iv) the shareholders of New D&B approve a plan of complete liquidation of New D&B or an agreement for the sale or disposition by New D&B of all or substantially all of New D&B's assets.

(v) New D&B Committee: The Compensation and Benefits Committee of the New D&B Board, or any successor thereto or other committee designated.

(w) New D&B Deferred Performance Share Units: A bookkeeping entry, equivalent in value to the number of phantom performance shares credited to an Eligible Holder's account as a dividend on such Eligible Holder's D&B Deferred Performance Share Units pursuant to the Spinoff.

(x) New D&B Director: A Participant who is a director of New D&B immediately following the Distribution Date.

(y) New D&B Restricted Stock: Restricted Stock received by an Eligible Holder as a result of the Spinoff.

(z) New D&B Phantom Stock Units: A bookkeeping entry, equivalent in value to the number of phantom Shares credited to an Eligible Holder's account as a dividend on such Eligible Holder's D&B Phantom Stock Units pursuant to the Spinoff.

(aa) Option: A stock option granted pursuant to Section 7 of the Plan.

(bb) Payment Day: As such term is defined in Section 9(b) of the Plan.

(cc) Person: As such term is used in Section 13(d) or 14(d) of the Act (or any successor section thereto).

(dd) Phantom Stock Unit: A bookkeeping entry, equivalent in value to one Share, credited in accordance with Section 9(a) of the Plan.

(ee) Plan: The 1998 Dun & Bradstreet Corporation Replacement Plan for Certain Non-Employees Directors Holding Dun & Bradstreet Corporation Equity-Based Awards, as amended and restated.

(ff) Retirement: Termination of Service after such Eligible Holder has attained age 70, regardless of the length of such Eligible Holder's service.

(gg) Shares: Shares of common stock, par value \$.01 per share, of the Company.

(hh) Spinoff Date: The date on which the Shares are first distributed to the public shareholders.

(ii) **Subsidiary:** A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

(jj) **Termination of Service:** An Eligible Holder's termination of service with the Company; provided, however, that following the Distribution Date, a New D&B Director's termination of service shall be based on his or her termination of service with New D&B.

(kk) **Termination Date:** As such term is defined in Section 9(b) of the Plan.

3. SHARES SUBJECT TO THE PLAN

The total number of Shares which may be issued under the Plan is equal to the aggregate number of shares to be issued as replacement awards, as calculated pursuant to Sections 7, 8 and 10 of this Plan. The shares may consist, in whole or in part, of unissued shares or treasury shares. After the initial grant of awards, no further awards shall be granted under the Plan.

4. ADMINISTRATION

The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two "non-employee directors" within the meaning of Rule 16b-3 under the act (or any successor rule thereto); provided, however, that any action permitted to be taken by the Committee may be taken by the Board, in its discretion. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Eligible Holders and their beneficiaries or successors).

5. ELIGIBILITY

Only Eligible Holders shall receive grants of replacement stock options, replacement restricted stock, replacement phantom stock units and replacement deferred performance share units under the Plan.

6. LIMITATIONS

Options hereunder shall only be granted in replacement of D&B Stock Options (as defined in Section 7(a) of the Plan) held by Eligible Holders immediately prior to the Spinoff Date.

7. TERMS AND CONDITIONS OF OPTIONS

Options granted under the Plan shall be non-qualified stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the

foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Generally. As of the Spinoff, each unexercised stock option held by an Eligible Holder that was granted under the D&B Plans (a "D&B Stock Option") shall be cancelled, and such Eligible Holder shall receive a replacement stock option pursuant to this Plan. The number of Shares covered by each replacement stock option shall be determined by (i) multiplying the number of shares of D&B common stock covered by the cancelled D&B Stock Option by a fraction, the numerator of which is the average of the Daily Average Trading Prices of D&B common stock for the five consecutive trading days immediately preceding the first date on which D&B common stock is traded ex-dividend, and the denominator of which is the average of the Daily Average Trading Prices of the Shares for the five consecutive trading days starting on the first date on which the Shares are traded regular way (the "D&B Ratio") and (ii) rounding down the result to a whole number of shares. The option price of each replacement stock option shall be determined by dividing the option price of the cancelled D&B Stock Option by the D&B Ratio. Unless otherwise specified in this Plan, all other terms of the replacement stock options shall remain substantially identical to those of the cancelled D&B Stock Options as set forth in the D&B Plans and related option agreement(s).

(b) Exercisability. Except as set forth in the Plan, stock options granted under the Plan shall have substantially identical terms as those of the stock options originally granted under the D&B Plans; provided, however, that in no event shall a replacement stock option be exercisable more than ten years after the date the original option was granted under the D&B Plans.

(c) Exercisability of Options. An Option granted under the Plan shall be fully exercisable on the first anniversary of the date on which the original option was granted under the D&B Plans. An Option shall expire on the tenth anniversary of the date on which the original option was granted under the D&B Plans.

(d) Exercise of Options. Except as otherwise provided in the Plan or in a related Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. The purchase price for the Shares as to which an option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash, (ii) in Shares having a Fair Market Value equal to the aggregate option price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee or (iii) partly in cash and partly in such Shares. No Eligible Holder shall have any rights to dividends or other rights of a shareholder with respect to Shares subject to an Option until the Eligible Holder has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(e) Exercisability Upon Termination of Service by Death. Upon a Termination of Service by reason of death after the first anniversary of the date on which the original option was granted under the D&B Plans, the unexercised portion of such Option may

thereafter be exercised during the shorter of (A) the remaining term of the Option or (B) five years after the date of death.

(f) **Exercisability Upon Termination of Service by Disability or Retirement.** Upon a Termination of Service by reason of Disability or Retirement after the first anniversary of the date on which the original option was granted under the D&B Plans, the unexercised portion of such Option may thereafter be exercised during the shorter of (C) the remaining term of the Option or (D) five years after the date of such Termination of Service; provided, however, that if an Eligible Holder dies within a period of five years after such Termination of Service, the unexercised portion of the Option may thereafter be exercised, during the shorter of (iv) the remaining term of the Option or (v) the period that is the longer of (A) five years after the Date of such Termination of Service or (B) one year after the date of death.

(g) **Effect of Other Termination of Service.** Upon a Termination of Service by reason of Disability or Retirement prior to the first anniversary of the date on which an Option is granted (as described above), then, to the extent the Committee, in its sole discretion, so permits, such Option may be exercised thereafter, during the shorter of (A) the remaining term of such Option or (B) five years after the date of such Termination of Service, for a prorated number of Shares (rounded down to the nearest whole number of Shares), equal to (i) the number of Shares subject to such Option multiplied by (ii) a fraction the numerator of which is the number of days the Eligible Holder served on the Board and the New D&B Board subsequent to the date on which such Option was granted and the denominator of which is 365. The portion of such Option which is not so exercisable shall terminate as of the date of Disability or Retirement. Upon a Termination of Service for any other reason prior to the first anniversary of the date on which the original option was granted under the D&B Plans (as described above), the Option shall thereupon terminate. Upon a Termination of Service for any reason other than death, Disability or Retirement after the first anniversary of the date on which the original option was granted under the D&B Plans (as described above), the unexercised portion of the Option shall thereupon terminate.

(h) **Nontransferability of Stock Options.** Except as otherwise provided in this Section 7(h), a stock option shall not be transferable by the optionee otherwise than by will or by the laws of descent and distribution and during the lifetime of an optionee an option shall be exercisable only by the optionee. An option exercisable after the death of an optionee or a transferee pursuant to the following sentence may be exercised by the legatees, personal representatives or distributees of the optionee or such transferee. The Committee may, in its discretion, authorize all or a portion of the options previously granted or to be granted to an optionee to be on terms which permit irrevocable transfer for no consideration by such optionee to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the optionee, trusts for the exclusive benefit of these persons, and any other entity owned solely by these persons ("Eligible Transferees"), provided that (x) the stock option agreement pursuant to which such options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section and (y) subsequent transfers of transferred options shall be prohibited except

those in accordance with the first sentence of this Section 7(h). The Committee may, in its discretion, amend the definition of Eligible Transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of Termination of Service of Sections

7(e), 7(f) and 7(g) hereof shall continue to be applied with respect to the original optionee, following which the options shall be exercisable by the transferee only to the extent, and for the periods specified, in Sections 7(e), 7(f) and 7(g). The Committee may delegate to a committee consisting of employees of the Company the authority to authorize transfers, establish terms and conditions upon which transfers may be made and establish classes of options eligible to transfer options, as well as to make other determinations with respect to option transfers.

8. TERMS AND CONDITIONS OF RESTRICTED STOCK

As of the Spinoff Date, D&B Restricted Stock and New D&B Restricted Stock shall be forfeited, and such Eligible Holder shall receive replacement restricted stock pursuant to this Plan. The number of shares of restricted stock shall equal (i) the number of Shares of forfeited New D&B Restricted Stock plus

(ii) the number of shares of forfeited D&B Restricted Stock multiplied by a fraction, the numerator of which is the average of the Daily Average Trading Prices of D&B common stock for the five consecutive trading days starting on the ex-dividend trading date, and the denominator of which is the average of the Daily Average Trading Prices of the Shares for the five consecutive trading days starting on the first date on which the Shares are traded regular way. Unless otherwise specified in this Plan, all other terms of the replacement restricted stock shall remain substantially identical to those of the forfeited D&B Restricted Stock as set forth in the applicable D&B Plans and related D&B Restricted Stock agreement(s); provided, however, that following the Distribution Date, a New D&B Director's continued service as a non-employee director and a New D&B Director's termination of service shall be based on his or her service with New D&B.

9. TERMS AND CONDITIONS OF PHANTOM STOCK UNITS

(a) Phantom Stock Units. As of the Spinoff Date, D&B Phantom Stock Units and New D&B Phantom Stock Units then held by each Eligible Holder shall be forfeited, and such Eligible Holder shall receive replacement Phantom Stock Units pursuant to this Plan. The number of Shares credited as Phantom Stock Units shall equal (i) the number of forfeited New D&B Phantom Stock Units plus (ii) the number of forfeited D&B Phantom Stock Units multiplied by a fraction, the numerator of which equals the average of the high and low trading prices of a share of R.H. Donnelley Corporation common stock for the five trading days starting on the ex-dividend date, and the denominator of which equals the average of the high and low trading prices of a Share for the five trading days starting on the regular way trading date. Phantom Stock Units shall be credited with dividend equivalents when dividends are deemed paid on balances held by employees of the Company (the "Employee Balances") in the Dun & Bradstreet Common Stock Fund of the Company's Profit Participation Plan (or successor plan), and such dividend equivalents shall be converted into additional Phantom Stock Units (including fractional Phantom Stock Units) in a manner consistent with the treatment of the Employee Balances. Unless otherwise specified in this Plan, all other terms of the replacement

Phantom Stock Units shall remain substantially identical to those of the forfeited D&B Phantom Stock Units as set forth in the applicable D&B Plans and related agreement(s).

(b) Payment in Cash Upon Termination of Service. On the tenth day (the "Payment Day") of the calendar year immediately following the calendar year containing the date on which an Eligible Holder terminates service with the Company (the "Termination Date"), the Eligible Holder shall receive a lump sum payment in cash equal to the Fair Market Value of the number of Phantom Stock Units (including fractional Phantom Stock Units) credited to the Eligible Holder's Phantom Stock Unit account on the December 31 immediately preceding the Payment Day (the "Determination Day"). Between the Termination Date and the Determination Day the Eligible Holder's Phantom Stock Units shall continue to be credited with dividend equivalents and such dividend equivalents shall continue to be converted into additional Phantom Stock Units (including fractional Phantom Stock Units) in the manner set forth above. As an alternative to receiving such payment on the Payment Day, the Eligible Holder may elect to receive his or her payment in such forms of payments (and on such terms and conditions) as are established by the Committee in its sole discretion.

(c) Crediting of Stock Dividends. When non-cash dividends are paid on Shares, an Eligible Holder's Phantom Stock Units shall be credited with dividend equivalents by crediting the Eligible Holder's account in a manner consistent with the treatment of the Employee Balances.

(d) Notwithstanding the foregoing, as of the Distribution Date, all Phantom Stock Units held by a New D&B Director shall be forfeited and such New D&B Director shall receive replacement phantom stock units pursuant to the 2000 Dun & Bradstreet Corporation Replacement Plan for Certain Nonemployee Directors Holding Dun & Bradstreet Corporation Equity-Based Awards.

10. TERMS AND CONDITIONS OF DEFERRED PERFORMANCE SHARE UNITS

As of the Spinoff Date, D&B Deferred Performance Share Units and New D&B Deferred Performance Share Units then held by each Eligible Holder shall be forfeited, and such Eligible Holder shall receive replacement Deferred Performance Share Units pursuant to this Plan. The number of Shares credited as Deferred Performance Share Units shall equal (i) the number of forfeited New D&B Deferred Performance Share Units plus (ii) the number of forfeited D&B Deferred Performance Share Units multiplied by a fraction, the numerator of which equals the average of the high and low trading prices of a share of R.H. Donnelley Corporation common stock for the five trading days starting on the ex-dividend date, and the denominator of which equals the average of the high and low trading prices of a Share for the five trading days starting on the regular way trading date. Deferred Performance Share Units shall be credited with dividend equivalents when dividends are deemed paid on balances held by employees of the Company (the "Employee Balances") in the Dun & Bradstreet Common Stock Fund of the Company's Profit Participation Plan (or successor plan), and such dividend equivalents shall be converted into additional Deferred Performance Share Units (including fractional Deferred Performance Share Units) in a manner consistent with the treatment of the Employee Balances. Unless otherwise specified in this Plan, all other terms of the replacement Deferred Performance Share Units shall remain substantially identical to those of the forfeited D&B Deferred

Performance Share Units as set forth in the applicable D&B Plans and related agreement(s); provided, however, that following the Distribution Date, a New D&B Director's continued service as a non-employee director and a New D&B Director's termination of service shall be based on his or her service with New D&B.

11. ADJUSTMENTS UPON CERTAIN EVENTS

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares other than regular cash dividends, the Committee, in its sole discretion, and without liability to any person, may make such substitution or adjustment, if any, as it deems to be equitable, as to (A) the number or kind of shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (B) the option price and/or (C) any other affected terms of such Awards.

(b) Change in Control. Upon the occurrence of a Change in Control, (A) all restrictions on Shares of Restricted Stock shall lapse, (B) all Phantom Stock Units shall become payable to Eligible Holders in cash and (C) all Options shall vest and become exercisable.

(c) New D&B Change in Control. Upon the occurrence of a New D&B Change in Control, (A) all restrictions on Shares of Restricted Stock held by New D&B Directors shall lapse, (B) all Phantom Stock Units shall become payable to New D&B Employees in cash and (C) all Options shall vest and become exercisable.

12. SUCCESSORS AND ASSIGNS

The Plan shall be binding on all successors and assigns of the Company and an Eligible Holder, including without limitation, the estate of such Eligible Holder and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Eligible Holder's creditors.

13. AMENDMENTS OR TERMINATION

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the rights of any Eligible Holder under any Award theretofore granted without such Eligible Holder's consent.

14. NONTRANSFERABILITY OF AWARDS

Except as provided in Section 7(h) of the Plan, an Award shall not be transferable or assignable by the Eligible Holder otherwise than by will or by the laws of descent and distribution. During the lifetime of an Eligible Holder, an Award shall be exercisable only by such Eligible Holder. An Award exercisable after the death of an Eligible Holder may be

exercised by the legatees, personal representatives or distributees of the Eligible Holder. Notwithstanding anything to the contrary herein, the Committee, in its sole discretion, shall have the authority to waive this Section 14 (or any part thereof) to the extent that this Section 14 (or any part thereof) is not required under the rules promulgated under any law, rule or regulation applicable to the Company.

15. CHOICE OF LAW

The Plan shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed in the State of New York.

16. EFFECTIVENESS OF THE PLAN

The Plan shall be effective as of the Spinoff Date.

**1998 MOODY'S CORPORATION REPLACEMENT PLAN
FOR CERTAIN EMPLOYEES HOLDING DUN & BRADSTREET CORPORATION
EQUITY-BASED AWARDS**

(as amended and restated as of the Distribution Date)

1. PURPOSE OF THE PLAN

The purpose of the 1998 Moody's Corporation Replacement Plan for Certain Employees Holding Dun & Bradstreet Corporation Equity-Based Awards (the "Plan") is to provide for the award of substantially identical replacement stock options, replacement stock appreciation rights and replacement restricted stock awards to certain employees of The New Dun & Bradstreet Corporation, a Delaware corporation to be renamed "The Dun & Bradstreet Corporation" after the Spinoff, to be renamed "Moody's Corporation" following the Distribution Date (the "Company") whose awards under the 1991 Key Employees Stock Option Plan for The Dun & Bradstreet Corporation and Subsidiaries, the 1982 Key Employees Stock Option Plan for The Dun & Bradstreet Corporation and Subsidiaries and the 1989 Key Employees Restricted Stock Plan for The Dun & Bradstreet Corporation and Subsidiaries (the "D&B Plans") were cancelled pursuant to the spinoff of the Company from The Dun & Bradstreet Corporation, a Delaware corporation to be renamed "R.H. Donnelley Corporation" after the Spinoff ("D&B") (the "Spinoff") and to certain retired employees who elect, pursuant to the Spinoff, to have the awards granted under the D&B Plans cancelled (the "Eligible Holders"). The Company expects that the Plan will allow it to retain such employees and to motivate them to exert their best efforts on behalf of the Company and its subsidiaries by providing incentives through the replacement awards. The Company also expects that it will benefit from the added interest which such employees will have in the welfare of the Company as a result of their proprietary interest in the Company's success. It is the intention of the Company that the terms of the replacement awards will (i) substantially preserve the economic value of the cancelled D&B awards and (ii) except for the terms described in Sections 6, 7, 8 and 10 of this Plan, remain substantially identical to the terms of the cancelled D&B awards. As a result of the distribution of the shares of New D&B (as defined in Section 6(e) below) owned by the Company to the holder of record of Shares, the Company has amended and restated the Plan as of the Distribution Date (as defined in Section 6(e) below).

2. STOCK SUBJECT TO THE PLAN

The total number of shares of common stock of the Company ("Shares") which may be issued under the Plan is equal to the aggregate number of Shares to be issued as replacement awards, as calculated pursuant to Sections 6(a), 7(a), 8 and 10 of this Plan. The Shares may consist, in whole or in part, of unissued Shares or treasury shares. After the initial grant of options and stock appreciation rights, no further grant shall be made under the Plan.

3. ADMINISTRATION

The Board of Directors of the Company shall appoint a Compensation and Benefits Committee (herein called the "Committee") consisting of at least three members of the Board of Directors who shall administer the Plan and serve at the pleasure of the Board; provided, however, that any action permitted to be taken by the Committee may be taken by the Board, in its discretion. The Committee shall have the authority, consistent with the Plan, to determine the provisions of the stock options and stock appreciation rights to be granted, to interpret the Plan

and the stock options and the stock appreciation rights granted under the Plan, to adopt, amend and rescind rules and regulations for the administration of the Plan, the stock options and the stock appreciation rights and generally to conduct and administer the Plan and to make all determinations in connection therewith which may be necessary or advisable, and all such actions of the Committee shall be binding upon all Eligible Holders. The Committee shall require payment of any amount the Company may determine to be necessary to withhold for federal, state or local taxes as a result of the exercise of a stock option or a stock appreciation right. Fair market value of the Shares as of a given date shall be determined in accordance with procedures established by the Committee.

4. ELIGIBILITY

Only Eligible Holders shall receive grants of replacement stock options, replacement stock appreciation rights and replacement restricted stock under the Plan. The granting of a stock option, stock appreciation right or a share of restricted stock under the Plan shall impose no obligation on the Company or any Subsidiary to continue the employment of an Eligible Holder and shall not lessen or affect the right to terminate the employment of such Eligible Holder.

5. LIMITATIONS

Options hereunder shall only be granted in replacement of D&B Stock Options (as defined in Section 6(a) of the Plan) held by Eligible Holders immediately prior to the Spinoff.

6. TERMS AND CONDITIONS OF STOCK OPTIONS

Stock options granted under the Plan shall be nonqualified, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Generally. As of the Spinoff, each unexercised stock option held by an Eligible Holder that was granted under the D&B Plans (a "D&B Stock Option") shall be cancelled, and such Eligible Holder shall receive a replacement stock option pursuant to this Plan. The number of Shares covered by each replacement stock option shall be determined by (i) multiplying the number of shares of D&B common stock covered by the cancelled D&B Stock Option by a fraction, the numerator of which is the average of the Daily Average Trading Prices of D&B common stock for the five consecutive trading days immediately preceding the first date on which D&B common stock is traded ex-dividend, and the denominator of which is the average of the Daily Average Trading Prices of the Shares for the five consecutive trading days starting on the first date on which the Shares are traded regular way (the "D&B Ratio") and (ii) rounding down the result to a whole number of Shares. The option price of each replacement stock option shall be determined by dividing the option price of the cancelled D&B Stock Option by the D&B Ratio. Unless otherwise specified in this Plan, all other terms of the replacement stock options shall remain substantially identical to those of the cancelled D&B Stock Options as set forth in the applicable D&B Plan and related option agreement(s). For purposes of this paragraph, the "Daily Average Trading Price" shall mean the average of the high and low trading prices for stock on a given day.

(b) **Exercisability.** Except as set forth in the Plan, stock options granted under the Plan shall have substantially identical terms as those of the stock options originally granted under the D&B Plans; provided, however, that in no event shall a replacement stock option be exercisable more than ten years after the date the original option was granted under the D&B Plans.

(c) **First Year Non-Exercisability.** Except as provided in Paragraph 10 of the Plan, no stock option shall be exercisable during the year ending on the first anniversary date of the granting of the original option under the D&B Plans.

(d) **Exercise of Stock Options.** Except as otherwise provided in the Plan or the option, a stock option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. The purchase price for the Shares as to which an option is exercised shall be paid to the Company in full at the time of exercise at the election of the Eligible Holder

(i) in cash, (ii) in Shares of the Company having a fair market value equal to the option price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee or (iii) partly in cash and partly in such Shares of the Company. The Committee may permit the Eligible Holder to elect, subject to such terms and conditions as the Committee shall determine, to have the number of Shares deliverable to the Eligible Holder as a result of the exercise reduced by a number sufficient to pay the amount the Company determines to be necessary to withhold for federal, state or local taxes as a result of the exercise of the option. No Eligible Holder shall have any rights to dividends or other rights of a shareholder with respect to Shares subject to an option until the Eligible Holder has given written notice of exercise of the option, paid in full for such Shares and, if requested, given the representation described in Paragraph 6(h) of the Plan.

(e) **Exercisability Upon Termination of Employment by Death.** If an Eligible Holder's employment by the Company or a subsidiary terminates by reason of death one year or more after the date of grant of the original stock option under the D&B Plans, the option thereafter may be exercised, during the three years after the date of death or the remaining stated period of the option, whichever period is shorter, to the extent to which such option was exercisable at the time of death or thereafter would become exercisable during the three-year period after the date of death in accordance with its terms; provided, however, that following the date on which the shares of The New D&B Corporation ("New D&B") that are owned by the Company are distributed to the holders of record of shares of the Company (the "Distribution Date"), the employment of an Eligible Holder who becomes an employee of New D&B or its subsidiaries immediately following the Distribution Date (a "New D&B Employee") shall be based on his or her employment with New D&B or its subsidiaries.

(f) **Exercisability Upon Termination of Employment by Disability or Retirement.** If an Eligible Holder's employment by the Company or a subsidiary terminates by reason of disability or retirement one year or more after the date of grant of the original option under the D&B Plans, the option thereafter may be exercised, during the five years after the date of such termination of employment or the remaining stated period of the option, whichever period is shorter, to the extent to which such option was exercisable at the time of such termination of employment or thereafter would become exercisable during such period in

accordance with its terms; provided, however, that if the Eligible Holder dies within a period of five years after such termination of employment, any unexercised stock option may be exercised thereafter, during either (1) the period ending on the later of (i) five years after such termination of employment and (ii) one year after the date of death or (2) the period remaining in the stated term of the option, whichever period is shorter, to the extent to which such option was exercisable at the time of death or thereafter would become exercisable during the remainder of the five year period after such termination of employment in accordance with its terms; provided, further, that following the Distribution Date, the employment of a New D&B Employee shall be based on his or her employment with New D&B and its subsidiaries. For purposes of this Paragraph 6, "retirement" shall mean termination of employment with the Company or a subsidiary after the Eligible Holder has attained age 55 and completed ten or more years of employment; or after the Eligible Holder has attained age 65, regardless of the length of such Eligible Holder's employment; provided, however, that following the Distribution Date, the employment of a New D&B Employee shall be based on his or her employment with the Company and New D&B and their respective subsidiaries. An Eligible Holder shall not be considered disabled for purposes of this Paragraph 6, unless he or she furnishes such medical or other evidence of the existence of the disability as the Committee, or the Compensation Committee of New D&B with respect to a New D&B Employee following the Distribution Date, in its sole discretion, may require.

(g) Effect of Other Termination of Employment. If an Eligible Holder's employment terminates for any reason, other than disability, death or retirement one year or more after the date of grant of the original stock option or stock appreciation right under the D&B Plans as described above, each stock option and stock appreciation right held by such Eligible Holder shall thereupon terminate; provided, however, that following the Distribution Date, the employment of a New D&B Employee shall be based on his or her employment with New D&B and its subsidiaries.

(h) Additional Agreements of Eligible Holder and Restrictions on Transfer. The Committee may require each person purchasing Shares pursuant to exercise of a stock option to represent to and agree with the Company in writing that the Shares are being acquired without a view to distribution thereof. The certificates for Shares so purchased may include any legend which the Committee deems appropriate to reflect any restrictions on transfers. The Committee also may impose, in its discretion, as a condition of any option, any restrictions on the transferability of Shares acquired through the exercise of such option as it may deem fit. Without limiting the generality of the foregoing, the Committee may impose conditions restricting absolutely the transferability of Shares acquired through the exercise of options for such periods as the Committee may determine and, further, in the event the Eligible Holder's employment by the Company or a subsidiary terminates during the period in which such Shares are nontransferable, the Eligible Holder may be required, if required by the related option agreement, to sell such Shares back to the Company at such price and on such other terms as the Committee may have specified in the option agreement.

(i) Nontransferability of Stock Options. Except as otherwise provided in this Paragraph 6(i), a stock option shall not be transferable by the Eligible Holder otherwise than by will or by the laws of descent and distribution and during the lifetime of an Eligible Holder an

option shall be exercisable only by the Eligible Holder. An option exercisable after the death of an Eligible Holder or a transferee pursuant to the following sentence may be exercised by the legatees, personal representatives or distributees of the Eligible Holder or such transferee. The Committee may, in its discretion, authorize all or a portion of the options previously granted or to be granted to an Eligible Holder to be on terms which permit irrevocable transfer for no consideration by such Eligible Holder to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the Eligible Holder, trusts for the exclusive benefit of these persons, and any other entity owned solely by these persons ("Eligible Transferees"), provided that (x) the stock option agreement pursuant to which such options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section and (y) subsequent transfers of transferred options shall be prohibited except those in accordance with the first sentence of this Paragraph 6(i). The Committee may, in its discretion amend the definition of Eligible Transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of termination of employment of Paragraphs 6(e), 6(f) and 6(g) hereof shall continue to be applied with respect to the original Eligible Holder, following which the options shall be exercisable by the transferee only to the extent, and for the periods specified, in Paragraphs 6(e), 6(f) and 6(g). The Committee may delegate to a committee consisting of employees of the Company the authority to authorize transfers, establish terms and conditions upon which transfers may be made and establish classes of Eligible Holders eligible to transfer options, as well as to make other determinations with respect to option transfers.

7. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS

Stock appreciation rights (including limited stock appreciation rights) granted under the Plan shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Replacement Stock Appreciation Rights. As of the Spinoff, each unexercised stock appreciation right (including a limited stock appreciation right) held by an Eligible Holder that was granted under the D&B Plans (a "D&B SAR") shall be cancelled, and such Eligible Holder shall receive a replacement stock appreciation right pursuant to this Plan. The number of Shares covered by each replacement stock appreciation right shall be determined by (i) multiplying the number of D&B shares covered by the cancelled D&B SAR by the D&B Ratio and (ii) rounding down the result to a whole number of Shares. The exercise price of each replacement stock appreciation right shall be determined by dividing the exercise price of the cancelled D&B SAR by the D&B Ratio. Unless otherwise specified in this Plan, all other terms of the replacement stock appreciation rights shall remain substantially identical to those of the cancelled D&B SARs as set forth in the applicable D&B Plans and related D&B SAR agreement(s); provided, however, that following the Distribution Date, the employment of a New D&B Employee shall be based on his or her employment with New D&B and its subsidiaries.

(b) Terms. Each stock appreciation right shall entitle an Eligible Holder to surrender to the Company an unexercised option, or any portion thereof, and to receive from the Company in exchange therefor an amount equal to the excess of the fair market value on the exercise date of one Share over the option price per Share times the number of Shares covered by the option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash, valued at such fair market value, all as shall be determined by the Committee. Stock appreciation rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares subject to an exercisable option with respect to which the stock appreciation right is being exercised. No fractional Shares will be issued in payment for stock appreciation rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations on Exercisability. The Committee shall impose such conditions upon the exercisability of stock appreciation rights as will result, except upon the occurrence of an event contemplated by replacement limited stock appreciation rights granted pursuant to Paragraph 7 (d) or contemplated by the provisions of Paragraph 10, in the amount to be charged against the Company's consolidated income by reason of stock appreciation rights not to exceed, in any one calendar year, two percent of the Company's prior calendar year's consolidated income before income taxes. The Committee also may impose, in its discretion, such other conditions upon the exercisability of stock appreciation rights as it may deem fit.

(d) Replacement Limited Stock Appreciation Rights. The Committee shall grant replacement limited stock appreciation rights in substantially the same manner in which replacement stock appreciation rights are awarded pursuant to this Section 7 of the Plan. Unless the context otherwise requires, whenever the term "stock appreciation right" is used in the Plan, such term shall include limited stock appreciation rights.

8. TERMS AND CONDITIONS OF RESTRICTED STOCK

As of the Spinoff Date, restricted stock held by an Eligible Holder that was granted under the D&B Plans ("D&B Restricted Stock") and restricted stock received by an Eligible Holder as a result of the Spinoff ("New D&B Restricted Stock") shall be forfeited, and such Eligible Holder shall receive replacement restricted stock pursuant to this Plan. The number of shares of restricted stock shall equal (i) the number of Shares of forfeited New D&B Restricted Stock plus (ii) the number of shares of forfeited D&B Restricted Stock multiplied by a fraction, the numerator of which is the average of the Daily Average Trading Prices of D&B common stock for the five consecutive trading days starting on the ex-dividend trading date, and the denominator of which is the average of the Daily Average Trading Prices of the Shares for the five consecutive trading days starting on the first date on which the Shares are traded regular way. Unless otherwise specified in this Plan, all other terms of the replacement restricted stock shall remain substantially identical to those of the forfeited D&B Restricted Stock as set forth in the applicable D&B Plans and related D&B Restricted Stock agreement(s); provided, however, that following the Distribution Date, the employment of a New D&B Employee shall be based on his or her employment with New D&B and its subsidiaries. For purposes of this paragraph,

the "Daily Average Trading Price" shall mean the average of the high and low trading prices for stock on a given day.

9. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan: (a) a transfer of an employee from the Company or New D&B to a 50% or more owned subsidiary, partnership, venture or other affiliate (whether or not incorporated) of the Company or New D&B, respectively or vice versa, or from one such subsidiary, partnership, venture or other affiliate to another, (b) a leave of absence, duly authorized in writing by the Company or New D&B, as the case may be, for military service or sickness or for any other purpose approved by the Company or New D&B, as the case may be, if the period of such leave does not exceed 90 days, or (c) a leave of absence in excess of 90 days, duly authorized in writing by the Company or New D&B, as the case may be, provided the employee's right to re-employment is guaranteed either by statute or by contract, shall not be deemed a termination of employment under the Plan.

10. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION OR OTHER EVENTS

(a) Generally. Upon changes in the Shares by reason of a stock dividend, stock split, reverse split, recapitalization, merger, consolidation, combination or exchange of Shares, separation, reorganization or liquidation, the number and class of Shares available under the Plan as to which stock options, stock appreciation rights or restricted stock may be granted (both in the aggregate and to any one Eligible Holder), the number and class of Shares under each option and the option price per Share, the terms of stock appreciation rights and the number and class of shares under each restricted stock award shall be correspondingly adjusted by the Committee, such adjustments to be made in the case of outstanding options without change in the total price applicable to such options.

(b) Company Transaction. In the event of a merger, consolidation, combination, reorganization or other transaction in which the Company will not be the surviving corporation, an Eligible Holder shall be entitled to options on that number of shares of stock in the new corporation which the Eligible Holder would have received had the Eligible Holder exercised all of the unexercised options available to the Eligible Holder under the Plan, whether or not then exercisable, at the instant immediately prior to the effective date of such transaction, and if such unexercised options had related stock appreciation rights the Eligible Holder also will receive new stock appreciation rights related to the new options. Thereafter, adjustments as provided above shall relate to the options or stock appreciation rights of the new corporation. Except as otherwise specifically provided in the stock option, stock appreciation right or restricted stock award, in the event of a Change in Control, merger, consolidation, combination, reorganization or other transaction in which the shareholders of the Company will receive cash or securities (other than common stock) or in the event that an offer is made to the holders of common stock of the Company to sell or exchange such common stock for cash, securities or stock of another corporation and such offer, if accepted, would result in the offeror becoming the owner of (a) at least 50% of the outstanding common stock of the Company or (b) such lesser percentage of the outstanding common stock which the Committee in its sole discretion determines will materially adversely affect the market value of the common stock after the tender

or exchange offer, the Committee shall, prior to the shareholders' vote on such transaction or prior to the expiration date (without extensions) of the tender or exchange offer, (A) with respect to stock options and stock appreciation rights, (i) accelerate the time of exercise so that all stock options and stock appreciation rights which are outstanding shall become immediately exercisable in full without regard to any limitations of time or amount otherwise contained in the Plan or the options or stock appreciation rights and/or (ii) determine that the options and stock appreciation rights shall be adjusted and make such adjustments by substituting for common stock of the Company subject to options and stock appreciation rights, common stock of the surviving corporation or offeror if such stock of such corporation is publicly traded or, if such stock is not publicly traded, by substituting common stock of a parent of the surviving corporation or offeror if the stock of such parent is publicly traded, in which event the aggregate option price shall remain the same and the number of Shares subject to option shall be the number of Shares which could have been purchased on the closing day of such transaction or the expiration date of the offer with the proceeds which would have been received by the Eligible Holder if the option had been exercised in full prior to such transaction or expiration date and the Eligible Holder had exchanged all of such Shares in the transaction or sold or exchanged all of such Shares pursuant to the tender or exchange offer, and if any such option has related stock appreciation rights, the stock appreciation rights shall likewise be adjusted and (B) with respect to restricted stock, (i) accelerate the termination of the Restriction Period (as defined in the applicable D&B Plan) so that all restrictions with respect to an Eligible Holder's restricted stock shall immediately lapse without regard to any limitations of time or amount otherwise contained in the D&B Plans or a restricted stock agreement and/or (ii) determine that the awards shall be adjusted and make such adjustments by substituting for the Shares subject to awards, common stock of the surviving corporation or offeror if such stock of such corporation is publicly traded or, if such stock is not publicly traded, by substituting common stock of a parent of the surviving corporation or offeror if the stock of such parent is publicly traded, in which event the number of shares subject to an award shall be the number of shares which could have been purchased on the closing day of such transaction or the expiration date of the offer with the proceeds which would have been received by the Eligible Holder if the Eligible Holder had exchanged all of such shares in the transaction or sold or exchanged all of such shares pursuant to the tender or exchange offer. For purposes of stock options and stock appreciation rights, "Change in Control" means:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new Director (other than a Director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c) or (d) of this Paragraph) whose election by

the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "Person" (as hereinabove defined) acquires more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve 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.

(c) New D&B Transaction. In the event of a New D&B Change in Control (as defined below) following the Distribution Date, with respect to stock options and stock appreciation rights held by New D&B Employees, the New D&B Committee may accelerate the time of exercise so that all stock options and stock appreciation rights which are outstanding shall become immediately exercisable in full without regard to any limitations of time or amount otherwise contained in the Plan or the options or stock appreciation rights. For purposes of this Section 9(c), "New D&B Change in Control" means:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act, (other than New D&B, any trustee or other fiduciary holding securities under an employee benefit plan of New D&B, or any corporation owned, directly or indirectly, by the shareholders of New D&B in substantially the same proportions as their ownership of stock of New D&B), is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of New D&B representing 30% or more of the combined voting power of New D&B's then outstanding securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of New D&B (the "New D&B Board"), and any new Director (other than a Director designated by a person who has entered into an agreement with New D&B to effect a transaction described in clause (a), (c) or (d) of this Paragraph) whose election by the New D&B Board or nomination for election by New D&B's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof;

(iii) the shareholders of New D&B approve a merger or consolidation of New D&B with any other corporation, other than (1) a merger or consolidation which would result in the voting securities of New D&B outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of New D&B or such surviving entity outstanding immediately after such merger or consolidation or (2) a merger or consolidation effected to implement a recapitalization of New D&B (or similar transaction) in which no "Person" (as hereinabove defined) acquires more than 50% of the combined voting power of New D&B's then outstanding securities; or

(iv) the shareholders of New D&B approve a plan of complete liquidation of New D&B or an agreement for the sale or disposition by New D&B of all or substantially all of New D&B's assets.

11. USE OF PROCEEDS

Proceeds from the sale of Shares pursuant to exercise of stock options granted under the Plan shall constitute general funds of the Company.

12. AMENDMENTS

The Board of Directors may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the rights of any Eligible Holder under any award theretofore granted, without the Eligible Holder's consent, or which, without the approval of the shareholders of the Company, would:

- (a) Except as is provided in Paragraph 10 of the Plan, increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which awards may be granted to any Eligible Holder.
- (b) Decrease the option price to less than 100% of fair market value on the date of grant of the original option under the D&B Plans.
- (c) Change the employees (or class of employees) eligible to receive awards under the Plan.
- (d) Materially increase the benefits accruing to employees participating under the Plan.

13. EFFECTIVENESS OF THE PLAN AND AMENDMENTS

The Plan shall be effective as of the Spinoff.

Exhibit 10.15

**1998 MOODY'S CORPORATION
NON-EMPLOYEE DIRECTORS' STOCK INCENTIVE PLAN**
(as amended and restated as of the Distribution Date)

1. PURPOSE OF THE PLAN

The purpose of the Plan is to aid the Company in attracting, retaining and compensating non-employee directors and to enable them to increase their ownership of Shares. The Plan will be beneficial to the Company and its stockholders since it will allow non-employee directors of the Board to have a greater personal financial stake in the Company through the ownership of Shares, in addition to underscoring their common interest with stockholders in increasing the value of the Shares on a long-term basis. As a result of the distribution of the shares of New D&B owned by the Company to the holder of record of Shares, the Company has amended and restated the Plan as of the Distribution Date.

2. DEFINITIONS

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

- (a) Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.
- (b) Award: An Option, Share of Restricted Stock or Performance Share granted pursuant to the Plan.
- (c) Beneficial Owner: As such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).
- (d) Board: The Board of Directors of the Company.
- (e) Change in Control: The occurrence of any of the following events: (i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Act, (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities.
 - (ii) during any period of twenty-four months (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board, and any new Director (other than a Director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii) or (iv)

of

this Section, a Director designated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or a Director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof.

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and after which no Person holds 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

(iv) the shareholders of the Company approve 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.

(f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(g) Committee: The Compensation and Benefits Committee of the Board, or any successor thereto or other committee designated by the Board to assume the obligations of the Committee hereunder.

(h) Company: The New Dun & Bradstreet Corporation, a Delaware corporation, to be renamed "The Dun & Bradstreet Corporation" after June 30, 1998, to be renamed the Moody Corporation after the Distribution Date.

(i) D&B: The Dun & Bradstreet Corporation, a Delaware corporation.

(j) Disability: Inability to continue to serve as a non-employee director due to a medically determinable physical or mental impairment which constitutes a permanent and total disability, as determined by the Committee (excluding any member thereof whose own Disability is at issue in a given case) based upon such evidence as it deems necessary and appropriate;

provided, however, that following the Distribution Date, the Disability of a New D&B Director shall be determined by the New D&B Committee. A Participant shall not be considered disabled unless he or she furnishes such medical or other evidence of the existence of the Disability as the Committee or the New D&B Committee, as the case may be, in its sole discretion, may require.

(k) Distribution Date: The date on which the shares of New D&B that are owned by the Company are distributed to the holders of record of shares of the Company.

(l) Effective Date: The date on which the Plan takes effect, as defined pursuant to Section 14 of the Plan.

(m) Fair Market Value: On a given date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities exchange on such date or quoted on the National Association of Securities Dealers Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(n) New D&B: The New D&B Corporation, a Delaware corporation, to be renamed "The Dun & Bradstreet Corporation" following the Distribution Date.

(o) New D&B Board: The Board of Directors of New D&B.

(p) New D&B Change in Control: The occurrence of any of the following events:

(i) any "Person," as such term is used in Sections 13(d) and 14(d), (other than New D&B, any trustee or other fiduciary holding securities under an employee benefit plan of New D&B, or any corporation owned, directly or indirectly, by the shareholders of New D&B in substantially the same proportions as their ownership of stock of New D&B), is or becomes the Beneficial Owner, directly or indirectly, of

securities of New D&B representing 20% or more of the combined voting power of New D&B's then outstanding securities.

(ii) during any period of twenty-four months (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the New D&B Board, and any new Director (other than a Director designated by a person who has entered into an agreement with New D&B to effect a transaction described in clause (i),

(iii) or (iv) of this Section, a Director designated by any Person (including New D&B) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a New D&B Change in Control or a Director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of New D&B representing 10% or more of the combined voting power of New D&B's securities) whose election by the New D&B Board or nomination for election by New D&B's shareholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was previously so approved cease for any reason to constitute at least a majority thereof.

(iii) the shareholders of New D&B approve a merger or consolidation of New D&B with any other corporation, other than a merger or consolidation which would result in the voting securities of New D&B outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of New D&B or such surviving entity outstanding immediately after such merger or consolidation and after which no Person holds 20% or more of the combined voting power of the then outstanding securities of New D&B or such surviving entity; or

(iv) the shareholders of New D&B approve a plan of complete liquidation of New D&B or an agreement for the sale or disposition by New D&B of all or substantially all of New D&B's assets.

(q) New D&B Committee: The Compensation and Benefits Committee of the New D&B Board, or any successor thereto or other committee designated by the New D&B Board to assume the obligations of the New D&B Committee hereunder.

(r) New D&B Director: A Participant who is a director of New D&B immediately following the Distribution Date.

(s) Option: A stock option granted pursuant to Section 6 of the Plan.

(t) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 6(b) of the Plan.

- (u) Participant: Any director of the Company who is not an employee of the Company or any Subsidiary of the Company as of the date that an Award is granted.
- (v) Performance Period: The calendar year or such other period of time as shall be designated by the Committee from time to time.
- (w) Performance Share: A periodic bonus award, payable in unrestricted Shares, granted pursuant to Section 8(a) of the Plan.
- (x) Person: As such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).
- (y) Plan: The 1998 Moody's Corporation Non-Employee Directors' Stock Incentive Plan, as amended and restated.
- (z) Restricted Stock: A Share of restricted stock granted pursuant to Section 7 of the Plan.
- (aa) Retirement: Termination of service with the Company after such Participant has attained age 70, regardless of the length of such Participant's service; or, with the prior written consent of the Committee (excluding any member thereof whose own Retirement is at issue in a given case), termination of service at an earlier age after the Participant has completed six or more years of service with the Company; provided, however, that following the Distribution Date, the Retirement of a New D&B Director shall be based on his or her service as a non-employee director of the Board and the New D&B Board and/or the prior written consent of the New D&B Committee.
- (bb) Shares: Shares of common stock, par value \$0.01 per share, of the Company.
- (cc) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).
- (dd) Termination of Service: A Participant's termination of service with the Company; provided, however, that following the Distribution Date, a New D&B Director's termination of service shall be based on his or her termination of service with New D&B.

3. SHARES SUBJECT TO THE PLAN

The total number of Shares which may be issued under the Plan is 200,000. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Awards shall reduce the total number of Shares available under the Plan. Shares which are subject to Awards which terminate or lapse may be granted again under the Plan.

4. ADMINISTRATION

The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two "non-employee directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto); provided, however, that any action permitted to be taken by the Committee may be taken by the Board, in its discretion. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors).

5. ELIGIBILITY

All Participants shall be eligible to participate under this Plan.

6. TERMS AND CONDITIONS OF OPTIONS

Options granted under the Plan shall be non-qualified stock options for federal income tax purposes, as evidenced by the related Option agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

- (a) Grants. A Participant may receive, on such dates as determined by the Committee in its sole discretion, grants consisting of such number of Options as determined by the Committee in its sole discretion.
- (b) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.
- (c) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.
- (d) Exercise of Options. Except as otherwise provided in the Plan or in a related Option agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii) or (iii) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee, (iii) partly in cash and partly in such Shares or (iv) through the delivery of

irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the occurrence of the exercise date (determined as set forth above) and, if applicable, the satisfaction of any other conditions imposed by the Committee pursuant to the Plan.

(e) **Exercisability Upon Termination of Service by Death.** Upon a Termination of Service by reason of death after the first anniversary of the date on which an Option is granted, the unexercised portion of such Option shall immediately vest in full and may thereafter be exercised during the shorter of the remaining term of the Option or five years after the date of death.

(f) **Exercisability Upon Termination of Service by Disability or Retirement.** Upon a Termination of Service by reason of Disability or Retirement after the first anniversary of the date on which an Option is granted, the unexercised portion of such Option may thereafter be exercised during the shorter of the remaining term of the Option or five years after the date of such Termination of Service; provided, however, that if a Participant dies within a period of five years after such Termination of Service, the unexercised portion of the Option shall immediately vest in full and may thereafter be exercised, during the shorter of the remaining term of the Option or the period that is the longer of five years after the date of such Termination of Service or one year after the date of death.

(g) **Effect of Other Termination of Service.** Upon a Termination of Service by reason of Disability or Retirement prior to the first anniversary of the date on which an Option is granted (as described above), then, a pro rata portion of such Option shall immediately vest in full and may be exercised thereafter, during the shorter of (A) the remaining term of such Option or (B) five years after the date of such Termination of Service, for a prorated number of Shares (rounded down to the nearest whole number of Shares), equal to (i) the number of Shares subject to such Option multiplied by (ii) a fraction the numerator of which is the number of days the Participant served on the Board and the New D&B Board subsequent to the date on which such Option was granted and the denominator of which is 365. The portion of such Option which is not so exercisable shall terminate as of the date of Disability or Retirement. Upon a Termination of Service for any other reason prior to the first anniversary of the date on which an Option is granted, such Option shall thereupon terminate. Upon a Termination of Service for any reason other than death, Disability or Retirement after the first anniversary of the date on which an Option is granted, the unexercised portion of such Option shall thereupon terminate.

(h) **Nontransferability of Stock Options.** Except as otherwise provided in this Section 6(h), a stock option shall not be transferable by the optionee otherwise than by will or by the laws of descent and distribution and during the lifetime of an optionee an option shall be exercisable only by the optionee. An option exercisable after the death of an optionee or a transferee pursuant to the following sentence may be exercised by the legatees, personal representatives or distributees of the optionee or such transferee. The Committee may, in its discretion, authorize all or a portion of the options previously granted or to be granted to an optionee to be on terms which permit irrevocable transfer for no consideration by such optionee to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the optionee, trusts for the exclusive benefit of these persons, and any

other entity owned solely by these persons ("Eligible Transferees"), provided that (x) the stock option agreement pursuant to which such options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section and (y) subsequent transfers of transferred options shall be prohibited except those in accordance with the first sentence of this Section 6(h). The Committee may, in its discretion, amend the definition of Eligible Transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of Termination of Service of Sections 6(e), 6(f) and 6(g) hereof shall continue to be applied with respect to the original optionee, following which the options shall be exercisable by the transferee only to the extent, and for the periods specified, in Sections 6(e), 6(f) and 6(g). The Committee may delegate to a committee consisting of employees of the Company the authority to authorize transfers, establish terms and conditions upon which transfers may be made and establish classes of options eligible to transfer options, as well as to make other determinations with respect to option transfers.

7. TERMS AND CONDITIONS OF RESTRICTED STOCK

Restricted Stock granted under the Plan shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) Grants. A Participant may receive, on such dates as determined by the Committee in its sole discretion, grants consisting of such amounts of Restricted Stock as determined by the Committee in its sole discretion.

(b) Restrictions. Restricted Stock granted under the Plan may not be sold, transferred, pledged, assigned or otherwise disposed of under any circumstances; provided, however, that the foregoing restrictions shall lapse at such time and upon such terms and conditions as may be specified by the Committee in the related Award agreement(s).

(c) Forfeiture of Grants. Except to the extent otherwise specified by the Committee in a related Award agreement(s), all Shares of Restricted Stock as to which restrictions have not previously lapsed pursuant to Section 7(b) of the Plan shall be forfeited upon a Participant's Termination of Service for any reason (including, without limitation, by reason of death, Disability or Retirement).

(d) Other Provisions. During the period prior to the date on which the foregoing restrictions lapse, Shares of Restricted Stock shall be registered in the Participant's name and such Participant shall have voting rights and receive dividends with respect to such Restricted Stock.

8. TERMS AND CONDITIONS OF PERFORMANCE SHARES

(a) Establishment of Annual Performance Target Levels and Number of Performance Shares. Prior to the commencement of a given Performance Period, the Committee shall establish performance goals for the Company for such performance period. The Committee

shall also establish the number of Performance Shares that would be payable to Participants upon the attainment of various performance goals during such Performance Period.

(b) Payment in Unrestricted Shares. As soon as practicable following a given Performance Period, Participants shall receive unrestricted Shares equal to the number of Performance Shares earned by such Participant during such Performance Period. A Participant who did not serve on the Board during an entire Performance Period shall receive a prorated number of Shares (rounded down to the nearest whole number of Shares) based upon (i) the number of days during the Performance Period during which such Participant served on the Board and (ii) the actual performance results.

(c) Authorization for Committee to Permit Deferral. Notwithstanding Section 8(b) of the Plan, a Participant may, if and to the extent permitted by the Committee, elect to defer payment of any unrestricted Shares payable as a result of any Performance Shares earned by such Participant; provided, however, that any such election must be made (i) no later than June 30 of the year immediately preceding the year in which any such unrestricted Shares are to be paid and (ii) in accordance with such terms and conditions as are established by the Committee in its sole discretion.

9. ADJUSTMENTS UPON CERTAIN EVENTS

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends, the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the Option Price and/or (iii) any other affected terms of such Awards.

(b) Change in Control. Upon the occurrence of a Change in Control, (i) all restrictions on Shares of Restricted Stock shall lapse, (ii) each Participant shall receive the target number of Performance Shares for the Performance Period in which the Change in Control occurs (or, if no target number has been established for such Performance Period, the target number for the immediately preceding Performance Period shall be used) and (iii) all Stock Options shall vest and become exercisable.

(c) New D&B Change in Control. Upon the occurrence of a New D&B Change in Control, with respect to Awards granted prior to the Distribution Date, (i) all restrictions on Shares of Restricted Stock held by New D&B Directors shall lapse, (ii) each New D&B Director shall receive the target number of Performance Shares for the Performance Period in which the New D&B Change in Control occurs (or, if no target number has been established for such Performance Period, the target number for the immediately preceding Performance Period shall be used) and (iii) all Stock Options held by New D&B Directors shall vest and become exercisable.

10. SUCCESSORS AND ASSIGNS

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

11. AMENDMENTS OR TERMINATION

The Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the rights of any Participant under any Award theretofore granted without such Participant's consent.

12. NONTRANSFERABILITY OF AWARDS

Except as provided in Section 6(h) of the Plan, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. During the lifetime of a Participant, an Award shall be exercisable only by such Participant. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant. Notwithstanding anything to the contrary herein, the Committee, in its sole discretion, shall have the authority to waive this Section 12 (or any part thereof) to the extent that this Section 12 (or any part thereof) is not required under the rules promulgated under any law, rule or regulation applicable to the Company.

13. CHOICE OF LAW

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of Delaware.

14. EFFECTIVENESS OF THE PLAN

The Plan shall be effective as of June 30, 1998.

Exhibit 10.16

1998 MOODY'S CORPORATION KEY EMPLOYEES' STOCK INCENTIVE PLAN (as amended and restated as of the Distribution Date)

1. Purpose of the Plan

The purpose of the Plan is to aid the Company and its Subsidiaries in securing and retaining key employees of outstanding ability and to motivate such employees to exert their best efforts on behalf of the Company and its Subsidiaries by providing incentives through the granting of Awards. The Company expects that it will benefit from the added interest which such key employees will have in the welfare of the Company as a result of their proprietary interest in the Company's success. As a result of the distribution of the shares of New D&B owned by the Company to the holder of record of Shares, the Company has amended and restated the Plan as of the Distribution Date.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

- (a) Act: The Securities Exchange Act of 1934, as amended, or any successor thereto.
- (b) Award: An Option, Stock Appreciation Right or Other Stock-Based Award granted pursuant to the Plan.
- (c) Beneficial Owner: As such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).
- (d) Board: The Board of Directors of the Company.
- (e) Change in Control: The occurrence of any of the following events:
 - (i) any "Person" as such term is used in Section 13(d) and 14(d) of the Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities;
 - (ii) during any period of twenty-four months (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board, and any new director (other than (A) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2(e)(i), (iii) or (iv) of the Plan, (B) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if

consummated would constitute a Change in Control or (C) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation (A) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (B) after which no Person would hold 20% or more of the combined voting power of the then outstanding securities of the Company or such surviving entity; or

(iv) the stockholders of the Company approve 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.

(f) Code: The Internal Revenue Code of 1986, as amended, or any successor thereto.

(g) Committee: The Compensation and Benefits Committee of the Board, or any successor thereto or other committee designated by the Board to assume the obligations of the Committee hereunder.

(h) Company: The New Dun & Bradstreet Corporation, a Delaware corporation to be renamed "The Dun & Bradstreet Corporation" on the Effective Date, to be renamed the "Moody's Corporation" after the Distribution Date.

(i) Disability: Inability to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which constitutes a permanent and total disability, as defined in Section 22(e)(3) of the Code (or any successor section thereto). The determination whether a Participant has suffered a Disability shall be made by the Committee based upon such evidence as it deems necessary and appropriate; provided, however, that following the Distribution Date, such determination shall be made by the New D&B Committee with respect to a New D&B Employee. A Participant shall not be considered disabled unless he or she furnishes such medical or other evidence of the existence of the Disability as the Committee or New D&B Committee, as the case may be, in its sole discretion, may require.

(j) Distribution Date: The date on which the shares of New D&B that are owned by the Company are distributed to the holders of record of shares of the Company.

(k) Effective Date: The date on which the Plan takes effect, as defined pursuant to Section 17 of the Plan.

(l) Fair Market Value: On a given date, the arithmetic mean of the high and low prices of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading, or, if no Composite Tape exists for such national securities exchange on such date, then on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if the Shares are not listed or admitted on a national securities exchange, the arithmetic mean of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System (or such market in which such prices are regularly quoted), or, if there is no market on which the Shares are regularly quoted, the Fair Market Value shall be the value established by the Committee in good faith. If no sale of Shares shall have been reported on such Composite Tape or such national securities exchange on such date or quoted on the National Association of Securities Dealers Automated Quotation System on such date, then the immediately preceding date on which sales of the Shares have been so reported or quoted shall be used.

(m) ISO: An Option that is also an incentive stock option granted pursuant to Section 7(d) of the Plan.

(n) LSAR: A limited stock appreciation right granted pursuant to Section 8(d) of the Plan.

(o) New D&B: The New D&B Corporation, a Delaware corporation, to be renamed The Dun & Bradstreet Corporation following the Distribution Date.

(p) New D&B Board: The Board of Directors of New D&B.

(q) New D&B Change in Control: The occurrence of any of the following events:

(i) any "Person" as such term is used in Section 13(d) and 14(d) of the Act (other than New D&B, any trustee or other fiduciary holding securities under an employee benefit plan of New D&B, or any company owned, directly or indirectly, by the stockholders of New D&B in substantially the same proportions as their ownership of stock of New D&B), becomes the Beneficial Owner, directly or indirectly, of securities of New D&B representing 20% or more of the combined voting power of New D&B's then outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the New D&B Board, and any new director (other than (A) a director nominated by a Person who has entered into an agreement with New D&B to effect a transaction described in Sections 2(q)(i),

(iii) or (iv) of the Plan, (B) a director nominated by any Person (including New D&B) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if

consummated would constitute a New D&B Change in Control or

(C) a director designated by any Person who is the Beneficial Owner, directly or indirectly, of securities of New D&B representing 10% or more of the combined voting power of New D&B's securities) whose election by the New D&B Board or nomination for election by New D&B's stockholders was approved in advance by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of New D&B approve a merger or consolidation of New D&B with any other corporation, other than a merger or consolidation (A) which would result in the voting securities of New D&B outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of New D&B or such surviving entity outstanding immediately after such merger or consolidation and (B) after which no Person would hold 20% or more of the combined voting power of the then outstanding securities of New D&B or such surviving entity; or

(iv) the stockholders of New D&B approve a plan of complete liquidation of New D&B or an agreement for the sale or disposition by New D&B of all or substantially all of New D&B's assets.

(r) New D&B Committee: The Compensation and Benefits Committee of the New D&B Board, or any successor thereto or other committee designated by the New D&B Board to assume the obligations of the New D&B Committee hereunder.

(s) New D&B Employee: A Participant who is an employee of New D&B immediately following the Distribution Date.

(t) Other Stock-Based Awards: Awards granted pursuant to Section 9 of the Plan.

(u) Option: A stock option granted pursuant to Section 7 of the Plan.

(v) Option Price: The purchase price per Share of an Option, as determined pursuant to Section 7(a) of the Plan.

(w) Participant: An individual who is selected by the Committee to participate in the Plan pursuant to Section 5 of the Plan.

(x) Performance-Based Awards: Other Stock-Based Awards granted pursuant to Section 9(b) of the Plan.

(y) Person: As such term is used for purposes of Section 13(d) or 14(d) of the Act (or any successor section thereto).

(z) Plan: The 1998 Moody's Corporation Key Employees' Stock Incentive Plan, as amended and restated.

(aa) Post-Retirement Exercise Period: As such term is defined in Section 7(f) of the Plan.

(bb) Retirement: Termination of employment with the Company or a Subsidiary after such Participant has attained age 55 and five years of service with the Company; or, with the prior written consent of the Committee that such termination be treated as a Retirement hereunder, termination of employment under other circumstances; provided, however, that following the Distribution Date, the Retirement of a New D&B Employee shall be based on his or her employment with the Company and New D&B and/or the prior written consent of the New D&B Committee.

(cc) Shares: Shares of common stock, par value \$0.01 per Share, of the Company.

(dd) Special Exercise Period: As such term is defined in Section 7(f) of the Plan.

(ee) Stock Appreciation Right: A stock appreciation right granted pursuant to Section 8 of the Plan.

(ff) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

(gg) Termination of Employment: A Participant's termination of employment with the Company; provided, however, that following the Distribution Date, a New D&B Employee's termination of employment shall be based on his or her termination of employment with New D&B and its Subsidiaries.

3. Shares Subject to the Plan

The total number of Shares which may be issued under the Plan is 16,500,000. The maximum number of Shares for which Awards may be granted during a calendar year to any Participant shall be 400,000. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or the payment of cash upon the exercise of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate or lapse may be granted again under the Plan.

4. Administration

The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are each "non-employee directors" within the meaning of Rule 16b-3 under the Act (or any successor rule thereto) and "outside directors" within the meaning of Section 162(m) of the Code (or any successor section thereto); provided, however, that any action permitted to

be taken by the Committee may be taken by the Board, in its discretion. The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by (a) delivery in Shares or (b) having Shares withheld by the Company from any Shares that would have otherwise been received by the Participant. The number of Shares so delivered or withheld shall have an aggregate Fair Market Value sufficient to satisfy the applicable withholding taxes. If the chief executive officer of the Company is a member of the Board, the Board by specific resolution may constitute such chief executive officer as a committee of one which shall have the authority to grant Awards of up to an aggregate of 100,000 Shares in each calendar year to Participants who are not subject to the rules promulgated under Section 16 of the Act (or any successor section thereto); provided, however, that such chief executive officer shall notify the Committee of any such grants made pursuant to this Section 4.

5. Eligibility

Key employees (but not members of the Committee or any person who serves only as a director) of the Company and its Subsidiaries, who are from time to time responsible for the management, growth and protection of the business of the Company and its Subsidiaries, are eligible to be granted Awards under the Plan. Participants shall be selected from time to time by the Committee, in its sole discretion, from among those eligible, and the Committee shall determine, in its sole discretion, the number of Shares to be covered by the Awards granted to each Participant.

6. Limitations

No Award may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

7. Terms and Conditions of Options

Options granted under the Plan shall be, as determined by the Committee, non-qualified, incentive or other stock options for federal income tax purposes, as evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

- (a) Option Price. The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.
- (b) Exercisability. Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.
- (c) Exercise of Options. Except as otherwise provided in the Plan or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 7 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date payment is received by the Company pursuant to clauses (i), (ii) or (iii) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant (i) in cash, (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such shares of Common Stock have been held by the Participant for no less than six months, (iii) partly in cash and partly in such Shares, or (iv) through the delivery of irrevocable instructions to a broker to deliver promptly to the Company an amount equal to the aggregate Option Price for the Shares being purchased. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the occurrence of the exercise date (determined as set forth above) and, if applicable, the satisfaction of any other conditions imposed by the Committee pursuant to the Plan.
- (d) ISOs. The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). Unless otherwise permitted under Section 422 of the Code (or any successor section thereto), no ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition.
- (e) Exercisability Upon Termination of Employment by Death or Disability. Upon a Termination of Employment by reason of death or Disability after the first anniversary of the date of grant of an Option, (i) the unexercised portion of such Option shall immediately vest in full and (ii) such portion may thereafter be exercised during the shorter of (A) the remaining stated term of the Option or (B) five years after the date of death or Disability.
- (f) Exercisability Upon Termination of Employment by Retirement. Upon a Termination of Employment by reason of Retirement after the first anniversary of the date of

grant of an Option, an unexercised Option may thereafter be exercised during the shorter of (i) the remaining stated term of the Option or (ii) five years after the date of such Termination of Employment (the "Post-Retirement Exercise Period"), but only to the extent to which such Option was exercisable at the time of such Termination of Employment or becomes exercisable during the Post-Retirement Exercise Period; provided, however, that if a Participant dies within a period of five years after such Termination of Employment, an unexercised Option may thereafter be exercised, during the shorter of (i) the remaining stated term of the Option or (ii) the period that is the longer of (A) five years after the date of such Termination of Employment or (B) one year after the date of death (the "Special Exercise Period"), but only to the extent to which such Option was exercisable at the time of such Termination of Employment or becomes exercisable during the Special Exercise Period.

(g) Effect of Other Termination of Employment. Upon a Termination of Employment for any reason (other than death, Disability or Retirement after the first anniversary of the date of grant of an Option as described above), an unexercised Option may thereafter be exercised during the period ending 30 days after the date of such Termination of Employment, but only to the extent to which such Option was exercisable at the time of such Termination of Employment. Notwithstanding the foregoing, the Committee (or the New D&B Committee with respect to a New D&B Employee) may, in its sole discretion, accelerate the vesting of unvested Options held by a Participant if such Participant's Termination of Employment is without "cause" (as such term is defined by such committee in its sole discretion) by the Company or New D&B, as the case may be.

(h) Nontransferability of Stock Options. Except as otherwise provided in this Section 7(h), a stock option shall not be transferable by the optionee otherwise than by will or by the laws of descent and distribution and during the lifetime of an optionee an option shall be exercisable only by the optionee. An option exercisable after the death of an optionee or a transferee pursuant to the following sentence may be exercised by the legatees, personal representatives or distributees of the optionee or such transferee. The Committee may, in its discretion, authorize all or a portion of the options previously granted or to be granted to an optionee to be on terms which permit irrevocable transfer for no consideration by such optionee to any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the optionee, trusts for the exclusive benefit of these persons, and any other entity owned solely by these persons ("Eligible Transferees"), provided that (x) the stock option agreement pursuant to which such options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this

Section and (y) subsequent transfers of transferred options shall be prohibited except those in accordance with the first sentence of this Section 7(h). The Committee may, in its discretion; amend the definition of Eligible Transferees to conform to the coverage rules of Form S-8 under the Securities Act of 1933 or any comparable Form from time to time in effect. Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The events of Termination of Employment of Sections 7(e), 7(f) and 7(g) hereof shall continue to be applied with respect to the original optionee, following which the options shall be exercisable by the transferee only to the extent, and for the periods specified, in Sections 7(e), 7(f) and 7(g). The Committee may delegate to a committee

consisting of employees of the Company the authority to authorize transfers, establish terms and conditions upon which transfers may be made and establish classes of options eligible to transfer options, as well as to make other determinations with respect to option transfers.

8. Terms and Conditions of Stock Appreciation Rights

(a) Grants. The Committee also may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 8 (or such additional limitations as may be included in an Award agreement).

(b) Terms. The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the greater of (i) the Fair Market Value of a Share on the date the Stock Appreciation Right is granted or, in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the Option Price of the related Option and (ii) an amount permitted by applicable laws, rules, by-laws or policies of regulatory authorities or stock exchanges. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the Company in exchange therefor an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. The date a notice of exercise is received by the Company shall be the exercise date. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash, valued at such Fair Market Value, all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations. The Committee may impose, in its discretion, such conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

(d) Limited Stock Appreciation Rights. The Committee may grant LSARs that are exercisable upon the occurrence of specified contingent events. Such LSARs may provide for a different method of determining appreciation, may specify that payment will be

made only in cash and may provide that any related Awards are not exercisable while such LSARs are exercisable. Unless the context otherwise requires, whenever the term "Stock Appreciation Right" is used in the Plan, such term shall include LSARs.

9. Other Stock-Based Awards

(a) Generally. The Committee, in its sole discretion, may grant Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made; the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof).

(b) Performance-Based Awards. Notwithstanding anything to the contrary herein, certain Other Stock-Based Awards granted under this Section 9 may be granted in a manner which is deductible by the Company under Section 162(m) of the Code (or any successor section thereto) ("Performance-Based Awards"). A Participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on stockholders' equity; (vii) expense management; (viii) return on investment before or after the cost of capital; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital (xviii) changes in net assets (whether or not multiplied by a constant percentage intended to represent the cost of capital) and (xix) return on assets. The foregoing criteria may relate to the Company, one or more of its Subsidiaries or one or more of its divisions, units, minority investments, partnerships, joint ventures, product lines or products or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items or accounting changes. The maximum amount of a Performance-Based Award to any Participant with respect to a fiscal year of the Company shall be \$5,000,000. The

Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of Section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

10. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally. In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of Shares or other corporate exchange, or any distribution to stockholders of Shares other than regular cash dividends, the Committee shall make such substitution or adjustment, if any, as it, in its sole discretion and without liability to any person, deems to be equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the Option Price and/or (iii) any other affected terms of such Awards.

(b) Change in Control. In the event of a Change in Control, Awards granted under the Plan shall accelerate as follows: (i) each Option and Stock Appreciation Right shall become immediately vested and exercisable; provided, however, that if such Awards are not exercised prior to the date of the consummation of the Change in Control, the Committee, in its sole discretion and without liability to any person may provide for (A) the payment of a cash amount in exchange for the cancellation of such Award and/or (B) the issuance of substitute Awards that will substantially preserve the value, rights and benefits of any affected Awards (previously granted hereunder) as of the date of the consummation of the Change in Control; (ii) restrictions on Awards of restricted shares shall lapse; and (iii) Other Stock-Based Awards shall become payable as if targets for the current period were satisfied at 100%.

(c) New D&B Change in Control. In the event of a New D&B Change in Control, Awards held by New D&B Employees granted under the Plan prior to the Distribution Date shall accelerate as follows: (i) each Option and Stock Appreciation Right shall become immediately vested and exercisable; (ii) restrictions on Awards of restricted shares shall lapse; and (iii) Other Stock-Based Awards shall become payable as if targets for the current period were satisfied at 100%.

11. No Right to Employment

The granting of an Award under the Plan shall impose no obligation on the Company, New D&B or any of their Subsidiaries to continue the employment of a Participant and shall not lessen or affect the Company's, New D&B's or any of their Subsidiaries' right to terminate the employment of such Participant.

12. Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

13. Nontransferability of Awards

Except as provided in Section 7(h) of the Plan, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. During the lifetime of a Participant, an Award shall be exercisable only by such Participant. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant. Notwithstanding anything to the contrary herein, the Committee, in its sole discretion, shall have the authority to waive this Section 13 (or any part thereof) to the extent that this Section 13 (or any part thereof) is not required under the rules promulgated under any law, rule or regulation applicable to the Company.

14. Amendments or Termination

The Board or the Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which, (a) without the approval of the stockholders of the Company, would (except as is provided in Section 10 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, would impair any of the rights or obligations under any Award theretofore granted to such Participant under the Plan; provided, however, that the Board or the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws. Notwithstanding anything to the contrary herein, neither the Committee nor the Board may amend, alter or discontinue the provisions relating to Section 10(b) and 10(c) of the Plan after the occurrence of a Change in Control.

15. International Participants

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) "covered employees" within the meaning of Section 162(m) of the Code (or any successor section thereto), the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law.

16. Choice of Law

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of Delaware.

17. Effectiveness of the Plan

The Plan became effective as of June 30, 1998 upon its approval by the stockholders at the 1999 Annual Meeting.

ARTICLE 5

MULTIPLIER: 1,000,000

| | |
|----------------------------|-------------|
| PERIOD TYPE | 9 MOS |
| FISCAL YEAR END | DEC 31 2000 |
| PERIOD END | SEP 30 2000 |
| CASH | 23 |
| SECURITIES | 0 |
| RECEIVABLES | 113 |
| ALLOWANCES | 25 |
| INVENTORY | 0 |
| CURRENT ASSETS | 168 |
| PP&E | 113 |
| DEPRECIATION | 70 |
| TOTAL ASSETS | 297 |
| CURRENT LIABILITIES | 220 |
| BONDS | 0 |
| PREFERRED MANDATORY | 0 |
| PREFERRED | 0 |
| COMMON | 2 |
| OTHER SE | (263) |
| TOTAL LIABILITY AND EQUITY | 297 |
| SALES | 0 |
| TOTAL REVENUES | 441 |
| CGS | 0 |
| TOTAL COSTS | 229 |
| OTHER EXPENSES | 0 |
| LOSS PROVISION | 0 |
| INTEREST EXPENSE | 0 |
| INCOME PRETAX | 212 |
| INCOME TAX | 94 |
| INCOME CONTINUING | 118 |
| DISCONTINUED | 0 |
| EXTRAORDINARY | 0 |
| CHANGES | 0 |
| NET INCOME | 118 |
| EPS BASIC | 0.73 |
| EPS DILUTED | 0.72 |

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