MOODYS CORP /DE/
Form DEF 14A
March 09, 2011
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

[Amendment No.]

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under § 240.14a-12

MOODY S CORPORATION

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with written preliminary materials.

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

(1) Amount Previously Paid:

(2) Form Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March 9, 2011

Dear Stockholder:

You are cordially invited to attend the 2011 Annual Meeting of Stockholders of Moody s Corporation to be held on Tuesday, April 19, 2011, at 9:30 a.m. EST at the Company s offices at 7 World Trade Center at 250 Greenwich Street, New York, New York.

The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be acted upon at the meeting. The Annual Report for the year ended December 31, 2010 is also enclosed.

On March 9, 2011, we mailed to many of our stockholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our 2011 Proxy Statement and 2010 Annual Report and vote online. The Notice included instructions on how to request a paper or e-mail copy of the proxy materials, including the Notice of Annual Meeting, Proxy Statement, Annual Report, and proxy card or voting instruction card. Stockholders who requested paper copies of the proxy materials or previously elected to receive the proxy materials electronically did not receive a Notice and will receive the proxy materials in the format requested.

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

Sincerely,

Raymond W. McDaniel, Jr.

Chairman and Chief Executive Officer

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MOODY S CORPORATION

7 World Trade Center

250 Greenwich Street

New York, New York 10007

NOTICE OF 2011 ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

The 2011 Annual Meeting of Stockholders of Moody s Corporation will be held on Tuesday, April 19, 2011, at 9:30 a.m. EST at the Company s offices at 7 World Trade Center at 250 Greenwich Street, New York, New York, for the following purposes, all as more fully described in the accompanying Proxy Statement:

1. To elect the Class I director named in the Proxy Statement to serve a three-year term;

2. To ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the year 2011;

3. To approve an advisory resolution on executive compensation;

4. To conduct an advisory vote on the frequency of future advisory votes on executive compensation;

5. To vote on one stockholder proposal, if properly presented at the meeting; and

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

The Board of Directors of the Company has fixed the close of business on February 25, 2011 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting.

By Order of the Board of Directors,

Jane B. Clark

Corporate Secretary

March 9, 2011

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IMPORTANT VOTING INFORMATION

If your shares are held in the name of a bank, broker or other holder of record, the U.S. Securities and Exchange Commission (the SEC) has approved New York Stock Exchange rules that change the manner in which your vote in the election of directors and on the advisory votes on executive compensation will be handled at the upcoming 2011 Annual Meeting of Stockholders of Moody s Corporation.

If your shares are held in the name of a bank, broker or other holder of record, you may receive a Notice of Internet Availability of Proxy Materials from the holder of record containing instructions that you must follow in order for your shares to be voted. Certain of these institutions offer telephone and Internet voting. If you received the proxy materials in paper form, the materials include a voting instruction card so you can instruct the holder of record how to vote your shares. In either case, in the past, if you did not transmit your voting instructions before the annual meeting, your broker could vote on your behalf on the election of directors and other matters considered to be routine.

A New Rule for Stockholder Voting

Your broker is not permitted to vote on your behalf in the election of directors or on the advisory votes on executive compensation unless you provide specific instructions by following the instructions from your broker about voting your shares by telephone or Internet or completing and returning the voting instruction card. For your vote to be counted in the election of directors and on the advisory votes on executive compensation, you now will need to communicate your voting decisions to your bank, broker or other holder of record before the date of the annual meeting.

Your Participation in Voting the Shares You Own is Important

Voting your shares is important to ensure that you have a say in the governance of the Company and to fulfill the objectives of the majority voting standard that Moody s Corporation applies in the election of directors. Please review the proxy materials and follow the relevant instructions to vote your shares. We hope you will exercise your rights and fully participate as a stockholder in the future of Moody s Corporation.

More Information is Available

If you have any questions about this new rule or the proxy voting process in general, please contact the bank, broker or other holder of record through which you hold your shares. The SEC also has a website (http://www.sec.gov/spotlight/proxymatters.shtml) with more information about voting at annual meetings. Additionally, you may contact the Company s Investor Relations Department by sending an e-mail to *ir@moodys.com*.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 19, 2011

The Proxy Statement and the Company s 2010 Annual Report to Stockholders are available at https://materials.proxyvote.com/615369. Your vote is very important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible. You may vote your shares via a toll-free telephone number or over the Internet as instructed in the Notice of Internet Availability of Proxy Materials. Alternatively, if you received a paper copy of a proxy or voting instruction card by mail, you may submit your proxy or voting instruction card for the annual meeting by completing, signing, dating and returning your proxy or voting instruction card in the pre-addressed envelope provided. No postage is required if mailed in the United States. If you attend the meeting, you may vote in person, even if you have previously returned your proxy or voting instruction card or voted by telephone or the Internet.

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

OF MOODY S CORPORATION

General

This Proxy Statement is being furnished to the holders of the common stock, par value $.01 per share (the Common Stock), of Moody s Corporation (Moody s or the Company) in connection with the solicitation of proxies by the Board of Directors of the Company (the Board of Directors or the Board) for use in voting at the Annual Meeting of Stockholders or any adjournment or postponement thereof (the Annual Meeting). The Annual Meeting will be held on Tuesday, April 19, 2011, at 9:30 a.m. EST at the Company s principal executive offices located at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. To obtain directions to attend the Annual Meeting and vote in person, please contact the Company s Investor Relations Department by sending an e-mail to *ir@moodys.com*. This Proxy Statement and the accompanying proxy card are first being made available to stockholders on or about March 9, 2011. Moody s telephone number is (212) 553-0300.

Annual Meeting Admission

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

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

Internet Availability of Proxy Materials

Under U.S. Securities and Exchange Commission (the SEC) rules, we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to stockholders. On March 9, 2011, we mailed to our stockholders (other than those who previously requested e-mail or paper delivery) a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access and review our proxy materials, including this Proxy Statement and the Company s Annual Report. These materials are available at: https://materials.proxyvote.com/615369. The Notice also instructs you on how to access your proxy card to vote through the Internet or by telephone.

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

Record Date

The Board of Directors has fixed the close of business on February 25, 2011 as the record date (the Record Date) for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. As of the close of business on the Record Date, there were 228,001,105 shares of Common Stock outstanding. Each holder of Common Stock entitled to vote at the Annual Meeting will be entitled to one vote per share.

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How to Vote

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

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

Special Voting Procedures for Certain Current and Former Employees

Many current and former employees of the Company have share balances in the Moody s Common Stock Fund of the Moody s Corporation Profit Participation Plan (the Profit Participation Plan). The voting procedures described above do not apply to these share balances. Instead, any proxy given by such an employee or former employee will serve as a voting instruction for the trustee of the Profit Participation Plan, as well as a proxy for any shares registered in that person s own name (including shares acquired under the Moody s Corporation Employee Stock Purchase Plan and/or pursuant to restricted stock awards). To allow sufficient time for voting by the trustee, Profit Participation Plan voting instructions must be received by April 15, 2011. If voting instructions have not been received by that date, the trustee will vote those Profit Participation Plan shares in the same proportion as the Profit Participation Plan shares for which it has received instructions, except as otherwise required by law.

Quorum and Voting Requirements

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

Pursuant to the Company s by-laws, the nominee for director is required to receive a majority of the votes cast with respect to such nominee in order to be elected at the Annual Meeting. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. Abstentions have no effect on the election of directors. Beginning with director elections at the 2010 Annual Meeting, brokers no longer have discretionary authority to vote shares without instructions from the beneficial owner. In accordance with the Company s Director Resignation Policy, the director subject to election at the Annual Meeting was required to submit a contingent resignation which the Board of Directors will consider, following a review and recommendation from the Governance and Compensation Committee, in the event that the director fails to receive a majority of the votes cast.

The affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2011. If a stockholder abstains from voting or directs the stockholder s proxy to abstain from voting on this matter, the abstention has the same effect as a vote against the matter.

The affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the advisory resolution on executive compensation and the advisory vote on future advisory votes on executive compensation. If a stockholder abstains from voting or directs the stockholder s proxy to abstain from voting on these proposals, the abstention has the same effect as a vote against the proposal. Brokers do not have discretionary authority to vote shares on these proposals without instructions from the beneficial owner. Accordingly, shares resulting in broker non-votes, if any, are not entitled to vote for the proposals and will have no effect on the outcome of the vote.

The affirmative vote of the majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the stockholder proposal set forth in this Proxy Statement. Please bear in mind that approval of the stockholder proposal included in this Proxy Statement at the Annual Meeting would serve only as a recommendation to the Board of Directors to take the actions requested by the proponents. If a stockholder abstains from voting or directs the stockholder s proxy to abstain from voting on the stockholder proposal, the abstention has the same effect as a vote against the proposal. Brokers do not have discretionary authority to vote shares on the stockholder proposal without instructions from the beneficial owner. Accordingly, shares resulting in broker non-votes, if any, are not entitled to vote for the proposal and will have no effect on the outcome of the vote.

Proxies

The proxy provides that you may specify that your shares of Common Stock be voted For , Against or Abstain from voting with respect to the director nominee and three of the other proposals; and Triennial, Biennial, Annual or Abstain for the proposal regarding the frequency of executive compensation advisory votes. The Board of Directors recommends that you vote For the director nominee named in this Proxy Statement, For the ratification of the selection of the independent registered public accounting firm, For approval of the advisory resolution on executive compensation, Triennial with respect to the advisory vote on future advisory votes on executive compensation, and Against the stockholder proposal. All shares of Common Stock represented by properly executed proxies received prior to or at the Annual Meeting and not revoked will be voted in accordance with the instructions indicated in such proxies. Properly executed proxies that do not contain voting instructions will be voted in accordance with the recommendations of the Board of Directors.

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

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

Proxies are being solicited hereby on behalf of the Board of Directors. The cost of the proxy solicitation will be borne by the Company, although stockholders who vote by telephone or the Internet may incur telephone or Internet access charges. In addition to solicitation by mail, directors, officers and employees of the Company may solicit proxies personally or by telephone, telecopy, e-mail or otherwise. Such directors, officers and employees will not be specifically compensated for such services. The Company has retained Georgeson Shareholder Communications Inc. to assist with the solicitation of proxies for a fee not to exceed approximately $15,000, plus reimbursement for out-of-pocket expenses. Arrangements may also be made with custodians, nominees and fiduciaries to forward proxy solicitation materials to the beneficial owners of shares of Common Stock held of record by such custodians, nominees and fiduciaries, and the Company may reimburse such custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses incurred in connection therewith.

Delivery of Documents to Stockholders Sharing an Address

If you are the beneficial owner, but not the record holder, of the Company s shares, your broker, bank or other nominee may seek to reduce duplicate mailings by delivering only one copy of the Company s Proxy Statement and Annual Report, or Notice, as applicable, to multiple stockholders who share an address unless that nominee has received contrary instructions from one or more of the stockholders. The Company will deliver promptly, upon written or oral request, a separate copy of the Proxy Statement and Annual Report, or Notice, as applicable, to a stockholder at a shared address to which a single copy of the documents was delivered. A stockholder who wishes to receive a separate copy of the Proxy Statement and Annual Report, or Notice, as applicable, now or in the future, should submit his request to the Company by sending an e-mail to *ir@moodys.com* or by submitting a written request to the Company s Investor Relations Department, at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Beneficial owners sharing an address who are receiving multiple copies of the Proxy Statement and Annual Report, or Notice, as applicable, and wish to receive a single copy of such materials in the future should contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future. Please note that if you wish to receive paper proxy materials for the 2011 Annual Meeting, you should follow the instructions contained in the Notice.

CORPORATE GOVERNANCE

In order to address evolving best practices and new regulatory requirements, the Board of Directors annually reviews its corporate governance practices and the charters for its standing committees. As a result of this review, during 2010 the Board amended the Company s Corporate Governance Principles and the charters of its Governance and Compensation Committee and its Audit Committee. A copy of the Corporate Governance Principles is available on the Company s website at www.moodys.com under the headings About Moody s Shareholder Relations Investor Relations Home Corporate Governance Other Governance Documents. Copies of the charter of the Governance and Compensation Committee and the charter of the Audit Committee are available on the Company s website at www.moodys.com under the headings About Moody s Shareholder Relations Investor Relations Home Corporate Governance Committee Charters. Print copies of the Corporate Governance Principles and the committee charters may also be obtained upon request, addressed to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. The Audit Committee and the Governance and Compensation Committee assist the Board in fulfilling its responsibilities, as described below.

Board Meetings and Committees

During 2010, the Board of Directors met seven times and had four standing committees, an Audit Committee, a Governance and Compensation Committee, which also performs the functions of a nominating committee, an International Business Development Committee, and a newly formed MIS Committee which held its first meeting in the fourth quarter of 2010. All directors attended at least 83 percent of the total number of meetings of the Board and of all committees of the Board on which they served in 2010. The function of the International Business Development Committee is to evaluate possible opportunities outside of the United States and to recommend to the Board areas for development. The members of the International Business Development Committee are Mr. Kist, Mr. McDaniel and Mr. Frederic Drevon, Senior Managing Director EMEA of Moody s Investors Service (MIS). The International Business Development Committee met two times during 2010. The MIS Committee s primary purpose is to oversee certain activities of the Company s subsidiary, Moody s Investors Service, Inc., a nationally recognized statistical rating organization, pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and to perform such other duties and responsibilities as may be assigned to it from time to time by the Board of Directors. The members of the MIS Committee are Dr. Duffie, Mr. McDaniel and Dr. McKinnell. The MIS Committee met once in 2010. Please refer to page 9 for additional information regarding the Audit Committee, and to page 10 for additional information regarding the Governance and Compensation Committee.

Directors are encouraged to attend the Annual Meeting. All of the individuals serving as directors at the time of the Company s 2010 Annual Meeting attended the meeting.

Recommendation of Director Candidates

The Governance and Compensation Committee will consider director candidates recommended by stockholders of the Company. All members of the Board, except the Chief Executive Officer, are independent directors. The Governance and Compensation Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board and is responsible for overseeing the processes for the selection and nomination of director candidates, and for developing, recommending to the Board for approval, and periodically reviewing Board membership criteria. In considering a candidate for Board membership, whether proposed by stockholders or otherwise, the Governance and Compensation Committee examines the candidate s business experience, qualifications, attributes and skills relevant to the management and oversight of the Company s business, independence, judgment, integrity, the ability to commit sufficient time and attention to Board activities, and any potential conflicts with the Company s business and interests. The Governance and Compensation Committee also seeks to achieve a diversity of occupational and personal backgrounds on the Board. See, Qualifications and Skills of Directors on page 14 for additional information on the Company s directors. To have a candidate considered by the Governance and Compensation Committee, a stockholder must submit the recommendation in writing and must include the following information:

- The name of the stockholder and evidence of the stockholder s ownership of Company stock, including the number of shares owned and the length of time of ownership; and

- The name of the candidate, the candidate s resume or a listing of his qualifications to be a director of the Company, and the candidate s consent to be named as a director if selected by the Governance and Compensation Committee and nominated by the Board.

The stockholder recommendation and information described above must be sent to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, and must be received by the Corporate Secretary not less than 120 days prior to the anniversary date of the Company s most recent annual meeting of stockholders. For the Company s 2012 annual meeting, this deadline is December 21, 2011.

The Governance and Compensation Committee identifies potential nominees by asking current directors and executive officers to notify the Committee if they become aware of persons, meeting the criteria described above, who might be available to serve on the Board. As described above, the Committee will also consider candidates recommended by stockholders on the same basis as those recommended by current directors and executives. The Governance and Compensation Committee also, from time to time, may engage firms that specialize in identifying director candidates for the Committee s consideration.

Once a person has been identified by or for the Governance and Compensation Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Governance and Compensation Committee determines

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

Board Leadership Structure

The Board believes that the Company and its stockholders are best served at this time by a leadership structure in which a single person serves as Chairman and Chief Executive Officer and the Board has a lead independent director. Currently, Mr. McDaniel serves as Chairman of the Board and Chief Executive Officer and Dr. McKinnell serves as the lead independent director. Combining the roles of Chairman and Chief Executive Officer makes clear that the person serving in these roles has primary responsibility for managing the Company s business, under the oversight and review of the Board. Under this structure, the Chairman and Chief Executive Officer presides over Board meetings where the Board discusses strategic and business issues. The Board believes that this approach makes sense because the Chief Executive Officer is the individual with primary responsibility for directing the work of other officers and leading implementation of the Company s strategic plans as approved by the Board. This structure results in a single leader being directly accountable to the Board and through the Board, to stockholders, and enables the Chief Executive Officer to act as the key link between the Board and other members of management. In addition, Mr. McDaniel is most familiar with the Company s business and the unique challenges that the Company faces in the current environment and therefore is best situated to lead Board discussions on important matters affecting the Company at this time.

Because the Board also believes that strong, independent Board leadership is a critical aspect of effective corporate governance, the Board has established the position of lead independent director. The lead independent director is an independent director elected annually by the independent directors. Dr. McKinnell currently serves as the lead independent director. The lead independent director s responsibilities and authority include:

- presiding at meetings of the Board at which the Chairman and Chief Executive Officer is not present, including executive sessions of the independent directors;
- setting the agenda for executive sessions;
- approving information sent to the Board, and approving the agenda, materials and schedule for Board meetings;
- serving as the principal liaison on Board-wide issues between the independent directors and the Chairman and Chief Executive Officer; and
- being available for consultation and communication with major stockholders as appropriate.

The lead independent director also has the authority to call executive sessions of the independent directors. The Board believes that a single leader serving as Chairman and Chief Executive Officer, together with a lead independent director, is the most appropriate leadership structure for the Board at this time. However, the Company s Corporate Governance Principles permit the roles of Chairman and Chief Executive Officer to be filled by the same or different individuals. This allows the Board flexibility to determine whether the two roles should be separated in the future based upon the Company s needs and the Board s assessment of the Company s leadership from time to time.

The Board reviews the structure of the Board and Company leadership as part of the succession planning process. The Board and the Governance and Compensation Committee review succession planning annually in conjunction with the Board s review of strategic planning.

Codes of Business Conduct and Ethics

The Company has adopted a code of ethics that applies to its Chief Executive Officer, Chief Financial Officer and Controller, or persons performing similar functions. The Company has also adopted a code of business conduct and ethics that applies to the Company s directors, officers and employees. A current copy of each of these codes is available on the Company s website at *www.moodys.com* under the headings About Moody s Shareholder Relations Investor Relations Home Corporate Governance Other Governance Documents. A copy of each is also available in print to stockholders upon request, addressed to the Corporate Secretary of the Company at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. The Company intends to satisfy disclosure requirements regarding any amendments to, or waivers from, the codes of ethics by posting such information on the Company s website at *www.moodys.com* under the headings About Moody s Shareholder Relations Investor Relations Home Corporate Governance Other Governance Documents.

Director Independence

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

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

1. the director is, or in the past three years has been, an employee of the Company, or an immediate family member of the director is, or in the past three years has been, an executive officer of the Company;
2. (a) the director, or an immediate family member of the director, is a current partner of the Company s outside auditor; (b) the director is a current employee of the Company s outside auditor; (c) a member of the director s immediate family is a current employee of the Company s outside auditor and personally works on the Company s audit; or (d) the director or an immediate family member of the director was in the past three years a partner or employee of the Company s outside auditor and personally worked on the Company s audit within that time;
3. the director, or a member of the director s immediate family, is or in the past three years has been, an executive officer of another company where any of the Company s present executive officers serves or served on the compensation committee at the same time;
4. the director, or a member of the director s immediate family, has received, during any 12-month period in the past three years, any direct compensation from the Company in excess of $120,000, other than compensation for Board service, compensation received by the director s immediate family member for service as an employee (other than an executive officer) of the Company, and pension or other forms of deferred compensation for prior service with the Company;
5. the director is a current executive officer or employee, or a member of the director s immediate family is a current executive officer, of another company that makes payments to or receives payments from the Company, or during any of the last three fiscal years, has made payments to or received payments from the Company, for property or services in an amount that, in any single fiscal year, exceeded the greater of $1 million or 2% of the other company s consolidated gross revenues; or

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

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

In assessing independence, the Board took into account that Mr. Anderson, Mr. Glauber, Mr. Kist, Senator Mack, Ms. Newcomb and Mr. Wulff each served during 2010, or currently serves, as directors or faculty members of entities that are rated or have issued securities rated by MIS, as listed in the Company s Directors and Shareholders Affiliation Policy posted on the Company s website under the headings About Moody s Shareholder Relations Corporate Governance Other Governance Documents, and that each such entity accounted for less than 1% of the Company s 2010 revenue. The Board also took into account that Dr. Duffie served as an expert witness for one entity that MIS rates. The Board found nothing in the relationships to be contrary to the standards for determining independence as contained in the NYSE s requirements and the Company s Corporate Governance Principles. A copy of these standards is found in Attachment A to the Company s Corporate Governance Principles on the Company s website at www.moodys.com under the headings About Moody s Shareholder Relations Investor Relations Home Corporate Governance Other Governance Documents.

The Board s Role in the Oversight of Company Risk

The Board of Directors oversees the Company s enterprise-wide approach to the major risks facing the Company and oversees the Company s policies for assessing and managing its exposure to risk. The Board periodically reviews these risks and the Company s risk management processes. The Board also considers risk in evaluating the Company s strategy. The Board s responsibilities include reviewing the Company s practices with respect to risk assessment and risk management, and reviewing contingent liabilities and risks that may be material to the Company. The Audit Committee reviews the Company s financial and compliance risks and major legislative and regulatory developments which could materially impact the Company. The Governance and Compensation Committee oversees management s assessment of whether the Company s compensation structure, policies and programs create risks that are reasonably likely to have a material adverse effect on the Company.

Under the oversight of the Board and its committees, the Chief Executive Officer has established an Enterprise-wide Risk Committee, comprised of the Chief Executive Officer and his direct reports, who review key risks and mitigation strategies. They receive information from a subcommittee consisting of representatives that executive management has selected from each of the Company s major business units and support functions. The subcommittee is led by the Company s Chief Risk Officer and the Chief Operational Risk Officer. In their capacities as Chief Risk Officer and Chief Operational Risk Officer, these two individuals report directly to both the Enterprise-wide Risk Committee and the Board. Among other things, this subcommittee is responsible for identifying and monitoring important existing and emerging risks to the achievement of the Company s strategic and operative objectives; formulating appropriate polices and monitoring and reporting frameworks to support effective management of important risks; reviewing and evaluating the effectiveness of management processes and action plans to address such risks; advising on and recommending to executive management any significant actions or initiatives that they believe are necessary to effectively manage risk; and ensuring that activities of discrete risk management disciplines within the Company are appropriately coordinated. The Chief Risk Officer and the Chief Operational Risk Officer presented the analysis of this subcommittee to the Board of Directors three times in 2010.

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Significant risk issues evaluated by and/or major changes proposed by the Enterprise-wide Risk Committee and the Chief Risk Officer and Chief Operational Risk Officer are discussed at various Board meetings throughout the year.

Communications with Directors

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

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

Employee and Director Hedging Instruments

Employees and directors are prohibited from purchasing financial instruments that are designed to hedge or offset market value decreases of Moody s equity securities granted as compensation or held directly or indirectly by the employees or directors.

THE AUDIT COMMITTEE

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

The Audit Committee has established a policy setting forth the requirements for the pre-approval of audit and permissible non-audit services to be provided by the independent registered public accounting firm. Under the policy, the Audit Committee pre-approves the annual audit engagement terms and fees, as well as any other audit services and specified categories of non-audit services, subject to certain pre-approved fee levels. In addition, pursuant to the policy, the Audit Committee has authorized its Chairman to pre-approve other audit and permissible non-audit services up to $50,000 per engagement and a maximum of $250,000 per year. The policy requires that the Audit Committee Chairman report any pre-approval decisions to the full Audit Committee at its next scheduled meeting. For the year ended December 31, 2010 the Audit Committee or the Chairman pre-approved all of the services provided by the Company s independent registered public accounting firm, which are described on page 19.

The members of the Audit Committee are Mr. Wulff (Chairman), Mr. Anderson, Dr. Duffie, Mr. Glauber, Mr. Kist, Senator Mack, Dr. McKinnell and Ms. Newcomb, each of whom is independent under NYSE and SEC rules and under the Company s Corporate Governance Principles. The Board of Directors has determined that each of Mr. Anderson, Mr. Glauber, Mr. Kist, Dr. McKinnell, Ms. Newcomb and Mr. Wulff is an audit committee financial expert under the SEC s rules. The Audit Committee held nine meetings during 2010.

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AUDIT COMMITTEE REPORT

The Audit Committee has reviewed and discussed with management the audited financial statements of the Company for the year ended December 31, 2010 (the Audited Financial Statements), management s assessment of the effectiveness of the Company s internal control over financial reporting, and the independent auditors evaluation of the Company s system of internal control over financial reporting. In addition, the Audit Committee has discussed with KPMG LLP, which reports directly to the Audit Committee, the matters that independent registered public accounting firms must communicate to audit committees under applicable Public Company Accounting Oversight Board (PCAOB) standards.

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

Following the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the Audited Financial Statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2010 for filing with the SEC.

The Audit Committee

John K. Wulff, *Chairman*

Basil L. Anderson

Darrell Duffie

Robert R. Glauber

Ewald Kist

Connie Mack

Henry A. McKinnell, Jr.

Nancy S. Newcomb

THE GOVERNANCE AND COMPENSATION COMMITTEE

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

The Governance and Compensation Committee oversees the Company s overall compensation structure, policies and programs, and assesses whether the Company s compensation structure establishes appropriate incentives for management and employees. The Committee also oversees the evaluation of senior management (including by reviewing and approving performance goals for the Company s executive officers, including the CEO, and by evaluating their performance) and oversees and makes the final decisions regarding compensation arrangements for the CEO and for certain other executive officers. The CEO makes recommendations to the Committee regarding the amount and form of executive compensation (except with respect to his compensation). For a description of this process, see the Compensation Discussion and Analysis on page 25. The Committee annually reviews the compensation of directors for service on the Board and its committees and recommends changes in compensation to the Board. The Committee administers and makes recommendations to the Board with respect to the Company s incentive compensation and equity-based compensation plans that are subject to Board approval, including the Company s key employees stock incentive plans. The Committee is responsible for the overall administration of the Company s employee benefit plans, programs and practices, and the Committee may delegate to management such responsibility for the administration of the Company s employee benefit plans, programs and practices as the Committee deems appropriate. The Committee makes the final decisions regarding named executive officer compensation.

The Committee is empowered to retain, at the Company s expense, such consultants, counsel or other outside advisors as it determines appropriate to assist it in the performance of its functions. In 2010, the Committee retained the services of Meridian Compensation Partners LLC to provide advice and information about executive and director compensation, including the competitiveness of pay levels, executive compensation design and governance issues, market trends, as well as technical and compliance considerations. In previous years, the Committee had engaged Hewitt Associates in this role, but in early 2010 Hewitt Associates (now Aon Hewitt) spun off a portion of its executive compensation consulting practice into a separate entity that became Meridian. This entity operates as an entirely independent executive compensation consulting firm and has reported directly and solely to the Committee since February 2010. Meridian exclusively provides executive and director compensation consulting services and does not provide any other services to the Company. Meridian s aggregate fees rendered for these services were approximately $110,000 in 2010. Prior to the February 1, 2010 split between Meridian and Aon Hewitt, Aon Hewitt provided approximately $24,000 in executive compensation consulting services for the Committee and approximately $23,000 in actuarial consulting services related to the Company s Supplemental Executive Benefit Plan. Aon Hewitt provided other services for the Company during that time related to health and welfare, actuarial work, and broad based compensation issues. The Committee regularly reviews the current engagements and the objectivity and independence of the advice that Meridian provides to the Committee on executive and director compensation, and the Committee found no conflicts of interest.

The members of the Governance and Compensation Committee are Dr. McKinnell (Chairman), Mr. Anderson, Dr. Duffie, Mr. Glauber, Mr. Kist, Senator Mack, Ms. Newcomb and Mr. Wulff, each of whom is independent under NYSE rules and under the Company s Corporate Governance Principles. The Governance and Compensation Committee met seven times during 2010.

REPORT OF THE GOVERNANCE AND COMPENSATION COMMITTEE

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

The Governance and Compensation Committee

Henry A. McKinnell, Jr., *Chairman*

Basil L. Anderson

Darrell Duffie

Robert R. Glauber

Ewald Kist

Connie Mack

Nancy S. Newcomb

John K. Wulff

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RELATIONSHIP OF COMPENSATION PRACTICES TO RISK MANAGEMENT

When structuring its overall compensation practices for employees of the Company generally, consideration is given as to whether the structure creates incentives for risk-taking behavior and therefore impacts the Company s risk management practices. Attention is given to the elements and the mix of pay as well as ensuring that employees awards align with stockholders value.

In order to assess whether the Company s compensation practices and programs create risks that are reasonably likely to have a material adverse effect on the Company, management established a compensation risk committee led by the Chief Human Resources Officer, to assess the risk related to the Company s compensation plans, practices and programs. As part of this review, the compensation risk committee assessed the following items: (i) the variable to fixed components of compensation, (ii) the mix of performance periods (short-term, medium-term and long-term), (iii) the mix of payment mechanisms (cash, options, restricted stock, performance shares); (iv) the performance metrics used, linking the creation of value and earnings quality and sustainability, (v) the process of setting goals, degree of difficulty, spreads between thresholds, targets and maximum payouts, (vi) the maximum payout levels and caps, (vii) the clawback policy, (viii) the retirement program design, and (ix) the equity ownership and equity ownership guidelines. These items were assessed in the context of the most significant risks facing the Company today, to determine if the compensation plans, practices and programs incentivize employees to take undue risks. The committee then took into account controls and procedures that operate to monitor and mitigate against risk. The Chief Human Resources Officer presented this committee s conclusions to the Governance and Compensation Committee.

The Governance and Compensation Committee reviewed these conclusions through a risk assessment lens. As a result of these reviews, the Company does not believe that the Company s compensation practices and programs create risks that are reasonably likely to have a material adverse effect on the Company, nor does it believe that the practices and programs are designed to promote risk taking.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Audit Committee is charged with monitoring and reviewing issues involving potential conflicts of interest, and reviewing and approving all related person transactions, as defined in applicable SEC rules. Under SEC rules, related persons include any director, executive officer, any nominee for director, any person owning 5% or more of the Company s Common Stock, and any immediate family members of such persons. In addition, under the Company s Code of Business Conduct and Code of Ethics, special rules apply to executive officers and directors who engage in conduct that creates an actual, apparent or potential conflict of interest. Before engaging in such conduct, such executive officers and directors must make full disclosure of all the facts and circumstances to the Company s General Counsel and the Chairman of the Audit Committee, and obtain the prior written approval of the Audit Committee. All conduct is reviewed in a manner so as to (i) maintain the Company s credibility in the market, (ii) maintain the independence of the Company s employees and (iii) ensure that all business decisions are made solely on the basis of the best interests of the Company and not for personal benefit.

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COMPENSATION OF DIRECTORS

The following table sets forth, for the fiscal year ended December 31, 2010, the total compensation of the non-management members of the Company s Board of Directors.

Name	Year	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Award ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
Basil L. Anderson	2010	$ 75,000	$ 115,020					$ 190,020
Darrell Duffie	2010	75,000	115,020					190,020
Robert R. Glauber	2010	75,000	115,020					190,020
Ewald Kist	2010	95,000	115,020					210,020
Connie Mack	2010	75,000	115,020					190,020
Henry A. McKinnell, Jr.	2010	115,000	115,020					230,020
Nancy S. Newcomb	2010	75,000	115,020					190,020
John K. Wulff	2010	95,000	115,020					210,020

(1) In 2010, the Company s non-management directors received an annual cash retainer of $75,000, payable in quarterly installments. The Chairmen of the Audit Committee, the Governance and Compensation Committee, and the International Business Development Committee received an additional annual cash fee of $20,000, also payable in quarterly installments. The Lead Director received an additional annual cash fee of $20,000, also payable in quarterly installments. There were no separate meeting fees paid in 2010.

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

(2) On February 9, 2010, each non-management director received a grant of $115,020 worth of restricted stock issued from the 1998 Moody s Corporation Non-Employee Directors Stock Incentive Plan which was equal to 4,295 restricted shares of Common Stock. The Governance and Compensation Committee authorized the grant of restricted stock awards for 2010 on December 14, 2009, and the grant was subsequently approved by the Board on December 15, 2009. The grant of restricted stock awards was effective on February 9, 2010, the third trading day following the date of the public dissemination of the Company s financial results for 2009.

The aggregate number of stock awards outstanding as of December 31, 2010 for each of the Company s non-management directors was as follows:

Name	Number of Shares Underlying Options	Number of Shares of Unvested Restricted Stock
Basil L. Anderson		8,324
Darrell Duffie		7,817
Robert R. Glauber	14,400	8,324
Ewald Kist		8,324
Connie Mack	18,000	8,324

Henry A. McKinnell, Jr.	14,400	8,324
Nancy S. Newcomb		8,324
John K. Wulff		8,324

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(3) Perquisites and other personal benefits provided to each of the Company s non-management directors in 2010 were, in the aggregate, less than $10,000 per director. Each non-management director is reimbursed for travel, meals, and hotel expenses incurred in connection with attending meetings of the Company s Board of Directors or its committees. For the meetings held at the Company s executive offices, the Company pays for travel for each non-management director and one guest of each director, as well as for their accommodations, meals, Company-arranged activities, and other incidental expenses. For the one meeting held outside of the Company s offices in 2010, guest expenses were not covered by the Company.

Stock Ownership Guidelines For Non-Management Directors

In July 2004, Moody s adopted stock ownership guidelines for its executives, including the NEOs, and its non-management directors, encouraging them to acquire and maintain a meaningful stake in the Company. Moody s believes that these guidelines encourage its executive officers and non-management directors to act as owners, thereby better aligning their interests with those of the Company s stockholders.

- The guidelines are intended to satisfy an individual s need for portfolio diversification, while ensuring an ownership level sufficient to assure stockholders of their commitment to value creation.

- Non-management directors are expected, within five years, to acquire and hold shares of the Company s Common Stock equal in value to five times the annual cash retainer.

- Restricted shares and shares owned by immediate family members or through the Company s tax-qualified savings and retirement plans count toward satisfying the guidelines.

- Stock options, whether vested or unvested, do not count toward satisfying the guidelines.

ITEM 1 ELECTION OF DIRECTOR

The Board of Directors has nominated Robert R. Glauber for election as Class I director, for a three-year term expiring in 2014. If elected, the nominee will hold office until his term expires and until a successor is elected and qualified. Mr. Glauber is currently a member of the Board of Directors and was previously elected by the stockholders. The Governance and Compensation Committee is evaluating the qualifications and skill of other potential candidates in light of the Board s current composition and consideration of the Company s current and future business and operations. The Company expects the nominee for election as a director to be able to serve if elected. If the nominee is unable to serve, proxies will be voted for the election of such other person for director as the Board may recommend in the place of such nominee.

Senator Connie Mack and Nancy S. Newcomb, the Company s directors since 2001 and 2005, respectively, will not be standing for re-election. After their years of valued service, their terms will end just before the Annual Meeting.

Qualifications and Skills of Directors

The Board believes that the Board, as a whole, should possess a combination of skills, professional experience, and diversity of backgrounds necessary to oversee the Company s business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board s membership criteria. Accordingly, the Board and the Governance and Compensation Committee consider the qualifications of directors and director candidates individually and in the broader context of the Board s overall composition and the Company s current and future business and operations.

The Governance and Compensation Committee is responsible for developing and recommending Board membership criteria to the Board for approval. The criteria, which are set forth in the Company s Corporate Governance Principles, include the candidate s business experience, qualifications, attributes and skills relevant

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to the management and oversight of the Company s business, independence, judgment and integrity, the ability to commit sufficient time and attention to Board activities, and any potential conflicts with the Company s business and interests. In addition, the Board and the Governance and Compensation Committee annually evaluate the composition of the Board to assess the skills and experience that are currently represented on the Board, as well as the skills and experience that the Board will find valuable in the future, given the Company s current situation and strategic plans. The Board and the Governance and Compensation Committee seek a variety of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board. This annual evaluation of the Board s composition enables the Board and the Governance and Compensation Committee to update the skills and experience they seek in the Board as a whole, and in individual directors, as the Company s needs evolve and change over time and to assess the effectiveness of efforts at pursuing diversity. In identifying director candidates from time to time, the Board and the Governance and Compensation Committee may identify specific skills and experience that it believes the Company should seek in order to constitute a balanced and effective board.

In considering and nominating incumbent directors for reelection to the Board, the Board and the Governance and Compensation Committee have considered a variety of factors. These include the nominee s independence, financial literacy, personal and professional accomplishments, experience in light of the needs of the Company and past performance on the Board. With respect to the Company s incumbent director, the Board has determined that he has the following skills and qualifications that support his service on the Board:

(i) Mr. Glauber has knowledge of financial services regulatory matters, acquired through his service as chairman, chief executive officer and president of the National Association of Securities Dealers. Mr. Glauber also served as Under Secretary of the Treasury for Finance, and served as a professor of Finance for 25 years. He therefore brings regulatory experience and insight on public policy issues to the Board.

With respect to the continuing directors, the Board has considered the following:

(i) Mr. Kist served as Chairman of the Executive Board of a major foreign financial services company for a number of years and held various executive officer positions, including president and vice chairman, at a major international bank. Accordingly, Mr. Kist brings to the Board financial expertise, and knowledge of the range of issues facing a large company operating in a regulated industry and a perspective on running a company with international operations;

(ii) Dr. McKinnell served for five years as the chief executive officer of a public pharmaceutical company with worldwide operations, and prior to that position, served as president, chief operating officer, chief financial officer and executive vice president. As a result of these positions, Dr. McKinnell brings to the Board financial expertise, management experience and leadership skills. In addition, because the pharmaceutical business, like the Company s, operates in a highly regulated industry, Dr. McKinnell brings to the Board an appreciation of what a complex regulatory environment means for the Company s operations. Dr. McKinnell has also served as a director of several public companies, contributing to his perspective on corporate governance matters;

(iii) Mr. Wulff also brings executive officer and financial expertise to the Board. He served as the chairman of a public company for several years. He also was the chief financial officer of a major chemical corporation for five years and, prior to holding that position, served as the company s vice president and principal accounting officer. In addition, Mr. Wulff served as a partner at a major accounting firm and as a member of the Financial Accounting Standards Board. As a result of these positions, Mr. Wulff brings to the Board significant knowledge of accounting and financial reporting matters in addition to regulatory and senior management experience;

(iv) Mr. Anderson has over a decade of experience as an executive officer, including as a chief financial officer, of several public companies where he held significant policy making positions. He also has experience as an operating executive in charge of an international business based in Paris, France. In

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addition, Mr. Anderson serves as a director with several NYSE or NASDAQ listed companies. As a result of these positions, he brings to the Board expertise as a strategist, management and operations experience, and a perspective on international business operations and corporate governance in the public company context;

(v) Dr. Duffie has significant expertise in a number of areas that are directly relevant to the Company s core business operations and has experience as a consultant to financial services firms. He is a recognized expert in the behavior and performance of global credit and securities markets and his opinions regarding financial regulatory reform have been solicited by various arms of the US government, including the Senate Banking Committee, the US Treasury Department, the President s National Economic Council and the New York Federal Reserve Bank. He also has authored a book on credit risk and has published numerous academic research publications, articles and papers on asset and credit valuation and performance. This work allows Dr. Duffie to provide insight into various aspects of the Company s business operation, the expanding nature of the work of MA and MIS and policy issues related to the financial services industry; and

(vi) Mr. McDaniel, who is both Chairman and Chief Executive Officer of the Company, began his career at the Company serving as a ratings analyst and has served in numerous capacities at the Company over the past three decades. As a result, he brings to the Board a deep understanding of the Company s business and operations as well as a historical perspective on the Company s strategy. Since 2005 he has also served as a director of John Wiley & Sons, Inc., which develops, publishes, and sells products in print and electronic media for the educational, professional, scientific, technical, medical, and consumer markets worldwide. This has helped to provide perspective on public company governance issues.

The Board of Directors recommends a vote FOR the election as director the Class I nominee listed below.

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

DIRECTOR NOMINEE

Class I Director Whose Term Expires in 2014

Robert R. Glauber

Director since June 1998

Robert R. Glauber, age 72, is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Mr. Glauber has served as an adjunct lecturer at the John F. Kennedy School of Government at Harvard University since July 2007 and as a senior advisor for Peter J. Solomon Company since November 2006. Mr. Glauber served as a visiting professor at Harvard Law School from January 2009 to June 2009 and from September 2006 to June 2007. Mr. Glauber served as Chairman and Chief Executive Officer of the National Association of Securities Dealers (NASD) from September 2001 to August 2006. From November 2000 to September 2001, Mr. Glauber served as President and Chief Executive Officer of the NASD. From 1992 to October 2000, Mr. Glauber was an adjunct lecturer at the John F. Kennedy School of Government at Harvard University. From 1989 to 1992, Mr. Glauber served as Under Secretary of the Treasury for Finance. Prior to that, Mr. Glauber was a professor of finance at the Harvard Business School. Mr. Glauber currently is a director of Freddie Mac (2006-present), XL Group PLC (2006-present), and Northeast Bancorp (January 2011- present) and is a trustee of the International Accounting Standards Committee Foundation.

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CONTINUING DIRECTORS

Class II Directors Whose Terms Expire in 2012

Ewald Kist

Director since July 2004

Ewald Kist, age 67, is Chairman of the International Business Development Committee and is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Mr. Kist was Chairman of ING Groep N.V. (ING Group), a financial services company, from 2000 until his retirement in June 2004. Before serving as Chairman of ING Group, Mr. Kist was Vice Chairman from 1999 to 2000 and served as a member of the Executive Board from 1993 to 1999. Prior to the merger of Nationale Nederlanden and NMB Postbank Group to form ING Group in 1992, Mr. Kist served in a variety of capacities at Nationale Nederlanden beginning in 1969, including Chairman from 1991 to 1992, General Management the Netherlands from 1989 to 1991 and President Nationale Nederlanden U.S. Corporation from 1986 to 1989. Mr. Kist currently is a director of The DSM Corporation (2004-present), Royal Philips Electronics (2004-present), the Dutch National Bank (2004-present) and Stage Entertainment (2007-present).

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

Director since October 1997

Henry A. McKinnell, Jr., age 68, is Chairman of the Governance and Compensation Committee, is a member of the Audit and MIS Committees and serves as the lead independent director of the Board of Directors. Dr. McKinnell served as Chairman of the Board of Pfizer Inc., a pharmaceutical company, from May 2001 until his retirement in December 2006 and Chief Executive Officer from January 2001 to July 2006. He served as President of Pfizer Inc. from May 1999 to May 2001, and as President of Pfizer Pharmaceuticals Group from January 1997 to April 2001. Dr. McKinnell served as Chief Operating Officer of Pfizer Inc. from May 1999 to December 2000 and as Executive Vice President from 1992 to 1999. Dr. McKinnell currently is a director of Angiotech Pharmaceuticals, Inc. (2008-present) and Optimer Pharmaceuticals, Inc. (January 2011-present). Dr. McKinnell serves as Chairman of the Board of the Accordia Global Health Foundation. He is Chairman Emeritus of the Connecticut Science Center, and is a member of the Academic Alliance for AIDS Care and Prevention in Africa. He served as director of Pfizer Inc. and ExxonMobil Corporation until 2007 and John Wiley & Sons until 2005.

John K. Wulff

Director since April 2004

John K. Wulff, age 62, is Chairman of the Audit Committee and is a member of the Governance and Compensation Committee of the Board of Directors. Mr. Wulff is the former Chairman of the board of Hercules Incorporated, a manufacturer and supplier of specialty chemical products, a position held from December 2003 until Ashland Inc. s acquisition of Hercules in November 2008. Mr. Wulff was first elected as a director of Hercules in July 2003, and served as interim Chairman from October 2003 to December 2003. Mr. Wulff served as a member of the Financial Accounting Standards Board from July 2001 until June 2003. From January 1996 until March 2001, Mr. Wulff was Chief Financial Officer of Union Carbide Corporation. During his 14 years with Union Carbide, Mr. Wulff also served as Vice President and Principal Accounting Officer from January 1989 to December 1995, and Controller from July 1987 to January 1989. From April 1977 until June 1987, Mr. Wulff was a partner with KPMG and predecessor accounting and consulting firms. Mr. Wulff currently is a director of Celanese Corporation (2006-present), Sunoco, Inc. (2004-present) and Chemtura Corporation (2009-present). He served as a director of Fannie Mae from December 2004 until 2008 and of Hercules Incorporated until 2008 as well.

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Class III Directors Whose Terms Expire in 2013

Basil L. Anderson

Director since April 2004

Basil L. Anderson, age 65, is a member of the Audit and Governance and Compensation Committees of the Board of Directors. Mr. Anderson served as Vice Chairman of Staples, Inc., an office products company, from September 2001 until his retirement in March 2006. Prior to joining Staples, Mr. Anderson served as Executive Vice President and Chief Financial Officer of Campbell Soup Company from April 1996 to February 2001. Prior to joining Campbell Soup, Mr. Anderson was with Scott Paper Company where he served in a variety of capacities beginning in 1975, including Vice President and Chief Financial Officer from December 1993 to December 1995. Mr. Anderson currently is a director of Staples, Inc. (1997-present), Becton Dickinson (2004-present), and Hasbro, Inc. (2002-present). He served as director of CRA International Inc. until January 2010.

Darrell Duffie, Ph.D.

Director since October 2008

Darrell Duffie, Ph.D., age 56, is Chairman of the MIS Committee and is a member of the Audit and Governance and Compensation Committees of the Board of Directors. He is the Dean Witter Distinguished Professor of Finance at Stanford University Graduate School of Business and has been on the finance faculty at Stanford since receiving his Ph.D. from Stanford in 1984. He has authored books and research articles on topics in finance and related fields. Dr. Duffie is a trustee of iShares Trust, and is a director of iShares, Inc. (2008-present), a family of Exchange Traded Funds from Barclays Global Investors, and as a result oversees a total of approximately 200 funds within the fund complex. Dr. Duffie is also a member of The Federal Reserve Bank of New York Financial Advisory Roundtable, the Banff International Research Station Scientific Advisory Board, the Board of The Pacific Institute of Mathematical Sciences, is a Fellow and member of the Council of the Econometric Society, and a Fellow of the American Academy of Arts & Sciences. Dr. Duffie is a member of the Executive Committee and was the President of the American Finance Association in 2009.

Raymond W. McDaniel, Jr.

Director since April 2003

Raymond W. McDaniel, Jr., age 53, has served as the Chairman and Chief Executive Officer of the Company since April 2005 and serves on the MIS and International Business Development Committees of the Board of Directors. Mr. McDaniel served as the Company s President from October 2004 until April 2005 and the Company s Chief Operating Officer from January 2004 until April 2005. He has served as Chairman and Chief Executive Officer of Moody s Investors Service, Inc., a subsidiary of the Company, since October 2007 and held the additional title of President from November 2001 to August 2007 and December 2008 to November 2010. Mr. McDaniel served as the Company s Executive Vice President from April 2003 to January 2004, and as Senior Vice President, Global Ratings and Research from November 2000 until April 2003. He served as Senior Managing Director, Global Ratings and Research, of Moody s Investors Service, Inc. from November 2000 until November 2001 and as Managing Director, International from 1996 to November 2000. Mr. McDaniel currently is a director of John Wiley & Sons, Inc. (2005-present).

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ITEM 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee appointed KPMG LLP as the Company s independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ending December 31, 2011. KPMG LLP audited the consolidated financial statements of the Company for the year ending December 31, 2010.

As a matter of good corporate governance, the Audit Committee has requested the Board of Directors to submit the selection of KPMG LLP as the Company s independent registered public accounting firm for 2011 to stockholders for ratification. If the appointment of KPMG LLP is not ratified by stockholders, the Audit Committee will re-evaluate its selection and will determine whether to maintain KPMG LLP as the Company s independent registered public accounting firm or to appoint another independent registered public accounting firm. A representative of KPMG LLP is expected to be present at the Annual Meeting. Such representative will have the opportunity to make a statement if he so desires and is expected to be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2011.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

The aggregate fees for professional services rendered for (i) the integrated audit of the Company s annual financial statements for the years ended December 31, 2010 and 2009, (ii) the review of the financial statements included in the Company s Reports on Forms 10-Q and 8-K, and (iii) statutory audits of non-U.S. subsidiaries, were approximately $2.0 million and $1.8 million in 2010 and 2009, respectively. These fees included amounts accrued but not billed of $1.3 million in each of 2010 and 2009.

Audit-Related Fees

The aggregate fees billed for audit-related services rendered to the Company were approximately $0.1 million in both of the years ended December 31, 2010 and 2009. Such services included employee benefit plan audits.

Tax Fees

The aggregate fees billed for professional services rendered for tax services rendered by the auditors for the years ended December 31, 2010 and 2009 were $0 and $6,900, respectively.

All Other Fees

The aggregate fees billed for all other services rendered to the Company by KPMG LLP for the year ended December 31, 2010 and 2009 were $0 and $0, respectively.

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ITEM 3 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

We are asking stockholders to approve an advisory resolution on the Company s executive compensation as reported in this Proxy Statement. As described in the Compensation Discussion and Analysis section of this Proxy Statement (Compensation Discussion and Analysis or CD&A), the goal of the Governance and Compensation Committee (the Committee) in setting executive compensation is to provide a competitive total compensation package that assists in the retention of the Company s executives and motivates them to perform at a superior level while encouraging behavior that is in the long-term best interests of the Company and its stockholders. Consistent with this philosophy, a significant portion of the total compensation opportunity for each of Moody s executives is performance-based and dependent upon the Company s achievement of specified goals that are both financial and non-financial in nature.

Despite the challenging market conditions, Moody s full-year results reflected the continued improvement of credit markets and greater customer use of a number of Moody s products and services throughout 2010. As discussed in further detail in the CD&A, these operating and financial performance achievements formed the basis for compensation awards made by the Committee.

The Company continually reviews best practices in governance and executive compensation. Among these practices in 2010, the Company:

- implemented a new three-year performance-based share award program;
- reduced the percentage of long-term equity awarded in the form of stock options (formerly, 100%) from the overall equity compensation mix;
- expanded its clawback policy to apply to performance share awards;
- continued its practice of not entering into employment agreements with its executives, including the NEOs;
- did not provide perquisites or other personal benefits with an aggregate value of more than $10,000 to its executives, including the NEOs; and
- maintained existing stock ownership guidelines for its executives, including the NEOs, and its non-management directors to encourage them to acquire and maintain a meaningful stake in the Company.

We urge stockholders to read the CD&A beginning on page 25 of this Proxy Statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and related compensation tables and narrative, appearing on pages 40 through 55, which provide detailed information on the compensation of our named executive officers. The Committee and the Board of Directors believe that the policies and procedures articulated in the CD&A are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement has supported and contributed to the Company s success.

In accordance with recently adopted Section 14A of the Exchange Act, and as a matter of good corporate governance, the Board is asking stockholders to approve the following advisory resolution at the 2011 Annual Meeting of Stockholders:

RESOLVED, that the stockholders of Moody s Corporation (the Company) approve, on an advisory basis, the compensation of the Company s named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company s 2011 Annual Meeting of Stockholders.

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This advisory resolution, commonly referred to as a say-on-pay resolution, is non-binding on the Board. Although non-binding, the Board and the Committee will review and consider the voting results when evaluating the Company s executive compensation program.

The Board of Directors recommends a vote FOR the approval of the advisory resolution on executive compensation.

ITEM 4 ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

In Item 3 above, we are asking stockholders to vote on an advisory resolution on executive compensation, and we will provide this type of advisory vote at least once every three years. Pursuant to recently adopted Section 14A of the Exchange Act, in this Item 4 we are asking stockholders to vote on whether future advisory votes on executive compensation should occur every year, every two years or every three years.

Following adoption of legislation providing for this stockholder vote, we discussed considerations regarding the frequency of advisory votes on executive compensation with some of our stockholders and received feedback generally supporting a vote once every three years, although we understand that other stockholders may support a vote every year. After careful consideration, the Board of Directors recommends that future advisory votes on executive compensation occur every three years (triennially). We believe that this frequency is appropriate for a number of reasons. Most significantly, our compensation programs are designed to reward long-term performance, and a triennial vote corresponds with the performance period under our performance based share awards. Thus, we encourage our stockholders to also evaluate our executive compensation programs over a multi-year horizon and to review our named executives compensation over the past three fiscal years as reported in the Summary Compensation Table on page 40. In addition, we believe that a triennial advisory vote on executive compensation reflects the appropriate time frame for the Committee and the Board of Directors to evaluate the results of the most recent advisory vote on executive compensation, to discuss the implications of that vote with stockholders to the extent needed, to develop and implement any adjustments to our executive compensation programs that may be appropriate in light of a past advisory vote on executive compensation, and for stockholders to see and evaluate the Committee s actions in context. In this regard, because the advisory vote on executive compensation occurs after we have already implemented our executive compensation programs for the current year, and because the different elements of compensation are designed to operate in an integrated manner over a period of years and to complement one another, we expect that in many cases it may not be appropriate or feasible to fully address and respond to any one year s advisory vote on executive compensation by the time of the following year s annual meeting of stockholders.

The Board of Directors is aware of and took into account views that some have expressed in support of conducting an annual advisory vote on executive compensation.

We are aware that some stockholders believe that annual advisory votes will enhance or reinforce accountability. However, we have in the past and will in the future continue to engage with our stockholders on a number of topics and in a number of forums. Thus, we view the advisory vote on executive compensation as an additional, but not exclusive, means for our stockholders to communicate with us regarding their views on the Company s executive compensation programs.

We believe that the many avenues that have and will continue to exist for stockholder engagement differentiate the Company from the situation that exists in certain countries where an annual advisory vote on executive compensation is prevalent.

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Also, because our executive compensation programs have typically not changed materially from year-to-year and are designed to operate over the long-term and to enhance long-term performance, we are concerned that an annual advisory vote on executive compensation could lead to a near-term perspective inappropriately bearing on our executive compensation programs.

Finally, although we believe that holding an advisory vote on executive compensation every three years will reflect the right balance of considerations in the normal course, we will periodically reassess that view and can provide for an advisory vote on executive compensation on a more frequent basis if changes in our compensation programs or other circumstances suggest that such a vote would be appropriate.

We understand that our stockholders may have different views as to what is an appropriate frequency for advisory votes on executive compensation. We look forward to the input that our stockholders will provide through this frequency vote, and we will carefully consider and take into account our stockholders votes and any additional insights that we obtain into the voting results when determining how often to conduct future advisory votes on executive compensation. Stockholders will be able to specify one of four choices for this proposal on the proxy card: one year, two years, three years or abstain. Stockholders are not voting to approve or disapprove the Board s recommendation. This advisory vote on the frequency of future advisory votes on executive compensation is non-binding on the Board of Directors. Notwithstanding the Board s recommendation and the outcome of the stockholder vote, the Board may in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussions with stockholders and the adoption of material changes to compensation programs.

The Board of Directors recommends stockholders vote to conduct future advisory votes on executive compensation every three years.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below sets forth the number of shares of Common Stock beneficially owned as of December 31, 2010 by (i) each person who is known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock (the Company s 5% Owners), (ii) each director and nominee for director of the Company, (iii) each named executive officer listed in the Summary Compensation Table below (the Named Executive Officers or NEOs), and (iv) all directors and executive officers of the Company as a group. Stock ownership information is based on (a) the number of shares of Common Stock held by directors and executive officers as of December 31, 2010 (based on information supplied to the Company by them), calculated in accordance with SEC rules, and (b) the number of shares of Common Stock held by the Company s 5% Owners, based on information filed with the SEC by the Company s 5% Owners. Unless otherwise indicated and except for the interests of individuals spouses, the stockholders listed below have sole voting and investment power with respect to the shares indicated as owned by them. Percentages are based upon the number of shares of Common Stock outstanding on December 31, 2010, and, where applicable, the number of shares of Common Stock that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning Stock Units, the value of which is measured by the price of the Common Stock. Stock Units do not confer voting rights and are not considered beneficially owned shares under SEC rules.

Name	Aggregate Amount of Shares Beneficially Owned(1)	Stock Units(2)	Percentage of Shares Outstanding
Mark E. Almeida	432,192(3)		*
Basil L. Anderson	20,257	11,140	*
Darrell Duffie	10,540		*
Robert R. Glauber	41,624	1,653	*
John J. Goggins	387,584		*
Linda S. Huber	317,095		*
Ewald Kist	18,780		*
Connie Mack	35,540(4)		*
Michel Madelain	201,620		*
Raymond W. McDaniel, Jr.	1,405,139(5)		*
Henry A. McKinnell, Jr.	95,176	1,656	*
Nancy S. Newcomb	17,214		*
John K. Wulff	27,257	17,685	*
All current directors and executive officers as a group (17 persons)	3,425,140	32,134	1.5%
Berkshire Hathaway, Inc.	28,415,250(6)(7)		12.3%
Warren E. Buffett, OBH, Inc., GEICO Corporation, Government Employees Insurance Company and National Indemnity Company 3555 Farnam Street Omaha, Nebraska 68131			
Davis Selected Advisers, L.P.	14,604,896(8)		6.3%
2949 East Alvira Road, Suite 101 Tucson, Arizona 85706			
Capital World Investors	28,405,000(9)		12.3%
333 South Hope Street Los Angeles, California 90071			
BlackRock, Inc.	15,205,847(10)		6.6%
40 East 52nd Street, New York, New York 10022			

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

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(1) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of December 31, 2010, upon the exercise of vested stock options as follows: Mr. Almeida 299,956; Mr. Anderson 0; Dr. Duffie 0; Mr. Glauber 14,400; Mr. Goggins 341,952; Ms. Huber 273,374; Mr. Kist 0; Senator Mack 18,000; Mr. Madelain 161,274; Mr. McDaniel 1,242,777; Dr. McKinnell 14,400; Ms. Newcomb 0; and Mr. Wulff 0; and all current directors and executive officers as a group 2,805,380. Also includes the following shares of restricted stock over which the Named Executive Officers and directors had voting (but not dispositive) power as of December 31, 2010: Mr. Almeida 20,450; Mr. Anderson 8,324; Dr. Duffie 8,317; Mr. Glauber 8,324; Mr. Goggins 20,665; Ms. Huber 26,400; Mr. Kist 8,324; Senator Mack 8,324; Mr. Madelain 18,443; Mr. McDaniel 20,539; Dr. McKinnell 8,324; Ms. Newcomb 8,324; and Mr. Wulff 8,324; and all current directors and executive officers as a group 173,082.

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

(3) This amount includes 1,000 shares of Common Stock by a trust for Mr. Almeida s sister.

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

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

(6) As set forth in Amendment No. 2 to the Schedule 13G jointly filed with the SEC on February 14, 2011 by Warren E. Buffett, Berkshire Hathaway Inc., OBH, Inc., GEICO Corporation, Government Employees Insurance Company and National Indemnity Company, (a) each of Mr. Buffett, Berkshire Hathaway Inc., OBH, Inc. and National Indemnity Company had shared voting power and shared dispositive power with respect to 28,415,250 shares reported in such Amendment No. 2 to the Schedule 13G and (b) each of GEICO Corporation and Government Employees Insurance Company had shared voting power and shared dispositive power with respect to 15,719,400 of such 28,415,250 shares.

(7) This address is listed in Amendment No. 2 to the Schedule 13G jointly filed with the SEC on February 14, 2011 as the address of each of Mr. Buffett, Berkshire Hathaway Inc. and OBH, Inc. The address of National Indemnity Company is listed as 3024 Harney Street, Omaha, Nebraska 68131; and the address of GEICO Corporation and Government Employees Insurance Company is listed as 1 GEICO Plaza, Washington, D.C. 20076.

(8) A Schedule 13G/A filed by Davis Selected Advisers, L.P. (Davis) with the SEC on February 14, 2011 reported that Davis, a registered investment adviser, had sole voting power with respect to 13,635,221 of such 14,604,896 shares.

(9) A Schedule 13G/A filed by Capital World Investors (Capital World) with the SEC February 14, 2011 reported that Capital World had sole voting power with respect to 25,955,000 of such 28,405,000 shares.

(10) A Schedule 13G filed by BlackRock, Inc. with the SEC on February 7, 2011 reported that, as of December 31, 2010, BlackRock had sole voting power with respect to 15,205,847 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

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

Based solely on the Company s review of copies of such reports furnished to the Company and written representations that no other reports are required, the Company believes that all of its officers and directors and those greater-than-10% stockholders that filed any reports filed all of such reports on a timely basis during the year ended December 31, 2010.

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COMPENSATION DISCUSSION AND ANALYSIS

Moody s understands that it needs to foster and maintain a strong leadership team with capable, experienced and motivated people in order to achieve long-term success. Moody s executive compensation programs are designed to develop and incentivize an executive team with the ability to manage the business during challenging times and to evolve the Company s practices as changes in the market warrant by aligning compensation with business performance. This discussion and analysis provides a guide to Moody s executive compensation program and explains the decisions of the Governance and Compensation Committee (the Committee) regarding compensation reported for 2010 for Raymond W. McDaniel, Jr., the Chairman and Chief Executive Officer (referred to as the CEO), and the other executive officers named in the Summary Compensation Table on page 40 (together with the CEO, referred to as the Named Executive Officers or NEOs).

Executive Summary

Improved Business Results Considered

Moody s financial performance for 2010 was better than had been anticipated earlier in the year when compensation targets were established. The Company s fourth quarter and full-year 2010 results reflected strong performance in credit ratings and growth in all areas of Moody s Analytics. Throughout the year, the Company continued to confront obstacles as the worldwide economic situation continued to impact the Company s business and the Moody s Investors Service (MIS) subsidiary and other credit rating agencies continued to be the subject of heightened scrutiny and increased regulation. Despite significant earnings growth, this focus on rating agencies continued to weigh on the Company s stock performance.

Despite the challenging market conditions, Moody s full-year results reflected the continued improvement of credit markets and greater customer use of a number of Moody s products and services throughout 2010; in turn, compensation increases reflected Moody s improved financial performance. The highlights of the Company s improved performance include:

- 2010 revenue totaled $2,032.0 million, an increase of 13% from $1,797.2 million for 2009.
- 2010 operating income of $772.8 million increased 12% from $687.5 million for 2009.
- 2010 diluted earnings per share (EPS) of $2.15 for the full-year 2010 grew 27% from $1.69 in 2009.

These operating and financial performance achievements formed the basis for compensation awards made by the Committee.

- In light of the fact that the Company s operating income and EPS surpassed budgeted goals, incentive compensation increased in 2010.
- For the NEOs (all of whom were NEOs in 2009 as well) cash incentive awards ranged from approximately 135% of target to 166% of target, increasing on average by approximately 63% as compared to 2009 awards.
- The value of equity awards granted to our NEOs is directly affected by our stock price performance, which remained virtually constant for the year. Thus any stock options awarded to Moody s NEOs will not accrete in value unless the Company s stock price increases above the option strike price. Additionally, the value of any restricted shares and performance shares granted to NEOs will not increase unless the Company s stock price increases above the grant price.
- The grant date fair value of the long-term equity incentive award granted to the CEO in February 2010 was approximately 48% higher than the 2009 award value. The grants awarded to the NEO group (excluding the CEO) in February 2010 were, on average,

approximately 25% higher than the 2009 award values. These increases were due in part to the relatively low value of equity awards made in 2009. In addition, the value of the 2010 awards was determined in the context of a competitive market review provided by the Committee s compensation consultant that indicated that Moody s equity awards had fallen substantially behind those of its peer group.

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Governance Highlights

The Company continually reviews best practices in governance and executive compensation. Among these practices in 2010, the Company:

- implemented a new three-year performance-based share award program;
- reduced the percentage of long-term equity awarded in the form of stock options (formerly, 100%) from the overall equity compensation mix;
- expanded its clawback policy to apply to performance share awards;
- continued its practice of not entering into employment agreements with its executives, including the NEOs;
- did not provide perquisites or other personal benefits with an aggregate value of more than $10,000 to its executives, including the NEOs; and
- maintained existing stock ownership guidelines for its executives, including the NEOs, and its non-management directors to encourage them to acquire and maintain a meaningful stake in the Company.

PHILOSOPHY OF THE EXECUTIVE COMPENSATION PROGRAM

Moody s executive compensation program is designed to:

- **link** a substantial part of each executive s compensation to the achievement of the Company s financial and operating objectives as well as a broader set of goals that may not be measured directly by financial performance alone and to the individual s performance. To better link compensation to those objectives, beginning in 2010, three-year performance shares were introduced as a component of senior management s compensation, replacing a significant portion of stock options granted to NEOs, thereby decreasing the percentage that stock options represent of the overall equity and compensation mix.
- **align** executives rewards with changes in the value of stockholders investments. To achieve this, a portion of the NEO s long-term equity awards continues to be comprised of stock options.

We implement this **linkage** and **alignment** by:

- awarding the NEOs with annual cash incentive compensation based on the Company s performance against financial objectives specified at the beginning of the performance year and an evaluation of individual, qualitative and largely non-financial accomplishments and performance during that year;
- using Company performance to determine the overall funding of the incentive pool that will be distributed to the NEOs;

evaluating each NEO s individual performance based on a list of annual non-financial objectives to determine the actual individual payout;

moving the targeted long-term equity award mix in 2010 to 40% options and 60% performance shares from 100% options in 2009;

increasing the total target dollar value of equity (options and performance shares) by approximately 25% in 2010 for the NEO group (excluding the CEO), as compared to 2009;

providing that performance shares will be earned following the completion of a three-year performance period only if certain performance goals are achieved or exceeded; and

basing performance thresholds for the calendar years 2010-2012 performance period, on the Company s EPS, MIS s ratings accuracy performance and MA s sales. The weights of these metrics vary depending on each NEO s role and responsibilities.

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provide a **competitive** total compensation package that will **motivate** the Company s executives to perform at a superior level and will assist in incentivizing and retaining the executives. When designing the total compensation package, we compare data to that of a group of select peer companies and the broader financial services industry, as discussed further in the Peer and Market Review section beginning on page 34. Additionally, we consider each NEO s:

- skills,
- experience,
- tenure, and
- performance during the prior year.

Elements Of Moody s Compensation Program

The following table lists the elements of Moody s 2010 executive compensation program and the primary purpose of each:

Element	Form	Objectives and Basis
Base Salary	Cash	Base salary is intended to provide a level of pay that is appropriate given professional status, job content, market value, accomplishments and internal equity. Moody s generally sets base salaries for each NEO between the 50th and 75th percentile salary of executives in similar positions within the peer group and/or the broader financial services market. Moody s sometimes pays above the median in order to attract and retain superior talent and to reward officers whose scope of responsibilities are broader than others in their standard position.
Annual Cash Incentives	Cash	Annual cash incentives are intended to reward performance and assist in motivation and retention of management. Individual target amounts are set based upon a competitive review against the peer group and/or the broader financial services market as well as internal equity. Payments are made from a cash incentive pool that is funded based on the Company s financial performance versus target. The NEO cash incentive pool is adjusted based on the results of an Institutional Investor Satisfaction survey conducted on behalf of the Company by an independent third party.

Each NEO s individual award then is adjusted based on financial, corporate and individual performance against pre-established qualitative, largely non-financial objectives.

Award payouts are finalized at the Committee s February meeting following the performance year in question and after a review of each NEO s performance against his or her annual objectives; actual payouts are typically made at the beginning of March.

Awards customarily are made under the 2004 Plan, which stockholders re-approved in 2010, although the Committee retains discretion to pay discretionary cash incentives when circumstances warrant.

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Element	Form	Objectives and Basis
Long-Term Incentive Compensation	Performance Shares, Stock Options, Restricted Stock	To help balance the need to motivate the NEOs to drive long-term stockholder value, to manage the number of shares used to deliver equity awards, and to allow the Company to measure and reward a broader set of goals, the Committee decided that for 2010 it would deliver equity incentive compensation 40% through stock options and 60% through performance-based shares as measured by grant date value.
		Stock options vest based on continued service over four years in annual 25% increments, ensuring (i) that executives will realize value from their awards only if the market price of the Company s stock appreciates above the options exercise price after the options have vested, and (ii) that executives are motivated to remain with the Company due to the multi-year vesting schedule. Stock options expire ten years after grant date.
		Performance shares will be earned following the completion of a three-year performance period if certain performance goals are met or exceeded. For the calendar years 2010-2012 performance period, these performance thresholds will be based on the Company s EPS, MIS s ratings accuracy performance, and MA s sales. The weights of these metrics vary depending on each NEO s role and responsibilities.
		A Special Retention Restricted Stock Grant was made by the Committee and awarded to certain members of senior management, excluding the CEO, in September 2010. This grant was designed to reward dedication and important contributions made to the Company during the year and to promote retention of key personnel, including some of the NEOs. The shares will vest equally in four annual installments beginning on March 1, 2011 provided there is continued employment through each such vesting date.
Perquisites	Limited	Moody s does not provide perquisites or other personal benefits with an aggregate value of more than $10,000 to its executives, including the NEOs.

Element	Form	Objectives and Basis
Retirement Benefits	Broad-based and non-tax qualified plans	**Defined Benefit Plans**. The defined benefit pension plans are the Moody s Corporation Retirement Account (the Retirement Account), the Pension Benefit Equalization Plan (PBEP) and the Supplemental Executive Benefit Plan (SEBP). The Retirement Account, together with the PBEP, provides income upon retirement based on a percentage of annual compensation. The Retirement Account has been frozen to new participants since December 31, 2007 and the SEBP, which has three participants, was closed to new participants as of January 1, 2008.
		More details regarding the Retirement Account, the PBEP and the SEBP are provided in the narrative following the Pension Benefits Table for 2010 on page 47. Mr. Madelain participates in Moody s UK Group Personal Pension Plan, described on page 49.
		Defined Contribution Plans. Moody s also offers its U.S. employees, including the NEOs, the opportunity to participate in a tax-qualified defined contribution plan, the Profit Participation Plan, and offers highly compensated senior management, including the NEOs who reside in the U.S., a voluntary deferred compensation plan (the Moody s Corporation Deferred Compensation Plan, or DCP).
		The primary purpose of the DCP is to allow certain employees to continue pre-tax deferrals into a nonqualified plan and receive the maximum company match on compensation which exceeds the IRS limits for allowable pre-tax deferrals into the Profit Participation Plan. The Company match only applies to deferrals in excess of the IRS limit on compensation that can be taken into account under a tax-qualified defined contribution plan. In addition, the Company will credit to the DCP employer contributions that would have been made to the Profit Participation Plan but for the application of the IRS compensation limit.
		Additional information regarding the DCP is found on page 50.

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Weighting of Elements Fixed versus At Risk compensation

The Company did not have a target weight for each element of compensation in 2010. Instead, the Company reviewed data from its peer group and the broader financial services market, as discussed in further detail in the Peer and Market Review section beginning on page 34, and, based on that data, determined what level of the total compensation package should be at risk and what level should be fixed in the form of salary. The Committee concluded that approximately 20% to 30% of total target compensation should be fixed and approximately 70% to 80% should be at risk in 2010.

		Total Target Compensation		
Name	**% that is Base Salary**	**% that is Target Annual Incentive**	**% that is Target Equity(1)**	**% that is At Risk(2)**
Raymond W. McDaniel	19%	34%	47%	81%
Linda S. Huber	24%	32%	44%	76%
Michel Madelain	26%	31%	43%	74%
Mark E. Almeida	27%	32%	41%	73%
John G. Goggins	30%	29%	41%	70%

(1) Does not include September 2010 special retention grant of restricted stock.

(2) Includes annual incentive target award amount and target equity grant.

2010 COMPENSATION DECISIONS

Base salary

The Committee determined that it was appropriate to maintain the same salary for Mr. McDaniel as he received in 2007, 2008 and 2009. For a detailed description of the rationale behind Mr. McDaniel s compensation, please see Chief Executive Officer Compensation on page 36. In 2010, base salary represented approximately 23% of the aggregate total target compensation for the NEO group. The base salaries paid to the NEOs during 2010 are reported in the Summary Compensation Table on page 40.

Annual cash incentives

The Committee sets target cash incentives at 100% of targets for achievement of growth in operating income and EPS consistent with the Company s budget. Cash incentives were paid out at 135% to 166% of target based upon financial and individual performance and the results of an Institutional Investor Satisfaction survey. The performance goals that the Committee sets are intended to be aspirational and challenging, but achievable. When the targets were set by the Committee, the members believed that exceeding the targets would require extraordinary effort individually and collectively by the NEOs and therefore, maximum cash incentive payments would be reflective of that extraordinary performance.

Funding of Cash Incentive Pool. In 2010, the cash incentive pool was funded based on the Company s financial performance against the Company s budget. For 2010, funding of the cash incentive pool was based on Company operating income and EPS goals relative to target and reflects adjustments for legacy tax and restructuring activities that were agreed to at the time the financial goals were set.

Company operating income and EPS goals were selected in order for cash incentive payouts to reflect achievement against budgeted expectations for profitability.

The NEO cash incentive pool for 2010 funded at 158% based upon Company operating income and EPS that exceeded target. In addition, the NEO cash incentive pool was adjusted upward by 10% based on favorable results of an Investor Satisfaction survey conducted on behalf of the Company by an independent third party.

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Allocation of Bonus Pool

Each NEO has an annual cash incentive target (as well as a maximum) that can be earned based upon performance against financial and non-financial individual objectives.

The amount of cash incentive funding awarded to each individual NEO was then determined based upon an assessment of that individual s performance against qualitative, largely non-financial objectives agreed for the year. These are described below under Individual Performance.

Company Performance. Because the NEOs had varying degrees of influence over each metric, the weighting of these measures varied among the NEOs.

Company performance for corporate-level executives (Messrs. McDaniel and Goggins and Ms. Huber) was measured 50% based on Company operating income results and 50% based on EPS results, whereas performance for executives primarily responsible for Moody s two business units (Messrs. Madelain and Almeida) was weighted 75% based on Company operating income results and 25% based on EPS results.

	Performance Metric	
Name	**Operating Income**	**EPS**
Raymond W. McDaniel	50%	50%
Linda S. Huber	50%	50%
Michel Madelain	75%	25%
Mark E. Almeida	75%	25%
John G. Goggins	50%	50%

For 2010, performance in-line with the Company s budget for operating income and EPS would result in 100% funding of the target cash incentive pool. For the 2010 plan year, maximum incentive funding was 200% of target. In 2009, the Committee had reduced the maximum funding from 200% and lowered it to 150% to eliminate the risk of high bonus payments in a year financial results were expected to be depressed. Raising the maximum funding to 200% returned the Company to be in-line with market practice.

Moody s operating income and EPS goals for 2010 were $750.4 million and $1.80, respectively. The Company actually achieved operating income of $772.8 million and EPS of $2.15, including a benefit of $0.02 associated with certain legacy tax matters, and total tax benefits of $0.15 in the second half of 2010 associated with foreign earnings and state taxes.

Bonus Pool Funding Metrics

	Threshold Funding	Target Funding	Maximum Funding
Operating Income	$ 600.3 million	$ 750.4 million	$ 900.5 million
EPS	$ 1.40	$ 1.80	$ 2.16

Institutional Investor Satisfaction. In 2009, the Committee added an institutional investor satisfaction survey (performed by an independent third party) modifier to the NEOs annual cash incentive program and this was maintained for 2010 as well. This modifier adjusts the total funding of the program upward or downward based on achievements versus the Company s customer value goals. The Company s goals for 2010 were consistent with 2009 as management was evaluated regarding whether they were able to continue to enhance positive investor impressions of Moody s products and services and whether they were able to reduce the less favorable impressions. Based upon the results of the survey and at the discretion of the Committee, the NEO s cash incentive pool can be increased by up to 10%.

Individual Performance. Subject to the NEO s satisfaction of his or her performance against non-financial objectives, the Committee retains the discretion to set individual award payouts under the 2004 Plan. For that reason, and after considering the recommendation of the CEO (except with respect to his award), the Committee may apply a negative adjustment to the award amount. This could result in actual 2004 Plan awards deviating from the performance achievement award level. In addition to corporate financial performance, each of the NEOs had individual performance goals that were evaluated when determining their actual annual incentive award payouts.

Mr. McDaniel: The Committee determined, based on Mr. McDaniel s achievement of (i) helping to restore confidence in the ratings of MIS by raising awareness of the role and function of ratings and overseeing the development of policy-level proposals for changes in rating system management, (ii) contributing to positive market outreach initiatives, (iii) continuing to interact effectively with legislative and regulatory representatives on a global basis, (iv) advancing analytical, work process and governance transitions associated with new legislative and regulatory requirements, (v) supporting growth in ratings and non-ratings businesses, and (vi) presiding over effective cost management, to pay Mr. McDaniel 157% of his target annual cash incentive.

Ms. Huber: The Committee determined, based on Ms. Huber s (i) contributions to the Company s operating income and EPS performance that exceeded targets by 5.3% and 21.8%, respectively; (ii) coordination of outreach relating to Moody s ratings and financial performance, (iii) continued support of corporate governance initiatives, technology improvements and international continuity plans, (iv) completion of major real estate projects within budget, (v) management of budget and the Company s capital position, while maintaining financial flexibility, and (vi) her oversight of the Company s new Chief Information Officer, to pay Ms. Huber 154% of her target annual cash incentive.

Mr. Almeida: The Committee determined that based on Mr. Alemeida s (i) contributions to the Company s operating income and EPS performance that exceeded targets by 5.3% and 21.8%, respectively, (ii) oversight of Moody s Analytics revenue and sales growth in 2010 where MA sales exceeded target by 6.3%, (iii) development of strategic position of Moody s Analytics in the financial information industry and outreach to build awareness of Moody s Analytics as an independent source of risk analytics, (iv) implementation of efficient operating standards, including recruitment and new product marketing, and (v) critical role in the closing of the acquisition of CSI Global Education, to pay Mr. Almeida 135% of his target annual cash incentive.

Mr. Madelain: The Committee determined that based on Mr. Madelain s (i) contributions to the Company s operating income and EPS performance that exceeded targets by 5.3% and 21.8%, respectively, (ii) continued work in the area of outreach regarding the quality of Moody s ratings and credibility, (iii) oversight of the migration of the municipal scale ratings to the global scale ratings, (iv) supervision of the effective implantation of the global regulatory frameworks, and (v) implementation of other operational and organizational improvements including the creation of a new commercial organization, to pay Mr. Madelain 135% of his target annual cash incentive.

Mr. Goggins: The Committee determined that based on Mr. Goggins (i) management of litigation and government investigations, (ii) oversight of the implementation of and compliance with all applicable laws and regulations, including SEC rules and European Union directives, (iii) interaction with regulators regarding legislative developments, and (iv) support of Moody s Investors Service and Moody s Analytics business initiatives, to pay Mr. Goggins 166% of his target annual cash incentive.

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This year s Company financial performance resulted in funding for the NEOs under the 2004 Plan, with the resulting annual cash incentive awards as shown in the table below:

Name	Target Cash Incentive Under 2004 Plan	Maximum Cash Incentive Under 2004 Plan	Actual Cash Incentive Paid Under 2004 Plan
Raymond W. McDaniel	$ 1,684,900	$ 3,369,800	$ 2,643,600
Linda S. Huber	686,400	1,372,800	1,054,500
Michel Madelain(1)	544,261	1,088,522	736,353
Mark E. Almeida	544,100	1,088,200	736,000
John G. Goggins	400,400	800,800	664,200

(1) Mr. Madelain s compensation figures are shown in the table in U.S. dollars. However, certain elements of his compensation were paid in British pounds sterling. An exchange rate of 1.5392 from The Federal Reserve Bank as of December 30, 2010 was used to calculate the U.S. dollar amount.

Long-term equity incentive compensation

2010 long-term equity incentive mix. For 2010, equity grants were made in February based upon the Committee s evaluation of 2009 performance. The Committee determined that beginning in 2010, three-year performance shares would be introduced as a component of senior management s compensation to replace a portion of stock options granted to NEOs, thereby decreasing the percentage that stock options represent of the overall equity and compensation mix. In 2010, the Committee decided (based on management s recommendation) that it would deliver equity incentive compensation 40% through stock options and 60% through performance-based shares.

This decision was made to help balance the need to motivate the NEOs to drive long-term stockholder value, to manage the number of shares used to deliver equity awards, and to allow the Company to measure and reward a broader set of goals that may not be measured directly by financial performance alone.

Stock options. Stock options vest based on continued service over four years in annual 25% increments, ensuring (i) that executives will realize value from their awards only if the market price of the Company s stock appreciates above the options exercise price after the options have vested, and (ii) that executives are motivated to remain with the Company due to the multi-year vesting schedule. The Committee believes that because value is realized only if the Company s stock price rises, that stock options are another way of tying compensation to stock price performance. Stock options expire ten years after the grant date.

Performance Shares. The performance shares will be earned following the completion of a three-year performance period if certain cumulative performance goals are achieved or exceeded. For the 2010-2012 performance period, performance thresholds will be based on the Company s profitability (measured in EPS), MIS s ratings accuracy performance (as described below), and MA s sales. For compensation purposes, Moody s measures the accuracy performance of MIS ratings with the accuracy ratio. The accuracy ratio, which is just one dimension of ratings performance, reflects the ability of credit ratings to distinguish future defaults from non-defaults over a three year period. These three metrics were chosen because (i) they incentivize management to consider the medium-term impact of business decisions, and (ii) balance financial and non-financial factors for business success. The weights of these three performance goals vary depending on each NEO s role and responsibilities.

Special Retention Grants of Restricted Stock. The Committee awarded a special retention grant of restricted stock to certain members of senior management of the Company in September 2010. Mr. McDaniel was not included in the recipient group. This grant was made in order to help raise the long-term equity compensation level of management up to the median of executives in the comparative groups and provides strong retention to members of management. The shares will vest equally in four annual installments beginning on March 1, 2011 provided there is continued employment through each such vesting date.

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The Committee concluded (based on management s recommendation) that it was in the Company s best interest to retain key talent in order to ensure the Company s continued smooth navigation through this difficult economic environment and changing regulatory landscape. The grant became effective later in the year, subject to the continued employment of the recipients.

Grant Levels. The Committee s primary considerations in recommending 2010 equity grant levels included the level of each NEO s target total compensation in comparison to the peer group and the financial services industry, and individual performance. In 2010, the aggregate long-term equity compensation awards granted for the NEO group in both February and September combined were at the median of executives in the comparative groups.

In determining the value of equity granted to the NEOs, the Committee first considered the share utilization practices of the Company s peer group, and then endeavored to balance aligning the interests of NEO s with stockholders while also motivating the NEOs to improve the Company s current market position. As a result, the Committee recommended, and the Board approved, equity grants comprised of stock options and performance shares, with economic values approximately 25% higher than total equity grants approved in February 2009, in order to bring equity award values more in line with market levels. The NEOs individual awards are reported in the Grants of Plan-Based Awards for 2010 table on page 43. Long-term incentive grants made in 2008 and 2009 were at values significantly below values awarded in 2007.

Because the annual grants are made in February, each individual award determination considered (i) Company s performance, noted above, (ii) the NEO s role in that performance, including the achievement of individual goals described above in Annual cash incentives and (iii) retention objectives for that NEO. The awards are intended to align the interests of NEOs with that of the Company s stockholders. Annual awards are determined by an examination of the present period as well as by considering expectations of the future.

Determining Compensation Levels

The Role of the Governance and Compensation Committee, Its Consultant and Management

The Committee, which is comprised entirely of independent directors, has responsibility for oversight of the Company s compensation program and has final authority for evaluating and setting compensation for NEOs. To assist in this process, it considers recommendations made by the CEO (except with respect to his own compensation) and uses market data and analyses that the Committee s compensation consultant provides in order to help formulate target compensation levels. Meridian Compensation Partners LLC was appointed by the Committee to serve as its compensation consultant for 2010.

The consultant reviewed an analysis of the annual comparison of the elements of Moody s executive compensation structure and practices to those of the Company s peer group, as set forth below, and the broader financial services industry. Based on its review, the consultant concluded that the compensation program structure is consistent with industry practices.

Peer and Market Review

In an effort to provide a competitive compensation package, the Committee annually reviews the structure of the compensation program and targets compensation levels by first comparing data to that of a group of select peer companies.

The Company s 2010 peer group reflects the companies with which Moody s competes for business and executive talent. This group reflects the companies against which Moody s financial performance is measured, as it includes firms that:

- Provide analytics products and services in addition to credit risk analysis,
- Provide company and industry credit research and business information services,

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Have comparable median revenue (peer group median equaled $1.122 billion; Moody s 2009 revenue equaled $1.797 billion),

Have comparable number of employees (peer group median equaled 2,962; Moody s has 4,000 employees); and

Have comparable market capitalization (peer group median equaled $4.449 billion; Moody s equaled approximately $6.3 billion as of December 31, 2009).

The 2010 peer companies were:

AllianceBernstein Holding LP	FactSet Research Systems Inc.	Morningstar Inc.
BlackRock Inc.	Fair Isaac Corporation	MSCI
CME Group Inc.	Federated Investors, Inc.	NASDAQ OMX Group Inc.
Corporate Executive Board Company	Interactive Data Corporation	NYSE Euronext
Dun & Bradstreet Corp.	Invesco Ltd.	SEI Investments Co.
Eaton Vance Corp.	The McGraw-Hill Companies, Inc.	Thomson Reuters Corp.
Equifax Inc.		Verisk Analytics, Inc.

In addition to reviewing compensation practices and pay levels within the Company s peer group, the Committee looks at the broader financial services industry s compensation data furnished by management and reviewed by the consultant. This additional compensation data is based on Aon Hewitt s survey data from 26 companies and is used only for reference when evaluating pay for the Company s NEOs. The compensation consultants provided the Committee and management with total compensation data from these comparison groups along with analysis of each element of compensation.

The comparison groups information is reviewed in quartile ranges, generally targeting the 50th to 75th percentile range for total compensation. The Company has found that using a range and taking a broader approach to these figures, instead of targeting a specific percentage, allows for flexibility based on actual yearly performance, market conditions and the unique nature of Moody s business.

The Company has also found that using this particular 50th to 75th percentile range has allowed it to retain key talent and remain competitive in the marketplace. The Company does not benchmark discrete elements of compensation against a subset of the peer group. In 2010, the targeted total compensation opportunity in aggregate for the NEO group, as well as for the CEO individually, was at the median as compared to the peer group and financial services group comparative data.

Additional Factors When Setting Targets

The above stated range serves as just one of the reference points when establishing targeted total compensation. The Committee also reviews each NEO s:

skills,

experience,

tenure, and

performance during the prior year.

These factors contribute to variations in actual and target compensation levels. Based on the Committee s analysis of the above, and consideration of a recommendation from the CEO (other than with respect to his own compensation), the Committee establishes a targeted total compensation level for each NEO that it believes is competitive. The Committee periodically benchmarks benefits and perquisites and believes benefits to be in-line with market practice and perquisites to be below current market practice.

Chief Executive Officer Compensation

The Committee begins its analysis of total compensation for the CEO by analyzing the compensation of executive officers with similar positions at companies included in its peer group, as well as in the broader financial services market. In light of the CEO s broad responsibilities requiring oversight of the entire organization, and based on the achievements detailed on page 32 under Individual Performance, the Committee determined that a higher total compensation package was warranted as compared with the other NEOs.

The mix of Mr. McDaniel s total compensation package has changed in recent years. Since 2006, when Mr. McDaniel received a base salary of $900,000, his base salary has increased minimally. From 2007 through 2010, his base salary was set at $936,000. This salary has been maintained at a consistent level in order to reduce the fixed portion of his total compensation and increase the at-risk percentage.

In terms of his equity grants, the Committee has decreased Mr. McDaniel s stock option awards consistently over the past five years and they have not granted him restricted stock since 2007. Like the other NEOs, Mr. McDaniel received performance shares in 2010 as part of his long-term equity incentive award. These performance shares will be earned following the completion of a three-year performance period only if certain cumulative performance goals are achieved or exceeded. As a result of the Committee s actions, the total value of Mr. McDaniel s annual long-term equity awards for 2008, 2009 and 2010 are below the value he received in 2007.

The Committee believes this current compensation mix and structure better incentivizes the CEO and more closely ties his awards with Company and individual performance. For instance, the increases to Mr. McDaniel s annual incentive payouts were directly tied to improved Company financial results, as the Company s operating income and EPS goals served and continue to serve as the metrics determining funding of the annual cash bonus pool. The following two graphs illustrate this relationship:

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With respect to Mr. McDaniel s increase in pension value, as shown in the Summary Compensation Table (SCT) on page 40, this increase is partially related to improved Company performance, as one s annual cash incentive award is included in the covered pay for the retirement calculation, an additional year of service and a one year increase in age. A large portion of the increase this year was also due to a change in the discount rate used to value the plan for financial reporting purposes. A significantly lower discount rate was used for the SEBP s year-end 2010 valuation due to the level of interest rates as of December 31, 2010 and the relatively short time horizon over which the SEBP s benefits are expected to be paid. The remaining three participants are expected to retire in the next decade, and more than 50% of the SEBP s liability will be paid during that period as lump sum distributions.

Mr. McDaniel s targeted total compensation for 2010 was at the median as compared to the Company s peer group and the broader market data provided to the Committee by its compensation consultant. His actual total compensation was between the median and the 75^{th} percentile of the benchmark target total compensation levels of the comparative groups. In light of the individual achievements listed on page 32 and the description of Company achievements on page 25, the Committee believes Mr. McDaniel s total compensation package to be appropriate.

Additional Executive Compensation Policies and Practices

Clawback Policy

The Board has the right to make retroactive adjustments to any annual cash incentive awards granted after July 28, 2008 or performance shares granted after January 1, 2010, where payment or settlement of any such award was predicated upon the achievement of specified financial results and those results must later be revised. Where the results are revised by reason of a significant or material restatement, recoupment can be sought against executive officers, as defined in accordance with SEC rules; where the results are revised by reason of a restatement resulting from fraud or other misconduct, recoupment can be sought against the person engaging in such misconduct, as well as against any executive officer. The value with respect to which recoupment may be sought shall be determined by the Board. The Committee will continue to review the policy as new SEC requirements are released.

Employment Agreements

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

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Severance Policy

Moody s provides severance benefits to NEOs under the Moody s Career Transition Plan (the Moody s Career Transition Plan or CTP) and the Moody s Corporation Change in Control Severance Plan (the Moody s Corporation Change in Control Severance Plan or the CICP), each of which is described below.

- All NEOs are subject to the CTP, an ERISA-based plan that is available to all employees.
- The NEOs do not receive any extra severance benefits.
- The CTP is designed to compensate eligible employees in the following situations:
  - where there has been a reduction in the Company s workforce or elimination of specific jobs;
  - where the individual s job performance has not met expectations (but does not involve a basis for terminating his performance for cause); or
  - where the Company has agreed with an individual that it is in the mutual best interests of the parties to sever the employment relationship.

While having such a plan in place is in the best long-term interest of stockholders, the plan is not designed to reward individuals who have not performed to expectations or who have engaged in conduct that is detrimental to the Company and its stockholders and contains provisions to ensure this.

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

Change in Control Arrangements

On December 14, 2010, the Board of Directors approved the adoption of the CICP. The purpose of the CICP is to offer its participants, which include the Company s executive officers and other key employees selected by the Committee, protection in the event of a Change in Control (as defined in the CICP). The CICP has been adopted to enhance the alignment of the interests of management and stockholders by allowing executives to remain objective when facing the prospect of a sale and potential job elimination. Under the CICP, participants are entitled to severance benefits triggered only if a participant s employment is terminated within 90 days prior to or two years following a change in control of the Company by the Company or its successor without Cause, or by the participant for Good Reason (both terms as defined in the CICP)(i.e., a double-trigger). For the CEO, severance benefits under the CICP consist of a lump sum cash payment equal to three times the sum of his base salary and target bonus for the year of termination, plus three years of continued coverage under the Company s medical and dental insurance plans. For other executives, including the other NEOs, the severance benefits consist of a lump sum cash payment equal to two times the sum of their base salaries and target bonuses, plus two years of continued medical and dental coverage.

Stock Ownership Guidelines

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

The guidelines are intended to satisfy an individual s need for portfolio diversification, while ensuring an ownership level sufficient to assure stockholders of their commitment to value creation.

Executive officers are expected, within five years, to acquire and hold shares of the Company s Common Stock equal in value to a specified multiple of their base salary (which varies based on position).

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The current ownership level multiples are five times base salary for the CEO, three times base salary for the remaining Named Executive Officers, and five times the annual cash retainer for non-management directors.

Restricted shares and shares owned by immediate family members or through the Company s tax-qualified savings and retirement plans count toward satisfying the guidelines.

Stock options, whether vested or unvested, do not count toward satisfying the guidelines.

The guidelines for an individual executive officer may be suspended at the discretion of the Board of Directors in situations that it deems appropriate. All executive officers and directors are subject to a securities trading policy whereby hedging transactions are prohibited.

Tax Deductibility Policy

Section 162(m) of the Tax Code limits income tax deductibility of compensation in excess of $1 million that is not performance-based as defined under the income tax regulations, paid to any employee who as of the close of the taxable year was the CEO or, whose total compensation is required to be reported to stockholders under the Exchange Act by reason of such employee being among the three highest compensated officers for the taxable year (other than the CEO and CFO). Stock options awarded under the Company s stockholder-approved stock incentive plans are performance-based for purposes of the federal income tax laws, and any amounts required to be included in an executive s income upon the exercise of options do not count toward the $1 million limitation. For other compensation to be performance-based under the regulations, it must be contingent on the attainment of performance goals the material terms of which are approved by stockholders and the specific objectives of which are established by, and attainment of which objectives are certified by, a committee of the Board which consists entirely of non-employee directors.

While Moody s generally seeks to ensure the deductibility of the incentive compensation paid to the Company s executives, the Committee intends to retain the flexibility necessary to provide cash and equity compensation in line with competitive practice. Under Moody s annual cash incentive plan for the NEOs whose compensation is potentially to be in excess of $1 million, annual cash incentives are preliminarily funded on the basis of achievement relative to quantitative measures of performance and then are subject to negative discretion based on the degree of achievement of qualitative objectives.

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SUMMARY COMPENSATION TABLE

The following table sets forth, for the years ended December 31, 2010, 2009 and 2008, the total compensation of the Company s Named Executive Officers. The Named Executive Officers for 2010, 2009 and 2008 include Moody s Principal Executive Officer, its Principal Financial Officer, and the three most highly-compensated executive officers of the Company (other than the Principal Executive Officer and Principal Financial Officer) who were serving as executive officers at the end of the last completed fiscal year.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
Raymond W. McDaniel	2010	$ 936,000	$	$ 1,380,000	$ 920,003	$ 2,643,600	$ 3,256,441	$ 10,800	$ 9,146,844
Chairman and Chief	2009	936,000			1,549,996	1,407,725	1,520,158	10,757	5,424,636
Executive Officer	2008	936,000	305,000		1,809,300		3,360,721	14,791	6,425,812
Linda S. Huber	2010	530,400		970,002	379,997	1,054,500	625,637	8,772	3,569,308
Executive Vice President	2009	510,000			759,996	671,800	207,964	8,754	2,158,514
and Chief Financial Officer	2008	495,708	200,000		831,300		238,475	10,129	1,775,612
Michel Madelain(7)	2010	458,143		810,008	300,002	736,353		46,092	2,350,598
President and COO of	2009	452,676			600,003	514,600		56,299	1,623,578
Moody s Investors Service	2008	398,611	122,800		611,250			38,052	1,170,713
Mark E. Almeida	2010	463,500		785,692	283,799	736,000	153,817	8,109	2,430,917
President of Moody s Analytics	2009	450,000			559,998	445,700	165,819	8,999	1,630,516
	2008	435,417	200,000		611,250		56,952	19,574	1,323,193
John J. Goggins	2010	416,000		697,506	224,999	664,200	581,733	8,125	2,592,563
Senior Vice President and	2009	400,000	87,400		450,002	412,600	264,739	8,115	1,622,856
General Counsel	2008	377,250	120,000		489,000		377,775	18,260	1,382,285

(1) The amounts reported in the Bonus column represent discretionary bonuses paid to the Named Executive Officers. Payments under the Company s annual cash incentive program are reported in the Non-Equity Incentive Plan Compensation column. For 2008, the Company paid discretionary bonuses to all of the Named Executive Officers, as there were no payments under the Company s annual cash incentive program for that year. These amounts were paid on March 6, 2009. For 2009, one Named Executive Officer received a discretionary bonus paid on March 5, 2010. There were no discretionary bonuses paid for 2010.

(2) The amounts shown in the Stock Awards column represent the full grant date fair market value of restricted stock and performance share grants made in 2010. The full grant date fair value is based on the fair market value of the stock, which is defined as the arithmetic mean of the high and low prices of the Common Stock. All grants of performance shares and restricted stock were made under the Company s 2001 Key Employees Stock Incentive Plan (as amended and restated on December 15, 2009, the 2001 Stock Incentive Plan). There were no performance share or restricted stock grants made to the NEOs for 2008 and 2009.

On February 9, 2010, the fair market value of the Common Stock was $26.78 and the following grants of performance shares of Common Stock were received by Mr. McDaniel 51,531, Ms. Huber 21,285 shares, Mr. Almeida 15,896 shares, Mr. Goggins 12,603 shares, and Mr. Madelain 16,804 shares. These performance share awards are subject to performance metrics of EPS growth, MA s sales growth and MIS s ratings accuracy performance during the three calendar year period ending December 31, 2012. Because the achievement or non-achievement of these performance metrics depends upon the occurrence of future events, the actual final payout of these performance share awards are not known at this time. As such, the total grant date fair value of the performance shares is calculated using the target number of shares underlying these awards and the per share grant date price stated above. No cash dividends will be paid when the underlying shares vest.

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On September 7, 2010, the fair market value of the Common Stock was $22.62 and the following grants of restricted shares of Common Stock were received: Ms. Huber 17,683 shares; Mr. Almeida 15,915 shares; Mr. Goggins 15,915 shares; and Mr. Madelain 15,915 shares. Mr. McDaniel did not receive a grant of restricted shares.

Subject to continued employment, the restricted shares will vest as follows: one-fourth of the shares will vest on the first trading day in March following the date of grant and one-fourth of the shares will vest on each first trading day in March in the years 2012, 2013 and 2014. The 2001 Stock Incentive Plan provides that a grant outstanding for at least one year vests in full upon the grantee s retirement. Cash dividends will be accumulated and paid, without interest, when the underlying shares vest.

(3) The amounts shown in the Option Awards column represent the full grant date fair value of non-qualified options granted in each year indicated. The February 9, 2010 grant date fair value for stock options is based on the Black-Scholes option valuation model, applying the following assumptions: a stock price of $26.78, a stock-price volatility factor of 44.0%; a risk-free rate of return of 2.73%; a dividend yield of 1.57%; and an expected time of exercise of 5.9 years from the date of grant. The February 10, 2009 grant date fair value for stock options is based on the Black-Scholes option valuation model, applying the following assumptions: a stock price of $25.37, a stock-price volatility factor of 37.7%; a risk-free rate of return of 2.63%; a dividend yield of 1.58%; and an expected time of exercise of 5.8 years from the date of grant. The February 12, 2008 grant date fair value for stock options is based on the Black-Scholes option valuation model, applying the following assumptions: a stock price of $38.07, a stock-price volatility factor of 25%; a risk-free rate of return of 2.97%; a dividend yield of 1.05%; and an expected time of exercise of 5.5 years from the date of grant. The Black-Scholes model is premised on the immediate exercisability and transferability of the options, neither of which applies to the options set out in the table above. The actual amounts realized, if any, will depend on the extent to which the stock price exceeds the option exercise price at the time the option is exercised.

(4) The amounts reported in the Non-Equity Incentive Plan Compensation column represent the amounts earned by the Named Executive Officers for 2010, 2009 and 2008 under the Company s annual cash incentive program. The amounts for 2010 and 2009 were actually paid on March 4, 2011 and March 5, 2010, respectively, and there were no payments under the Company s annual cash incentive program for 2008. For a description of this program, see Annual cash incentives in the Compensation Discussion and Analysis on page 30.

(5) The amounts reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column represent the aggregate change during 2009 in the actuarial present value of the Named Executive Officers accumulated benefits under the Company s Retirement Account, Pension Benefit Equalization Plan, and Supplemental Executive Benefit Plan (SEBP). For a description of these plans, see the Pension Benefits Table on page 47. The change in the actuarial present value year over year is largely driven by the impact on the SEBP component of the following variables: one additional year of service and pay; one less year of discounting in the present value calculation; and annual assumption changes (such as the discount rate or mortality assumption). In addition to these typical factors that affect the actuarial present values from one year to the next, plan changes can also have an impact. During 2008 certain changes became effective in the PBEP and SEBP so the plans would continue to comply with 409A of the Internal Revenue Code. SEBP participants elected either an annuity or a lump sum form of payment that will apply at retirement, and the PBEP was amended so it will automatically provide lump sum distributions to terminated participants at the later of age 55 or six months following termination from Moody s. The SEBP was closed as of January 1, 2008 to new participants and the only NEOs who participate in the plan are Mr. McDaniel, Ms. Huber and Mr. Goggins.

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(6) The amounts reported in the All Other Compensation column comprise the following compensation items:

Name	Year	Perquisites and Other Personal Benefits(a)	Company Contributions to Vested and Unvested Defined Contribution Plans(b)	Dividends or Other Earnings Paid on Stock or Option Awards(c)	Termination Benefits	Total
Raymond W. McDaniel	2010	$	$ 7,350	$ 3,450		$ 10,800
	2009		7,350	3,407		10,757
	2008		6,900	7,891		14,791
Linda S. Huber	2010		7,350	1,422		8,772
	2009		7,350	1,404		8,754
	2008		6,900	3,229		10,129
Michel Madelain	2010		45,659	433		46,092
	2009	10,428	45,402	469		56,299
	2008		37,299	753		38,052
Mark E. Almeida	2010		7,350	759		8,109
	2009		8,250	749		8,999
	2008		17,838	1,736		19,574
John J. Goggins	2010		7,350	775		8,125
	2009		7,350	765		8,115
	2008		16,413	1,847		18,260

(a) For all the NEOs, perquisites and other personal benefits provided in fiscal 2010 were, in the aggregate, less than $10,000 per individual. For Michel Madelain, the perquisite amount in 2009 represented a car allowance paid in British pounds sterling. For 2009, an exchange rate of 1.6167 from The Federal Reserve Bank as of December 31, 2009 was used to calculate the US dollar amount.

(b) These amounts represent the aggregate annual Company contributions to the accounts of the Named Executive Officers under the Company s Profit Participation Plan and the non-qualified Deferred Compensation Plan in the United States. The Profit Participation Plan and the Deferred Compensation Plan are tax-qualified defined contribution plans. The amount described with respect to Mr. Madelain was contributed by the Company s subsidiary in the UK to the Moody s Group Personal Pension Plan. An exchange rate of 1.5392 from The Federal Reserve Bank as of December 30, 2010 was used to calculate the U.S. dollar amount.

(c) These amounts represent dividend equivalents paid on restricted stock awards that vested during 2010, 2009 and 2008.

(7) Mr. Madelain became an executive officer of the Company as of May 1, 2008. His compensation figures are shown in the table in U.S. dollars. However, certain elements of his compensation were paid in British pounds sterling. An exchange rate of 1.5392 from The Federal Reserve Bank as of December 30, 2010 was used to calculate the U.S. dollar amount.

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GRANTS OF PLAN-BASED AWARDS TABLE FOR 2010

The following table sets forth, for the year ended December 31, 2010, information concerning each grant of an award made to the Company s Named Executive Officers in 2010 under any plan.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards(3)			All Other Stock Awards:	All Other Option Awards:			
Name	Grant Date	Authoriza-tion Date (1)	Thres-hold ($)	Target ($)	Maxi-mum ($)	Thres-hold (#)	Target (#)	Maxi-mum (#)	Number of Securities Underlying Options(4) (#)	Number of Securities Underlying Options(5) (#)	Exercise or Base Price of Option Awards(6) ($/Sh)	Closing Price on Day of Grant ($/Sh)	Grant Date Fair Value of Stock and Option Awards(7)
Raymond W. McDaniel	02/09/2010	12/15/2009				12,883	51,531	103,062					$ 1,380,000
	02/09/2010	12/15/2009								88,292	$ 26.78	$ 26.76	920,003
	N/A		421,225	1,684,900	3,369,800								
Linda S. Huber	02/09/2010	12/14/2009				5,321	21,285	42,570					570,012
	02/09/2010	12/14/2009								36,468	26.78	26.76	379,997
	09/07/2010	09/07/2010							17,683				399,989
	N/A		171,600	686,400	1,372,800								
Michel Madelain	02/09/2010	12/14/2009				4,201	16,804	33,608					450,011
	02/09/2010	12/14/2009								28,791	26.78	26.76	300,002
	09/07/2010	09/07/2010							15,915				359,997
	N/A		136,065	544,261	1,088,522								
Mark E. Almeida	02/09/2010	12/14/2009				3,974	15,896	31,792					425,695
	02/09/2010	12/14/2009								27,236	26.78	26.76	283,799
	09/07/2010	09/07/2010							15,915				359,997
	N/A		136,025	544,100	1,088,200								
John Goggins	02/09/2010	12/14/2009				3,151	12,603	25,206					337,508
	02/09/2010	12/14/2009								21,593	26.78	26.76	224,999
	09/07/2010	09/07/2010							15,915				359,997
	N/A		100,100	400,400	800,800								

(1) The Governance and Compensation Committee authorized the grant of stock options and performance shares for 2010 on December 14, 2009 (except for Mr. McDaniel, whose grant was approved on December 15, 2009), to be effective on February 9, 2010, the third trading day following the date of the public dissemination of the Company s financial results for 2009. On September 7, 2010, the Governance and Compensation Committee authorized a special retention grant of restricted stock to be effect the day of authorization.

(2) These cash incentive awards were granted in 2010 under the Company s annual cash incentive program. The Governance and Compensation Committee established performance metrics for operating income and EPS growth that determine the aggregate funding of the program. The Governance and Compensation Committee considers other factors including individual performance when determining the final award amounts for annual incentive awards. For additional information on the annual cash incentive program, see the Compensation Discussion and Analysis beginning on page 25. These awards were earned during 2010 and are to be paid in March 2011.

(3) These performance share awards were granted in 2010 under the Company s 2001 Stock Incentive Plan. The Governance and Compensation Committee determined the target performance share amounts and set performance measures over the three-year performance period ending December 31, 2012. For Mr. McDaniel, Ms. Huber and Mr. Goggins, performance is based on EPS growth, MA s sales growth and MIS s ratings accuracy performance. For Mr. Madelain, performance is based on EPS growth and MIS s ratings accuracy performance. For Mr. Almeida, performance is based on EPS growth and MA s sales growth. At maximum achievement, the

grant date fair value of the awards would have been twice the amount reported for each executive, or for Mr. McDaniel $2,760,000, Ms. Huber $1,140,024, Mr. Madelain $900,022, Mr. Almeida $851,390, and Mr. Goggins $675,016.

(4) These restricted stock awards were made under the Company s 2001 Stock Incentive Plan. They are exercisable in four equal annual installments on the first trading day in March in each of the years 2011, 2012, 2013 and 2014.

(5) These stock option awards were made under the Company s 2001 Stock Incentive Plan. They are exercisable in four equal annual installments beginning on the first anniversary of the date of grant, February 9, 2011 and expire on February 9, 2020.

(6) The exercise price of these awards is equal to the arithmetic mean of the high and low market price of the Company s Common Stock on the grant date. (The February grant was made on February 9, 2010; the September restricted stock grant was made on September 7, 2010).

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(7) The February 9, 2010 grant date fair value for stock options is based on the Black-Scholes option valuation model, applying the following assumptions; an expected stock-price volatility factor of 44.0%; a risk-free rate of return of 2.73%; a dividend yield of 1.57%; and an expected time of exercise of 5.9 years from the date of grant. The Black-Scholes model is premised on the immediate exercisability and transferability of the options, neither of which applies to the options set out in the table above. The actual amounts realized, if any, will depend on the extent to which the stock price exceeds the option exercise price at the time the option is exercised.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE FOR 2010

The following table sets forth information concerning unexercised options, stock that has not vested, and equity incentive plan awards for each of the Company s Named Executive Officers outstanding as of December 31, 2010. The market value of the shares that have not vested is based on the closing market price of the Company s Common Stock on December 31, 2010 on the New York Stock Exchange.

	Option Awards(1)						Stock Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Grant Date	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(4)	Equity Incentive Plan Awards; Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(3)	Grant Date
Raymond W. McDaniel	230,000			19.9875	02/07/2002	02/07/2012	4,513	119,775			02/08/2006
	212,000			21.2675	02/07/2003	02/07/2013	16,026	425,330			02/12/2007
	165,000			32.4075	02/09/2004	02/09/2014			51,531	1,367,633	02/09/2010
	167,500			41.6875	02/22/2005	02/22/2015					
	114,223			63.0900	02/08/2006	02/08/2016					
	77,100	25,700		72.7150	02/12/2007	02/12/2017					
	92,500	92,500		38.0700	02/12/2008	02/12/2018					
	45,215	135,648		25.3700	02/10/2009	02/10/2019					
		88,292		26.7800	02/09/2010	02/09/2020					
Linda S. Huber	66,667			44.9850	07/01/2005	07/01/2015	1,778	47,188			02/08/2006
	45,000			63.0900	02/08/2006	02/08/2016	6,939	184,161			02/12/2007
	33,375	11,125		72.7150	02/12/2007	02/12/2017	17,683	469,307			09/07/2010
	42,500	42,500		38.0700	02/12/2008	02/12/2018			21,285	564,904	02/09/2010
	22,170	66,511		25.3700	02/10/2009	02/10/2019					
		36,468		26.7800	02/09/2010	02/09/2020					
Michel Madelain	11,789			21.2675	02/07/2003	02/07/2013	539	14,305			02/08/2006
	8,573			32.4075	02/09/2004	02/09/2014	1,989	52,788			02/12/2007
	25,460			41.6875	02/22/2005	02/22/2015	15,915	422,384			09/07/2010
	13,625			63.0900	02/08/2006	02/08/2016			16,804	445,978	02/09/2010
	9,562	3,188		72.7150	02/12/2007	02/12/2017					
	31,249	31,251		38.0700	02/12/2008	02/12/2018					
	17,503	52,509		25.3700	02/10/2009	02/10/2019					
		28,791		26.7800	02/09/2010	02/09/2020					
Mark E. Almeida	50,000			19.9875	02/07/2002	02/07/2012	988	26,222			02/08/2006
	46,000			21.2675	02/07/2003	02/07/2013	3,547	94,137			02/12/2007
	33,000			32.4075	02/09/2004	02/09/2014	15,915	422,384			09/07/2010
	36,850			41.6875	02/22/2005	02/22/2015			15,896	421,880	02/09/2010
	25,000			63.0900	02/08/2006	02/08/2016					
	17,062	5,688		72.7150	02/12/2007	02/12/2017					
	31,250	31,250		38.0700	02/12/2008	02/12/2018					
	16,336	49,008		25.3700	02/10/2009	02/10/2019					
		27,236		26.7800	02/09/2010	02/09/2020					
John J. Goggins	70,000			19.9875	02/07/2002	02/07/2012	969	25,717			02/08/2006
	64,000			21.2675	02/07/2003	02/07/2013	3,781	100,348			02/12/2007
	46,500			32.4075	02/09/2004	02/09/2014	15,915	422,384			09/07/2010
	43,550			41.6875	02/22/2005	02/22/2015			12,603	334,484	02/09/2010

24,500		63.0900	02/08/2006	02/08/2016
18,187	6,063	72.7150	02/12/2007	02/12/2017
25,000	25,000	38.0700	02/12/2008	02/12/2018
13,127	39,382	25.3700	02/10/2009	02/10/2019
	21,593	26.7800	02/09/2010	02/09/2020

(1) Option awards are exercisable in four equal, annual installments beginning on the first anniversary of the date of grant. The grant date for options is ten years earlier than the Option Expiration Date reported in the table.

(2) For the restricted stock grant made in September 2010, the awards are exercisable in four equal annual installments on the first trading day in March in each of the years 2011, 2012, 2013 and 2014. For the restricted stock grants made in February 2006 and February 2007, subject to the Named Executive Officer s continued employment through each vesting date, the vesting of these restricted stock awards in any one year generally depends on the financial performance of the Company. Twenty-five percent of the total number of shares subject to an award represents the Target Shares for each vesting year. If the Company s annual operating income growth in any one year is (i) less than 10%, then 50% of the Target Shares will vest; (ii) between 10% and 15% (inclusive), then 100% of the Target Shares will vest; and (iii) greater than 15%, then 150% of the Target Shares will vest. Notwithstanding the possibility of accelerated vesting in any year of operating income growth greater than 15%, no more than 100% of the initial award will vest, and all shares will vest in full, if not previously vested, five years from the grant date, subject to the Named Executive Officer s continued employment through such date, regardless of whether the specified performance goals have been achieved.

(3) Value is calculated based on the closing price of the Common Stock on December 31, 2010, $26.54.

(4) Represents a performance share award that pays out in March 2013, subject to attainment of performance objectives and vesting requirements for the period ending December 31, 2012.

OPTION EXERCISES AND STOCK VESTED TABLE FOR 2010

The following table sets forth information concerning the number of shares of Common Stock acquired and the value realized upon the exercise of stock options and the number of shares of Common Stock acquired and the value realized upon vesting of restricted stock awards during 2010 for each of the Company s Named Executive Officers on an aggregated basis. In the case of stock options, the value realized is based on the market price of the Company s Common Stock on the New York Stock Exchange at the time of exercise and the option exercise price; in the case of restricted stock awards, the value realized is based on the average high and low market price of the Company s Common Stock on the New York Stock Exchange on the vesting date.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Raymond W. McDaniel	100,000	$ 1,493,750	8,519	$ 229,843
Linda S. Huber			3,512	94,754
Michel Madelain			1,035	27,924
Mark E. Almeida	70,000	889,395	1,875	50,588
John J. Goggins			1,913	51,613

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PENSION BENEFITS TABLE FOR 2010

The following table sets forth information with respect to each defined benefit pension plan that provides for payments or other benefits to the Named Executive Officers at, following, or in connection with retirement.

Name	Plan Name	Number of Years Credited Service (#)(2)	Present Value of Accumulated Benefit at 12/31/08 ($)	Payments During Last Fiscal Year ($)
Raymond W. McDaniel	Retirement Account	22.5000	$ 311,108	
	Pension Benefit Equalization Plan	22.5000	1,613,804	
	Supplemental Executive Benefit Plan	23.8333	14,260,604	
Linda S. Huber	Retirement Account	4.5833	62,714	
	Pension Benefit Equalization Plan	4.5833	183,064	
	Supplemental Executive Benefit Plan	5.6667	1,202,686	
Michel Madelain(1)	Moody s Group Personal Pension Plan			
Mark E. Almeida	Retirement Account	21.5000	270,977	
	Pension Benefit Equalization Plan	21.5000	473,684	
	Supplemental Executive Benefit Plan			
John J. Goggins	Retirement Account	10.8333	137,355	
	Pension Benefit Equalization Plan	10.8333	259,330	
	Supplemental Executive Benefit Plan	11.9167	1,711,872	

(1) The Company provides retirement benefits to the NEOs under three defined benefit pension plans, except for Michel Madelain who is not a U.S. employee. As reflected in footnote (6) to the Summary Compensation Table, an amount was contributed by the Company s subsidiary in the UK to the Moody s Group Personal Pension Plan on Mr. Madelain s behalf. Using an exchange rate of 1.5392 from the Federal Reserve Bank of New York as of December 30, 2010, the amount contributed was $45,659 in 2010.

(2) The credited service for the Retirement Account and the PBEP is based on service from the date the individual became a participant in the plan. Individuals become participants in the plan on the first day of the month coincident with or next following the completion of one year of service. The SEBP provides credited service from an individual s date of hire with Moody s. For Messrs. McDaniel and Almeida, the date of participation in the Retirement Account is based on an earlier plan provision that provided for individuals to become participants on the January 1 or July 1 following the completion of one year of service.

The Company provides retirement benefits to the Named Executive Officers under three defined benefit pension plans except for Mr. Madelain who is not a U.S. employee: the Retirement Account, the PBEP, and the SEBP. The Retirement Account is a broad-based tax-qualified defined benefit pension plan. The PBEP is a non-tax-qualified defined benefit pension plan that restores benefits to participants that would otherwise be lost under the Retirement Account due to limitations under the federal income tax laws on the provision of benefits under tax-qualified defined benefit pension plans. The Retirement Account, together with the PBEP, provides retirement income based on a percentage of annual compensation. The SEBP is a non-tax-qualified supplemental executive retirement plan that provides more generous benefits than the PBEP for designated senior executive officers of the Company. An amount was contributed by the Company s subsidiary in the UK to the Moody s Group Personal Pension Plan, described below, on Mr. Madelain s behalf.

None of the continuing Named Executive Officers are currently eligible for early retirement under any of the Company s defined benefit pension plans.

The assumptions made in computing the present value of the accumulated benefits of the Named Executive Officers, except as described in the following sentence, are incorporated herein by reference to the discussion of those assumptions under the heading Pension and Other Post-Retirement Benefits in the Management s

Discussion and Analysis and Note 11 to the financial statements as contained in the Company s Annual Report on Form 10-K filed with the Commission on February 28, 2011. The assumed retirement age used in computing the present value of the accumulated benefits of the Named Executive Officers was age 65 in the case of the Retirement Account, age 65 in the case of the PBEP, and age 55 in the case of the SEBP.

The material terms in effect in 2010 of the Retirement Account, the PBEP, the SEBP, and Moody s Group Personal Pension Plan are described below. Each of these plans was amended effective as of January 1, 2008. Therefore, future benefit accruals made under these plans will be subject to revised terms.

Moody s Corporation Retirement Account

All U.S. employees hired prior to January 1, 2008 and who have been continuously employed are eligible to participate in the Retirement Account after attaining age 21 and completing one year of service with the Company. Participants earn one month of credited service for each month or fraction thereof from the date they become eligible to participate in the plan. The Retirement Account is a cash balance plan providing benefits that grow monthly as hypothetical account balances, which are credited with interest and pay-based credits. Interest credits are based on a 30-year Treasury interest rate equivalent with a minimum compounded annual interest rate of 4.5%. Pay-based credits are amounts allocated to each participant s hypothetical account based upon a percentage of monthly pensionable compensation. The percentage of compensation allocated annually ranges from 3% to 12.5%. Each participant s pay-based credit percentage is based on their attained age and credited service. Compensation is based on actual earnings which include base salary, regular bonus (or annual incentive award), overtime, and commissions. Severance pay, contingent payments, and other forms of special remuneration are excluded.

Participants vest in their benefits after completing three years of service with the Company. Upon termination of employment, a participant may elect to receive an immediate lump sum distribution equal to 50% of his cash balance account. The remaining 50% of the cash balance account must be received in the form of an annuity upon retirement at age 55 or later. The normal retirement age under the Retirement Account is age 65, but participants who have attained age 55 with at least 10 years of service may elect to retire early. Upon retirement, participants can choose among the various actuarially equivalent forms of annuities offered under the plan.

Moody s Corporation Pension Benefit Equalization Plan

The PBEP is a non-tax-qualified defined benefit pension plan that restores benefits to participants whose pensionable compensation exceeds the limitations under the federal income tax laws on the provision of benefits under tax-qualified defined benefit pension plans. For 2010, this limitation was $245,000. The provisions of the PBEP are the same as those of the Retirement Account except for the form of payment which must be as a lump sum. Upon attaining age 55 with at least 10 years of service, participants may elect to retire. The PBEP was amended as of January 1, 2008 to provide that any participant who is an active employee of the Company or any subsidiary after December 31, 2004 shall receive all of his benefits under the PBEP in a lump sum on the six month anniversary of his separation from service with the Company or a subsidiary.

Moody s Corporation Supplemental Executive Benefit Plan

The SEBP is closed to new participants and the only Named Executive Officers participating in the plan are Mr. McDaniel, Ms. Huber and Mr. Goggins. The SEBP is a non-tax-qualified defined benefit pension plan designed to ensure the payment of a competitive level of retirement income and disability benefits to participants. Historically, a key management employee of the Company who was deemed to be responsible for the management, growth, or protection of the Company s business, and who was designated in writing by the Chief

Executive Officer and approved by the Governance and Compensation Committee was eligible to participate in the plan on the effective date of his designation. The target retirement benefit for a participant is equal to 2% of average final compensation for each year of credited service up to 30 years of credited service, for a maximum benefit of 60% of average final compensation. This target benefit is offset by other pension benefits earned under the Retirement Account and PBEP, as well as benefits payable from Social Security and other pension benefits payable by the Company.

Participants earn one month of credited service for each month or fraction thereof that they are employed by the Company. Eligible compensation includes base salary, annual incentive awards, commissions, lump sum payments in lieu of foregone merit increases, bonus buyouts as the result of job changes, and any portion of such amounts voluntarily deferred or reduced by the participant under any Company employee benefit plan. Average final compensation is the highest consecutive 60 months of eligible compensation in the last 120 months of employment.

The SEBP also provides a temporary disability benefit in the event of a participant s total and permanent disability. This disability benefit is equal to 60% of the 12 months of compensation earned by the participant immediately prior to the date of disability. The disability benefit is offset by any other disability income and/or pension income the participant is already receiving. Payment of the temporary disability benefit continues during the participant s period of disability, but no later than age 65. During the period of total and permanent disability, a participant continues to earn credited service for retirement purposes.

Participants vest in their benefits after completing five years of service with the Company. Benefits are payable at the later of age 55 or termination of employment. For participants who terminate their employment prior to attaining age 55, benefits must commence at age 55 and their SEBP benefit will be reduced by 60% for early retirement. If a participant or vested former participant retires directly from the Company after age 55 and before age 60 without the Company s consent, his retirement benefit is reduced by 3% for each year or fraction thereof that retirement commences prior to reaching age 60. If a participant retires directly from the Company on or after age 55 with the Company s consent, benefits are not reduced for commencement prior to age 60.

The normal form of payment under the SEBP is a single-life annuity for non-married participants or a fully-subsidized 50% joint and survivor annuity for married participants. Participants may receive up to 100% of their benefit in the form of a lump-sum distribution by making a written election at least 12 months prior to termination of employment. 2008 actuarial present values generally were higher if lump sums are in effect.

The SEBP was amended January 1, 2008 in order to reflect the requirements of Section 409A of the Internal Revenue Code.

Moody s UK Group Personal Pension Plan

The Group Personal Pension Plan (the GPPP) enables employees in the United Kingdom to contribute to a pension arrangement. The GPPP is a collection of individual pension policies. Each member has his or own individual pension policy within the GPPP and, if the employee changes jobs, the employee may be able to continue to contribute to the policy if he so wishes. Membership in the GPPP is voluntary and is offered to all employees of the Company s UK subsidiary (Moody s UK) who are directly employed by Moody s UK, are between the ages of 18 and 65 and have completed three months of service. Moody s UK makes contributions representing a percentage of pensionable salary at a rate dependent upon the employee s age. The percentage increases as the employee s age approaches the retirement age of 65. Moody s UK will stop paying contributions to the GPPP when an employee leaves service, or on the date of contractual retirement, if earlier. As a condition to membership in the GPPP, an employee is required to make regular contributions of at least 3% of one s pensionable salary for the first two years of membership.

After an employee is a member of the GPPP for two years, the employee is not required to contribute personally to the GPPP in order to benefit from the contributions available from Moody s UK, but the employee

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may elect to pay personal contributions on a voluntary basis up to a maximum amount set forth in the GPPP which is dependent upon certain factors, including their earnings and the total amount already saved in pensions. Employee contributions qualify for full tax relief via a salary sacrifice arrangement called Pension Sense. Employees are not taxed on the contributions paid into the GPPP by Moody s UK either. They also receive offers beneficial tax treatment at retirement.

NONQUALIFIED DEFERRED COMPENSATION TABLE (1)

The following table sets forth information concerning the nonqualified deferred compensation of the Named Executive Officers in 2010.

Name	Executive Contributions in Last Fiscal Year ($)	Registrant Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year-End ($)
Raymond W. McDaniel			$		$
Linda S. Huber					
Michel Madelain	N/A	N/A	N/A	N/A	N/A
Mark E. Almeida			27,047		169,415
John J. Goggins			5,882		39,866

(1) No nonqualified deferred compensation earnings were included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings of the Summary Compensation Table as there were no above-market earnings for the NEOs under the Moody s Corporation Deferred Compensation Plan in 2010. Company contributions to the accounts of the NEOs under the Company s nonqualified Deferred Compensation Plan are reflected in column (b) of footnote (6) to the Summary Compensation Table. Contributions of $105,380 for Mr. Almeida and $28,538 for Mr. Goggins were reported as compensation in the Company s Summary Compensation Table for prior years.

Moody s Corporation Deferred Compensation Plan

Effective January 1, 2008, the Company implemented the Moody s Corporation Deferred Compensation Plan. Each year, employees expected to earn annual compensation in excess of the IRS compensation limit for allowable pre-tax deferrals into the Moody s Profit Participation Plan, are notified of their eligibility to participate in the DCP.

The primary purpose of the DCP is to allow these employees to continue pre-tax deductions into a nonqualified plan and receive the maximum company match on compensation which exceeds the IRS limits for allowable pre-tax deferrals into the Moody s Profit Participation Plan. A limited group of highly compensated senior management has the option of immediate deferral of up to 50% of base salary and/or bonus. However, the Company match only applies to deferrals in excess of the IRS limit on compensation. In addition, the Company will credit to the DCP employer contributions that would have been made to the Profit Participation Plan but for the application of the compensation limit.

Each participant may select one or more deemed investment funds offered under the DCP for the investment of the participant s account and future contributions. The deemed investment funds are substantially the same as the funds available in the Profit Participation Plan. The DCP is unfunded and no cash amounts are paid into or set aside in a trust or similar fund under the DCP. All amounts deducted from a participant s earnings, along with any Company contributions, are retained as part of the Company s general assets and are credited to the participant s bookkeeping account under the DCP. The value of a participant s account increases or decreases in value based upon the fair market value of the deemed investment funds as of the end of the year. The forms of distribution under the DCP are either a lump sum or an annuity after termination.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The information below reflects the amount of compensation that would become payable to each of the Named Executive Officers under certain existing plans and arrangements if the executive s employment had terminated under the specified circumstances or if there had been a change in control on December 31, 2010, given the named executive s compensation and, if applicable, based on the Company s closing stock price on that date. These benefits are in addition to benefits that may be available to the executive prior to the occurrence of any termination of employment, including under exercisable stock options held by the executive, and benefits available generally to salaried employees, such as distributions under the Company s tax-qualified defined contribution plan and accrued vacation pay. In addition, in connection with any event including or other than those described below, the Company may determine to enter into an agreement or to establish an arrangement providing additional benefits or amounts, or altering the terms of benefits described below, as the Company determines appropriate. A change in control is defined to include: (i) the date any one person, or more than one person acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of Moody s Corporation possessing 50 percent or more of the total voting power of the stock of Moody s Corporation, or (ii) the date a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election.

The actual amounts that would be paid upon a Named Executive Officer s termination of employment can be determined only at the time of such executive s separation from the Company. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be higher or lower than reported below. Factors that could affect these amounts include the timing during the year of any such event, the Company s stock price and the executive s then current compensation.

Moody s Corporation Career Transition Plan

Each of the Company s Named Executive Officers currently participates in the Moody s Corporation Career Transition Plan. This plan generally provides for the payment of benefits if an eligible executive officer s employment terminates for one of several specified events: a reduction in force, a job elimination, unsatisfactory job performance (not constituting cause), or a mutually agreed upon resignation.

The CTP provides payments and benefits to individuals for what Moody s believes to be a reasonable period for them to find comparable employment. It also affords both Moody s and the individual the motivation to resolve any potential claims or other issues between the parties with finality, which helps minimize distractions for management and protect the interests of stockholders.

The plan does not cover employment terminations resulting from a unilateral resignation, a termination of employment for cause, a sale, merger, spin-off, reorganization, liquidation, or dissolution of the Company, or where the Named Executive Officer takes a comparable position with an affiliate of the Company. Cause means willful malfeasance or misconduct, a continuing failure to perform his duties, a failure to observe the material policies of the Company, or the commission of a felony or any misdemeanor involving moral turpitude. In the event of an eligible termination of employment, a Named Executive Officer may be paid 52 weeks of salary continuation (26 weeks if the executive officer is terminated by the Company for unsatisfactory performance), payable at the times the executive officer s salary would have been paid if employment had not terminated. For this purpose, salary consists of the Named Executive Officer s annual base salary at the time of termination of employment. In addition, the Named Executive Officer may receive continued medical, dental, and life insurance benefits during the applicable salary continuation period and will be entitled to such outplacement services during the salary continuation period as are being generally provided by the Company to its employees. In addition, the executive is entitled to receive any benefits that he or she otherwise would have been entitled to receive under Moody s retirement plans, although these benefits are not increased or accelerated.

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Except in the case of a termination of employment by the Company for unsatisfactory performance, the Named Executive Officer also may receive:

a prorated portion of the actual annual cash incentive for the year of termination of employment that would have been payable to the executive officer under the annual cash incentive plan in which the executive officer was participating at the time of termination, provided that the executive officer was employed for at least six full months during the calendar year of termination;

financial planning and counseling services during the salary continuation period to the same extent afforded immediately prior to termination of employment.

The plan gives the Company s Chairman and Chief Executive Officer the discretion to reduce or increase the benefits otherwise payable to, or otherwise modify the terms and conditions applicable to, a Named Executive Officer (other than himself) under the plan. As a matter of policy, if Mr. McDaniel intended to increase the benefits payable, any such proposal would be reviewed by the Committee.

The receipt of any benefits under the plan is contingent upon the affected Named Executive Officer signing a severance and release agreement that prohibits him from engaging in conduct that is detrimental to the Company, such as working for certain competitors, soliciting customers or employees after employment ends, and disclosing confidential information the disclosure of which would result in competitive harm to us. These provisions extend for the one year period during with the Named Executive Officer would be receiving payments pursuant to the CTP.

The estimated payments and benefits payable to the Named Executive Officers assuming an event triggering payment under the CTP as of the last day of 2010 are reported in the discussion of Potential Payments Upon Termination or Change in Control beginning on page 51.

The estimated payments and benefits that would be provided to each Named Executive Officer still serving in that capacity under each circumstance that is covered by the Career Transition Plan are listed in the tables below.

Potential Payments and Benefits Upon a Termination of Employment

By Reason of a Reduction in Force, Job Elimination,

or a Mutually Agreed Upon Resignation(1)

Name	Salary Continuation ($)	Annual Cash Incentive ($)	Medical, Dental, and Life Insurance Benefits ($)	Out-Placement Services ($)	Total ($)
Raymond W. McDaniel	$ 936,000	$ 1,684,900	$ 13,079	$ 30,000	$ 2,663,979
Linda S. Huber	530,400	686,400	54	30,000	1,246,854
Michel Madelain	458,143	544,261		30,000	1,032,404
Mark E. Almeida	463,500	544,100	7,357	30,000	1,044,957
John J. Goggins	416,000	400,400	11,008	30,000	857,408

(1) For purposes of this analysis, the following assumptions were used:

the date of termination of employment was December 31, 2010;

each NEO s base salary was the amount as of December 31, 2010 and is continued for a period of 52 weeks; and

each NEO s annual cash incentive is equal to 100% of the target amount under the annual cash incentive program.

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Potential Payments and Benefits Upon a Termination of Employment

By Reason of Unsatisfactory Job Performance

(Not Constituting Cause)(1)

Name	Salary Continuation ($)	Medical, Dental, and Life Insurance Benefits ($)	Out-Placement Services ($)	Total ($)
Raymond W. McDaniel	$ 468,000	$ 6,540	$ 30,000	$ 504,540
Linda S. Huber	265,200	27	30,000	295,227
Michel Madelain	229,072		30,000	259,072
Mark E. Almeida	231,750	3,679	30,000	265,429
John J. Goggins	208,000	5,504	30,000	243,504

(1) For purposes of this analysis, the following assumptions were used:

- the date of termination of employment was December 31, 2010; and
- each NEO s base salary was the amount as of December 31, 2010 and is continued for a period of 26 weeks.

Moody s Corporation Change in Control Severance Plan

On December 14, 2010, the Board of Directors approved the adoption of the Moody s Corporation Change in Control Severance Plan (the CICP). The purpose of the CICP is to offer its participants, which include the Company s executive officers and other key employees selected by the Committee, protection in the event of a Change in Control (as defined in the CICP). The CICP has been adopted to enhance the alignment of the interests of management and stockholders by allowing executives to remain objective when facing the prospect of a sale and potential job elimination. The CICP has an initial two-year term that will automatically renew each year for an additional year, unless the Company determines not to renew the CICP beyond its then current term. Under the CICP, participants are entitled to severance benefits triggered only if a participant s employment is terminated within 90 days prior to or two years following a change in control of the Company by the Company or its successor without Cause, or by the participant for Good Reason (both terms as defined in the CICP). Severance benefits will not be payable if a participant is terminated for Cause or voluntarily resigns without Good Reason. For the CEO, severance benefits under the CICP consist of a lump sum cash payment equal to three times the sum of his base salary and target bonus for the year of termination, plus three years of continued coverage under the Company s medical and dental insurance plans. For other executives, including the other NEOs, the severance benefits consist of a lump sum cash payment equal to two times the sum of their base salaries and target bonuses, plus two years of continued medical and dental coverage. Payment and retention of severance benefits under the CICP are contingent on the participant executing and not revoking a general release of claims against the Company and agreeing not to compete with the Company or solicit Company customers or employees for a period of two years following the date of the participant s termination of employment. The CICP became effective as of December 14, 2010.

Other Potential Payments Upon Termination of Employment

The Company s 2001 Stock Incentive Plan provides for vesting of outstanding stock options and restricted stock awards under certain circumstances as follows:

- in the event of the death or disability of a Named Executive Officer after the first anniversary of the date of grant of a stock option, the unvested portion of such stock option will immediately vest in full and such portion may thereafter be exercised during the shorter of (a) the remaining stated term of the stock option or (b) five years after the date of death or disability;

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in the event of the retirement of a Named Executive Officer after the first anniversary of the date of grant of a stock option, the unvested portion of such stock option will continue to vest during the shorter of (a) the remaining stated term of the stock option or (b) five years after the date of retirement;

in the event of a termination for any reason other than death, disability or retirement, an unexercised stock option may thereafter be exercised during the period ending 30 days after the date of termination, but only to the extent such stock option was exercisable at the time of termination;

in the event of the death, disability, or retirement of a Named Executive Officer after the first anniversary of the date of grant of a restricted stock award, the award will immediately vest in full;

in the event of termination for any reason other than death, disability or retirement, after the first anniversary of the date of grant of a restricted stock award, the award shall be forfeited; and

in the event of a change in control of the Company, the unvested portion of all outstanding stock options and restricted stock awards vest in full.

None of the continuing Named Executive Officers are currently eligible for retirement under the 2001 Stock Incentive Plan.

Potential Payments and Benefits Upon a Termination of

Employment Following a Change in Control of the Company(1)

Name	Salary Continuation ($)	Annual Cash Incentive ($)	Medical, Dental, and Life Insurance Benefits ($)	Stock Options ($)	Restricted Stock Awards ($)	Performance Share Awards ($)	Total ($)
Raymond W. McDaniel	$ 2,808,000	$ 5,054,700	$ 39,237	$ 158,708	$ 545,105	$ 1,367,633	$ 9,973,383
Linda S. Huber	1,060,800	1,372,800	108	77,818	700,656	564,904	3,777,086
Michel Madelain	916,286	1,088,522		61,436	489,477	445,978	3,001,699
Mark E. Almeida	927,000	1,088,200	14,714	57,339	542,743	421,880	3,051,876
John J. Goggins	832,000	800,800	22,016	46,077	548,449	334,484	2,583,826

(1) For purposes of this analysis, the following assumptions were used:

the date of termination of employment was December 31, 2010;

for the CEO, Mr. McDaniel, that he executed a general release and two year non-compete agreement under the CICP and received a salary lump sum payout equal to three times his base salary as of December 31, 2010, an annual cash incentive lump sum payout equal to three times his 2010 annual target cash incentive, and three years continuation of current elected coverage under the medical, dental and life insurance programs;

for each NEO, other than Mr. McDaniel, that he or she executed a general release and two year non-compete agreement under the CICP and received a salary lump sum payout equal to two times the executive s base salary as of December 31, 2010, an annual cash incentive lump sum payout equal to two times the executive s 2010 annual target cash incentive, and two years continuation of current elected coverage under the medical, dental and life insurance programs;

the market price per share of the Company s Common Stock on December 31, 2010 was $26.54 per share, the closing price of the Common Stock on that date; and

performance shares paid at target.

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Potential Payments and Benefits Upon a Termination of

Employment by Reason of Death, Disability, or Retirement(1)

Name	Stock Options ($)	Restricted Stock Awards ($)	Performance Share Awards ($)	Total ($)
Raymond W. McDaniel	$ 158,708	$ 545,105		$ 703,813
Linda S. Huber	77,818	231,349		309,167
Michel Madelain	61,436	67,093		128,529
Mark E. Almeida	57,339	120,359		177,698
John J. Goggins	46,077	126,065		172,142

(1) For purposes of this analysis, the following assumptions were used:

the date of termination of employment was December 31, 2010; and

the market price per share of the Company s Common Stock on December 31, 2010 was $26.54 per share, the closing price of the Common Stock on that date.

ITEM 5 STOCKHOLDER PROPOSAL

The Legal & General Assurance (Pensions Management) Limited, One Coleman Street, London, EC2R 5AA, England, the beneficial owner of 6,758 shares of Common Stock, has given notice of its intention to make the following proposal at the Annual Meeting. The Central Laborers Pension, Welfare & Annuity Funds, P.O. Box 1267, Jacksonville, Illinois 62651, the beneficial owners of 4,156 shares of Common Stock, joins Legal & General Assurance as co-filer of the proposal.

5 Independent Chairman

RESOLVED: That stockholders of Moody s Corporation, (Moody s or the Company) ask the board of directors to adopt a policy that, whenever possible, the board s chairman should be an independent director who has not previously served as an executive officer of Moody s. The policy should be implemented so as not to violate any contractual obligation. The policy should also specify (a) how to select a new independent chairman if a current chairman ceases to be independent during the time between annual meetings of shareholders; and, (b) that compliance with the policy is excused if no independent director is available and willing to serve as chairman.

SUPPORTING STATEMENT

It is the responsibility of the Board of Directors to protect shareholders long-term interests by providing independent oversight of management, including the Chief Executive Officer (CEO), in directing the corporation s business and affairs. Currently Mr. Raymond McDaniel, Jr. is both Moody s Chairman of the Board and CEO. We believe that the practice of combining the two positions may not adequately protect shareholders.

We believe that an independent Chairman who sets agendas, priorities and procedures for the board can enhance board oversight of management and help ensure the objective functioning of an effective board. We also believe that having an independent Chairman (in practice as well as appearance) can improve accountability to shareowners, and we view the alternative of having a lead outside director, even one with a robust set of duties, as not adequate to fulfill these functions.

A number of respected institutions recommend such separation. CalPERS Corporate Core Principles and Guidelines state that the independence of a majority of the Board is not enough ; the leadership of the board must embrace independence, and it must ultimately change the way in which directors interact with management. In 2009 the Milstein Center at Yale School of Management issued a report, endorsed by a number of investors and board members, that recommend splitting the two positions as the default provision for U.S. companies. A commission of The Conference Board stated in a 2003 report: Each corporation should give careful consideration to separating the offices of Chairman of the Board and CEO, with those two roles being performed by separate individuals. The Chairman would be one of the independent directors.

We believe that the recent economic crisis demonstrates that no matter how many independent directors there are on the Board, that Board is less able to provide independent oversight of the officers if the Chairman of that Board is also the CEO of the Company.

We, therefore, urge shareholders to vote **FOR** this proposal.

Statement of the Board of Directors in Opposition to Independent Chairman Stockholder Proposal

The Board of Directors unanimously recommends that stockholders vote AGAINST this proposal.

The proponent is requesting that the Board adopt a policy that the Chairman of the Board be an independent director who has not previously served as an executive officer of the Company. However, the Board already has mechanisms in place to provide independent Board leadership, including a lead independent director, and the Board believes that the Company and its stockholders are best served by the Board s current leadership structure. Furthermore, the Company received identical stockholder proposals for its 2010 and 2009 annual meetings which received only approximately 33% and 30% support from Moody s stockholders, respectively.

Lead Independent Director. To provide independent Board leadership, the Company has a lead independent director, who is appointed annually by the independent directors. As discussed on page 6 of this Proxy Statement and in our Corporate Governance Principles, the lead independent director presides over and sets the agenda for executive sessions of the independent directors, and has the authority to call executive sessions of the independent directors. The lead independent director s responsibilities also include: (1) approving information sent to the Board, and approving the agenda, materials and schedule for Board meetings; (2) acting as a liaison between the independent directors and the Chairman and Chief Executive Officer; (3) presiding at Board meetings when the Chairman and Chief Executive Officer is not present; and (4) being available for consultation and communication with major stockholders as appropriate. By contrast, the Chairman s responsibilities include presiding at meetings of the Board and at the annual meeting of stockholders.

Independent Oversight. The Board also has adopted a number of governance practices that promote the independence of the Board and independent oversight of management. First, eight out of nine members of the Board are independent directors. Second, both the Audit Committee and the Governance and Compensation Committee consist solely of independent directors. Third, the independent directors routinely meet in executive sessions, which the lead independent director chairs. In 2010, there were five executive sessions of the Board. Finally, the Governance and Compensation Committee, consisting of all of the independent directors on the Board, is responsible for evaluating the performance of the Chief Executive Officer and approving the Chief Executive Officer s compensation after considering the results of the evaluation.

Current Leadership Structure. The Board also believes that the Company and its stockholders are best served by the Board s current leadership structure, in which Mr. McDaniel serves as the Company s Chairman and Chief Executive Officer. Rather than taking a one-size fits all approach to Board leadership, the Company s Corporate Governance Principles permit the roles of Chairman and Chief Executive Officer to be filled by the same or different individuals. This allows the Board the flexibility to determine whether the roles should be combined or separated based upon the Company s circumstances and needs at any given time. The

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Board currently believes that the Company and its stockholders are best served by having Mr. McDaniel serve in both positions. He is most familiar with the Company s business and the unique challenges the Company faces in the current environment and is best situated to lead discussions on important matters affecting the Company at this time.

In this regard, the Board s current leadership structure is consistent with practice at a majority of U.S. companies. American companies have historically followed a model in which the chief executive officer also serves as chairman of the board. This model has succeeded because it makes clear that the chief executive officer and chairman is responsible for managing the corporation s business, under the oversight and review of its board. This structure also enables the chief executive officer to act as a bridge between management and the board, helping both to act with a common purpose. According to one survey, in 2010, 60% of the boards of directors at S&P 500 companies had a combined chairman and chief executive officer (see Spencer Stuart Board Index 2010, available at www.spencerstuart.com/).

Based on the foregoing, the Board believes that adopting a policy that requires an independent Chairman of the Board is unnecessary and not in the best interests of the Company and its stockholders. For these reasons, the Board opposes adopting a policy to require an independent Chairman.

The Board of Directors therefore recommends a vote AGAINST this stockholder proposal.

OTHER BUSINESS

The Board of Directors knows of no business other than the matters set forth herein that will be presented at the Annual Meeting. Inasmuch as matters not known at this time may come before the Annual Meeting, the enclosed proxy confers discretionary authority with respect to such matters as may properly come before the Annual Meeting, and it is the intention of the persons named in the proxy to vote in accordance with their best judgment on such matters.

STOCKHOLDER PROPOSALS FOR 2012 ANNUAL MEETING

Stockholder proposals which are being submitted for inclusion in the Company s proxy statement and form of proxy for the 2012 annual meeting of stockholders must be received by the Company at its principal executive offices no later than 5:30 p.m. EST on November 10, 2011. Such proposals when submitted must be in full compliance with applicable laws, including Rule 14a-8 of the Exchange Act.

Under the Company s By-Laws, notices of matters which are being submitted other than for inclusion in the Company s proxy statement and form of proxy for the 2012 annual meeting of stockholders must be received by the Corporate Secretary of the Company at its principal executive offices no earlier than January 20, 2012 and no later than February 9, 2012. Such matters when submitted must be in full compliance with applicable law and the Company s By-Laws. If we do not receive notice of a matter by February 9, 2012, the persons named as proxies will be allowed to use their discretionary voting authority when and if the matter is raised at the meeting.

March 9, 2011

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ANNUAL MEETING OF STOCKHOLDERS OF

MOODY S CORPORATION

April 19, 2011

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card

are available at http://www.amstock.com/ProxyServices/ViewMaterials.asp?CoNumber=26180

Please sign, date and mail

your proxy card in the

envelope provided as soon

as possible.

i Please detach along perforated line and mail in the envelope provided. i

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE DIRECTOR, FOR PROPOSALS 2 AND 3 AND TRIENNIAL FOR PROPOSAL 4. THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL 5.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

YOU ARE ENCOURAGED TO SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOXES. WHERE A CHOICE IS NOT SPECIFIED, THE PROXIES WILL VOTE YOUR SHARES IN ACCORDANCE WITH THE BOARD OF DIRECTORS RECOMMENDATIONS.

	FOR	AGAINST	ABSTAIN	
1. ELECTION OF ONE CLASS I DIRECTOR OF THE COMPANY:	¨	¨	¨	
ROBERT R. GLAUBER				
2. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011.	¨	¨	¨	
3. ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION	¨	¨	¨	
	ANNUAL	**BIENNIAL**	**TRIENNIAL**	**ABSTAIN**
4. ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION	¨	¨	¨	¨
	FOR	**AGAINST**	**ABSTAIN**	
	¨	¨	¨	

5. STOCKHOLDER PROPOSAL TO ADOPT A POLICY THAT THE CHAIRMAN OF THE COMPANY S BOARD OF DIRECTORS BE AN INDEPENDENT DIRECTOR.

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting. This proxy when properly executed will be voted as directed herein by the undersigned stockholder. **If no direction is made, this proxy will be voted FOR THE NOMINEE in Proposal 1, FOR Proposals 2 AND 3, TRIENNIAL for Proposal 4, and AGAINST Proposal 5.**

To change the address on your account, please check the box at the right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ¨

Signature of Stockholder ____________________ Date __________ Signature of Stockholder ____________________ Date __________

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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MOODY S CORPORATION

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD TUESDAY, APRIL 19, 2011

As an alternative to completing this form, you may enter your vote instruction by telephone at 1-800-PROXIES, or via the Internet at WWW.PROXYVOTE.COM and follow the simple instructions. Use the Company Number and Account Number shown on your proxy card.

The undersigned hereby appoints Raymond W. McDaniel, Jr., Linda S. Huber and John J. Goggins, and each of them, as proxies, each with full power of substitution, to represent the undersigned and vote all the shares of common stock of Moody s Corporation which the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on April 19, 2011 at 9:30 a.m., local time, at the Company s offices at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, and any adjournment or postponement thereof. The undersigned directs the named proxies to vote as directed on the reverse side of this card on the specified proposals and in their discretion on any other business which may properly come before the meeting and any adjournment or postponement thereof.

This card also constitutes voting instructions to the Trustee of the Moody s Corporation Profit Participation Plan to vote, in person or by proxy, the proportionate interest of the undersigned in the shares of common stock of Moody s Corporation held by the Trustee under the plan, as described in the Proxy Statement.

(Continued and to be marked, signed and dated, on the reverse side.)

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ANNUAL MEETING OF STOCKHOLDERS OF

MOODY S CORPORATION

April 19, 2011

PROXY VOTING INSTRUCTIONS

INTERNET Access www.proxyvote.com and follow the on-screen instructions. Have your proxy card available when you access the web page, and use the Company Number and Account Number shown on your proxy card.

COMPANY NUMBER
ACCOUNT NUMBER

TELEPHONE Call toll-free **1-800-PROXIES** (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until 11:59 PM EST the day before the meeting.

MAIL Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON You may vote your shares in person by attending the Annual Meeting.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL: The Notice of meeting, proxy statement and proxy card are available at

http://www.amstock.com/ProxyServices/ViewMaterials.asp?CoNumber=26180

i Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet. i

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTOR, FOR PROPOSALS 2 AND 3 AND TRIENNIAL

FOR PROPOSAL 4. THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL 5.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

YOU ARE ENCOURAGED TO SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOXES. WHERE A CHOICE IS NOT SPECIFIED, THE PROXIES WILL VOTE YOUR SHARES IN ACCORDANCE WITH THE BOARD OF DIRECTORS RECOMMENDATIONS.

	FOR	**AGAINST**	**ABSTAIN**	
1. ELECTION OF ONE CLASS I DIRECTOR OF THE COMPANY:				
ROBERT R. GLAUBER	¨	¨	¨	
2. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2011.	¨	¨	¨	
3. ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION	¨	¨	¨	
	ANNUAL	**BIENNIAL**	**TRIENNIAL**	**ABSTAIN**
4. ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION	¨	¨	¨	¨
	FOR	**AGAINST**	**ABSTAIN**	
5. STOCKHOLDER PROPOSAL TO ADOPT A POLICY THAT THE CHAIRMAN OF THE COMPANY S BOARD OF DIRECTORS BE AN INDEPENDENT DIRECTOR.	¨	¨	¨	

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting. This proxy when properly executed will be voted as directed herein by the undersigned shareholder. **If no direction is made, this proxy will be voted FOR THE NOMINEE in Proposal 1, FOR Proposals 2 AND 3, TRIENNIAL for Proposal 4, and AGAINST Proposal 5.**

To change the address on your account, please check the box at the right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ¨

Signature of Stockholder ____________________ Date ________ Signature of Stockholder ____________________ Date ________

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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ADMISSION TICKET

Annual Meeting of Stockholders

April 19, 2011

9:30 a.m.

7 World Trade Center

250 Greenwich Street

New York, New York 10007

To obtain directions to attend the Annual Meeting and vote in person,

please contact the Company s Investor Relations Department by sending an e-mail to ir@moodys.com