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All DBRS ratings and research are available in hard-copy format and electronically on Bloomberg and at DBRS.com, our lead delivery tool for organized, Web-based, up-to-the-minute information. We remain committed to continuously refining our expertise in the analysis of credit quality and are dedicated to maintaining objective and credible opinions within the global financial marketplace.
### TABLE OF CONTENTS

- Introduction to DBRS Methodologies .......................................................... 4
- Overview of the DBRS Rating Process ......................................................... 5
- Container Terminal Operator Industry ....................................................... 6
- Container Terminal Operator Business Risk Rating .................................... 8
  - Primary BRR Factors ................................................................................. 8
  - Additional BRR Factors .......................................................................... 11
- Container Terminal Operators Financial Risk Rating ................................. 13
  - Primary FRR Metrics ............................................................................. 13
  - Additional FRR Metrics ......................................................................... 13
- Blending the BRR and FRR into an Issuer Rating ........................................ 14
- Rating the Specific Instrument and Other Criteria ...................................... 14
Introduction to DBRS Methodologies

• DBRS publishes rating methodologies to give issuers and investors insight into the rationale behind DBRS’s rating opinions.
• In general terms, DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security or an obligation. DBRS ratings assess an issuer’s ability to make timely payments on outstanding obligations (whether principal, interest, preferred share dividends or distributions) with respect to the terms of an obligation. In some cases (e.g., non-investment grade corporate issuers), DBRS ratings may also address recovery prospects for a specific instrument given the assumption of an issuer default.
• DBRS rating methodologies include consideration of historical and expected business and financial risk factors as well as industry-specific issues, regional nuances and other subjective factors and intangible considerations. Our approach incorporates a combination of both quantitative and qualitative factors.
• The considerations outlined in DBRS methodologies are not exhaustive and the relative importance of any specific consideration can vary by issuer. In certain cases, a major strength can compensate for a weakness and, conversely, a single weakness can override major strengths of the issuer in other areas. DBRS may use, and appropriately weight, several methodologies when rating issuers that are involved in multiple business lines.
• DBRS operates with a stable rating philosophy; in other words, DBRS strives to factor the impact of a cyclical economic environment into its ratings wherever possible, which minimizes rating changes due to economic cycles. Rating revisions do occur, however, when more structural changes, either positive or negative, have occurred, or appear likely to occur in the near future.
• DBRS also publishes criteria which are an important part of the rating process. Criteria typically cover areas that apply to more than one industry. Both methodologies and criteria are publicly available on the DBRS website and many criteria are listed below under “Rating the Specific Instrument and Other Criteria.”
Overview of the DBRS Rating Process

- There are generally three components to the DBRS corporate rating process: (1) an industry risk rating (IRR); (2) an issuer rating; and (3) considerations for specific securities. The figure below outlines this process.

- An IRR is a relative ranking of most industries that have a DBRS methodology, typically using just three ranges of the DBRS long-term debt rating scale (i.e., “A,” BBB and BB), without making use of the “high” or “low” descriptors. The IRR is a general indication of credit risk in an industry and considers, among other things, an industry’s: (1) profitability and cash flow; (2) competitive landscape; (3) stability; (4) regulation; and (5) other factors. An “industry,” for the purposes of the IRR, is defined as those firms that are generally the larger, more established firms within the countries where the majority of DBRS’s rated issuers are based; this remains true for DBRS methodologies that are more global in nature. The industry risk rating helps DBRS set the BRR grid (see below) in that it positions, in an approximate way, an average firm in the industry onto the BRR grid. For firms in industries with low IRRs, the IRR can, in effect, act as a constraint or “cap” on the issuer’s rating.

- The issuer rating is DBRS’s assessment of the probability of default of a specific issuer. It is a function of: (1) the business risk rating (BRR), determined by assessing each of the primary and (where relevant) additional BRR factors in the BRR grid for a specific issuer; and (2) the financial risk rating (FRR), determined by assessing each of the primary and (where relevant) additional FRR metrics. The two components, BRR and FRR, are combined to determine the issuer rating; in most cases, the BRR will have greater weight than the FRR in determining the issuer rating. Throughout the BRR and FRR determination process, DBRS performs a consistency check of the issuer on these factors against the issuer’s peers in the same industry.

- The issuer rating is then used as a basis for specific instrument ratings. DBRS assigns, for example, a recovery rating and notches up or down from the issuer rating to determine a specific instrument rating for instruments of non-investment grade corporate issuers. (See “Rating the Specific Instrument and Other Criteria” below.)

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**DBRS Rating Analysis Process**

- **Industry Risk Rating**
  - **BUSINESS RISK RATING**
    - Primary BRR Factors
    - Additional BRR Factors
  - **FINANCIAL RISK RATING**
    - Primary FRR Metrics
    - Additional FRR Metrics

- **Issuer Rating**
- **Instrument Rating**

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* Depending on the instrument, "other criteria" may include the recovery methodology for non-investment grade issuers or the preferred share and hybrid criteria, for example. Please refer to the section below entitled "Rating the Specific Instrument and Other Criteria” for a list of these criteria, as well as other criteria that may be applicable at any stage of the rating process.
Container Terminal Operator Industry

- Container terminal operators include companies that operate container ports and related handling and storage facilities, generally under concessions awarded from port owners for specific time periods. This methodology does not cover the owners of port facilities who are typically government authorities that receive rental fees under these concession agreements.

- Per the three-tier IRR system described on the previous page, the container terminal operator IRR is BBB.

- Ports and container terminals are infrastructure assets on which the trade flows of their respective geographic regions depend. DBRS considers container terminals operators’ revenue to be generally less stable relative to that of port owners, although limited competition and an ability to set user fees usually provides more revenue stability than other industries.

- The lease or concession agreement with the port owner typically defines the operators’ ability to set fees, the land and other resources available for terminal operations, the level of investments expected from the operator on the site, the rental amount and the duration of the concession.

- Revenues are earned from shipping companies (who often form alliances) that use the facilities. Relationships with large clients will often be covered by service contracts, which typically secure berth schedules for carriers and provide fixed rates per unit volume of containers handled, with a pre-determined price-escalation framework in return for a commitment from the carrier to allocate a portion of its business to the operator. In general, however, there is no volume guarantee involved, leaving operators exposed to earnings cyclicality potentially caused by:

  (1) Volume variations — Industry volumes generally fluctuate with trade volume and economic performance of the regions served by the ports over time. Volumes can also fluctuate due to constraints imposed by availability of transportation links to (and from) the destinations (and origins).

  (2) Competitive pressure — A terminal operator often has to compete with other terminals operating at the same port or at another port along a given trade route and, to a lesser extent, with other modes of transportation. Container volumes handled by a specific terminal can be affected by fees charged and the logistical convenience provided by the operator’s facilities, including container-handling efficiency, ground-transportation linkages and distances to final destinations relative to competing terminals in their vicinity. Terminal operators are particularly exposed to competitive pressures at times of major shipper contract renewal when competitive factors, such as dedicated berthing availability, ground transportation costs for shippers and pricing at alternative ports, may dictate the terms on which an operator can successfully renew its contract.

  (3) Variation in operating costs — The terminals’ operating costs are affected by operational efficiency in container loading/unloading and storage facilities, labour and other costs. Logistics issues that arise from time to time, such as labour strikes at the terminals or at major transportation links (rail operations, truck drivers, etc.), and weather-related or other operational disruptions could have a material impact on operating costs.

- Barriers to entry in the sector are high because of: (1) the limited availability of suitable locations (i.e., land in an urban setting with a deep waterfront and access to ground transportation infrastructure), (2) the substantial capital investment required to develop a terminal, and (3) the need for an operating track record required to bid for a concession. Regulatory and environmental hurdles can also be substantial. Increased competition generally comes from capacity expansion by existing competing terminals.

- Efficiency and location are important factors determining the attractiveness and competitive position of a container terminal. Terminals that provide cost-effective and timely access to large consumption markets through their proximity and connectivity to large urban centres and/or export originators are likely to enjoy a sustainable competitive advantage over their competitors.
• Container terminal operations are labour intensive, as most loading/unloading equipment and storage facilities require numerous skilled and semi-skilled personnel that are typically unionized. Maintenance of good relations and management’s flexibility with unions can help reduce labour-related disruptions. Increased use of automated equipment is likely to reduce labour dependency in the longer term.
• Exposure to the credit risk of customers in the highly cyclical container shipping industry is in turn subject to volatile freight rates and supply-demand timing imbalances as container vessels take time to build and deliver. Although receivable credit risks are somewhat mitigated by the operators’ legal ability to deny service or have vessels arrested at ports for non-payment, the loss of a significant shipping customer with committed berth capacity under contract could result in short-term revenue declines until a replacement customer can be found. The speed of customer replacement largely depends on the importance of the trade route and the size of the regions serviced. At larger ports, replacement customers are more readily found, especially in a stronger economy.
• Industry regulations focus on operational safety, national security and environmental concerns, although typically have little impact on day-to-day activities.
Container Terminal Operator Business Risk Rating

PRIMARY BRR FACTORS

- The grid below shows the primary factors used by DBRS in determining the BRR. While these primary factors are shown in general order of importance, depending on a specific issuer’s business activities, this ranking can vary by issuer.

<table>
<thead>
<tr>
<th>Location and Service Areas</th>
<th>Rating</th>
<th>A</th>
<th>BBB</th>
<th>BB</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most terminals are located close to very large and affluent urban centres with strong economic prospects.</td>
<td></td>
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<tr>
<td>Most terminals have excellent rail and road connectivity.</td>
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<td></td>
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<tr>
<td>Most terminals serve as gateways for major exports.</td>
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</tr>
<tr>
<td>Most terminals are located at ports that are either popular origins or destinations along key global trade routes.</td>
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</tr>
<tr>
<td>Some terminals are located far from large and affluent urban centres. As a result, many of the terminals compete for more volatile discretionary volumes and/or serve regions facing economic challenges, resulting in slow volume growth.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Many terminals have ready and efficient rail and road connectivity.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Many terminals serve as gateways for major exports.</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Many terminals are located at ports that are important ports along key global trade routes.</td>
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</tr>
<tr>
<td>Terminals are generally far from major urban centres, making them heavily dependent on more volatile discretionary volumes. Nearby urban centres may face economic challenges, resulting in slow volume growth.</td>
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</tbody>
</table>
## Container Terminal Operator — Primary BRR Factors

<table>
<thead>
<tr>
<th>Rating</th>
<th>A</th>
<th>BBB</th>
<th>BB</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Efficiency and Visibility</strong></td>
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<td></td>
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</tr>
<tr>
<td>Excellent cost efficiency and certainty, with mostly fixed concession fees and no labour contract expiry in the medium term.</td>
<td>• Good cost efficiency and certainty with fixed concession fees and no imminent labour contract expiry.</td>
<td>• Some cost certainty but volatility at times due to short-term labour contract or upcoming negotiations for concession renewal, though mitigated by good relationships with unions and port management.</td>
<td>• Limited cost certainty due to unfavourable labour contract and/or frequent renewal of concession.</td>
<td></td>
</tr>
<tr>
<td>Best-in-class operating and safety performance indicators.</td>
<td>• Consistently better than industry operating and safety performance indicators.</td>
<td>• Moderately better than industry operating and safety performance indicators.</td>
<td>• Below-average operating and safety performance indicators.</td>
<td></td>
</tr>
<tr>
<td>Established cost-management programs in place for continued cost improvement.</td>
<td>• Some cost-management programs in place have shown some results in cost improvement.</td>
<td>• Some cost-management programs in progress but have yet to show tangible cost savings.</td>
<td>• Weak cost management.</td>
<td></td>
</tr>
<tr>
<td>Affordable labour costs with long-term labour contracts, no history of labour actions and limited legacy costs.</td>
<td>• Manageable labour costs with labour contracts expiring in the next three years, no material history of labour actions and some legacy costs.</td>
<td>• Some uncertainty on labour costs with expiring labour contracts in the next one to two years.</td>
<td>• High or volatile labour costs, with major contracts expiring in the near term and history of occasional but meaningful labour disruptions.</td>
<td></td>
</tr>
<tr>
<td>Demonstrated consistent operating margin improvement.</td>
<td>• Generally improving trend in operating margin, though with moderate fluctuations.</td>
<td>• Flat to moderately improving trend in operating margin with reasonable resilience.</td>
<td>• Weakening and/or excessively volatile operating margin.</td>
<td></td>
</tr>
</tbody>
</table>
Container Terminal Operator — Primary BRR Factors

<table>
<thead>
<tr>
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<th>BB</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitive Landscape</strong></td>
<td>• Terminals have excellent competitive advantages supported by no major competing terminals at the same ports.</td>
<td>• Terminals have competitive advantages and generally are shippers’ preferred terminals at the port.</td>
<td>• Terminals have modest competitive position with some viable alternative terminals at the port.</td>
<td>• Terminals have weak competitive position with cost-efficient alternative terminals nearby.</td>
</tr>
<tr>
<td></td>
<td>• No viable alternative exists in proximity.</td>
<td>• Alternative exists in proximity but less competitive.</td>
<td>• Alternative terminals are equally efficient.</td>
<td>• More efficient ports may exist in the terminals’ proximity.</td>
</tr>
<tr>
<td></td>
<td>• Competitors unable to grow meaningfully due to site limitation.</td>
<td>• No ability for most competitors to grow materially in the near to medium term.</td>
<td>• Competitors face near-term growth constraint but have meaningful capacity to grow in the medium to long term.</td>
<td>• Competitors may have plans in place to meaningfully expand its capacity.</td>
</tr>
<tr>
<td></td>
<td>• Substantial cost and service leadership sustains competitive position.</td>
<td>• Material cost and service leadership supporting slow growth in client base.</td>
<td>• Some service and cost leadership though continued investment is needed to sustain client base.</td>
<td>• Pricing concessions are often necessary to retain customers although clients are lost at times as cost competitiveness is limited.</td>
</tr>
<tr>
<td></td>
<td>• Infrastructure in excellent state compared to peers with advanced technology and automation, well-maintained equipment, highly efficient logistics and processes and no immediate need of refurbishment.</td>
<td>• Infrastructure in above-average state of good repair compared to peers with updated technology and automation, well-maintained equipment, efficient logistics and processes and no immediate need of refurbishment.</td>
<td>• Infrastructure in average state compared to peers with a good degree of automation, adequately maintained equipment, average logistics and processes and modest need of refurbishment.</td>
<td>• Infrastructure in below-average to poor state of repair compared to peers with limited use of technology and automation. Equipment, logistics and processes may need significant refurbishment.</td>
</tr>
</tbody>
</table>

| **Concession Agreement** | • Long-term concessions with term to maturity averaging more than 30 years. | • Concessions with term to maturity averaging at least 15 years. | • Concessions with term to maturity averaging five to 15 years. | • Concessions with term to maturity averaging less than five years. |
| | • No material maturity within 15 years. | • No material maturity within ten years. | • One major concession up for renewal in the next ten years. | • Regular concession renewals. |
| | • Concessions provide terminals complete fee-setting autonomy and contain no meaningful operating constraints. | • Concessions provide terminals significant fee-setting autonomy with little operating constraints. | • Concessions provide terminals some fee-setting autonomy but may contain meaningful operating constraints or requirements. | • Concessions impose material constraints on fee-setting autonomy and/or operations. |
| | • Rent structure includes meaningful risk-sharing with ports and relief in times of low volume. | • Rent structure includes some risk-sharing with ports and some relief in times of low volume. | • Rent structure includes no risk-sharing with ports and terminals bear meaningful volume risks. | • Rent structure may be onerous. Terminals take all volume risks. |
| | • Considerable autonomy to grow capacity. | • Autonomy to grow capacity. | • Limited autonomy to grow capacity. | • Cumbersome and/or inefficient port management makes capacity growth unlikely and operational changes difficult. |
| | • Solid relationship with port authorities and owners with very limited risk of not renewing key concessions due to right of first offer or other protections in major contracts. | • Strong relationship with port authorities and owners with low risk of not renewing key concessions due, possibly, to protection in major contracts. | • Good relationship with port authorities and owners, although concession renewals are mainly performance-based and on commercial terms. | • Relationship with port authorities and owners may be challenging at times. Concession renewals may be subject to competitive bidding or may have history of protracted negotiations. |
Container Terminal Operator — Primary BRR Factors

<table>
<thead>
<tr>
<th>Rating</th>
<th>A</th>
<th>BBB</th>
<th>BB</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Contracts and Relationships</td>
<td>More than 75% of revenue is covered by long-term contracts with average tenor of more than five years.</td>
<td>Well above 50% of revenue is covered by long-term contracts with average tenor of five years or more.</td>
<td>A significant portion of revenue is covered by medium-term contracts with average tenor of two to five years.</td>
<td>Limited reliance on service contracts.</td>
</tr>
<tr>
<td></td>
<td>Favourable contractual terms with ability to pass on all cost increases to shippers.</td>
<td>Favourable contractual terms with ability to pass on most cost increases to shippers.</td>
<td>Contractual terms provide the ability to pass on a meaningful proportion of cost increases to shippers.</td>
<td>Contractual terms greatly limit ability to pass on cost increases to shippers.</td>
</tr>
<tr>
<td></td>
<td>Steady customer base with major customers having long-term relationships exceeding 15 years.</td>
<td>Steady customer base with major customers having long-term relationships averaging ten to 15 years.</td>
<td>Fairly stable customer base with major customers having long-term relationships averaging five to ten years.</td>
<td>Regularly changing customer base with most major customers having relatively short and/or volatile relationships.</td>
</tr>
<tr>
<td></td>
<td>No record of material attrition.</td>
<td>Immaterial record of attrition.</td>
<td>Track record of modest attrition.</td>
<td>Track record of material customer attrition.</td>
</tr>
<tr>
<td>Geographic and Customer Diversification</td>
<td>Strong geographic diversification with more than ten to 15 terminals located in all major continents.</td>
<td>Above-average geographic diversification with five to ten terminals located in two or more major continents.</td>
<td>Limited geographic diversification with terminals located in two or more major markets.</td>
<td>Weak geographic diversification due to single terminal in operation or all terminals located in a single region.</td>
</tr>
<tr>
<td></td>
<td>Largest terminal contributes less than 10% of total revenue.</td>
<td>Largest terminal contributes 10% to 20% of total revenue.</td>
<td>Largest terminal contributes 20% to 40% of total revenue.</td>
<td>Largest terminal contributes more than 40% of total revenue.</td>
</tr>
<tr>
<td></td>
<td>Highly diversified customer base with the largest customer contributing less than 10% of total revenue.</td>
<td>Well-diversified customer base with the largest customer contributing 10% to 15% of total revenue.</td>
<td>Adequate customer diversification with the largest customer contributing 15% to 20% of total revenue.</td>
<td>Material customer concentration with the largest customer contributing more than 20% of total revenue.</td>
</tr>
</tbody>
</table>

The following BRR risk factors are relevant to issuers in all industries (although the relevance of sovereign risk can vary considerably):

Sovereign Risk

The issuer rating may, in some cases, be constrained by the credit risk of the sovereign; in other words, the rating of the country in which the issuer operates generally sets a maximum rating for the issuer. If the issuer operates in multiple countries and a material amount of its business is conducted in a lower-rated country, DBRS may reflect this risk by downwardly adjusting its issuer rating.

Please refer to DBRS Criteria: Evaluating Corporate Governance for further information on how DBRS evaluates corporate governance and management.

ADDITIONAL BRR FACTORS

- The additional BRR factors discussed below may be very important for certain issuers, depending upon their activities, but they do not necessarily apply to all issuers in the industry.

Growth Prospects and Capital Spending

- Container terminal operators typically grow either by: (1) expanding capacity at existing port locations or (2) acquiring concessions or companies operating other ports.
- Terminals that have additional space and waterfront on site suitable for capacity expansion are in a better competitive position to increase capacity to satisfy growth in container throughputs. They will also have the flexibility to time the expansion based on capacity utilization of existing facilities and demand prospects. In assessing the benefits of growth prospects, it is important to consider: (1)
the extent to which the ground infrastructure (road and rail linkages) is capable of handling or being expanded to handle the higher container volume without creating congestion or bottlenecks, (2) any restriction against capacity expansion that could be imposed in the concession agreements and (3) the ability of competitors to respond to an operator’s expansion plan by expanding their own facilities, potentially leading to over-supply in the local market.

• However, expansion plans may also entail extensive construction work and large capital outlays that may disrupt operating efficiency and drive borrowing needs.

**Technology and Automation of Operations**

• Technology and automation of operations could, in the long run, improve operating efficiency and reduce the port operators’ reliance upon labour.

• However, over-reliance on automation without adequate contingency planning in the event of breakdowns or malfunctions could expose the operators to lengthy and costly disruptions.
Container Terminal Operators Financial Risk Rating

PRIMARY FRR METRICS
• The FRR grid below shows the primary FRR metrics used by DBRS to determine the FRR. While these primary FRR metrics are shown in general order of importance, depending upon an issuer’s activities, the ranking can vary by issuer.
• DBRS ratings are based heavily on future performance expectations, so while past metrics are important, any final rating will incorporate DBRS’s opinion on future metrics, a subjective but critical consideration.
• It is not unusual for a company’s metrics to move in and out of the ranges noted in the grid below, particularly for cyclical industries. In the application of this matrix, DBRS looks beyond the point-in-time ratio.
• Financial metrics depend on accounting data whose governing principles vary by jurisdiction and, in some cases, industry. DBRS may adjust financial statements to permit comparisons with issuers using different accounting principles.
• Please refer to DBRS Criteria: Financial Ratios and Accounting Treatments – Non Financial Companies for definitions of, and common adjustments to, these ratios in the FRR grid below.
• Liquidity can be a material risk factor, especially for lower-rated non-investment-grade issuers. DBRS will consider available sources of liquidity including cash on hand, cash flow, access to bank lines, etcetera, as well as uses of liquidity such as operations, capital expenditures, share buybacks and dividends for every issuer.
• DBRS considers an issuer’s financial policy including factors such as its targeted financial leverage, its dividend policy and the likelihood of share buybacks or other management actions that may favour equity holders over bondholders.
• While market pricing information (such as market capitalization or credit spreads) may on occasion be of interest to DBRS, particularly where it suggests that an issuer may have difficulty in raising capital, this information does not usually play a material role in DBRS’s more fundamental approach to assessing credit risk.

<table>
<thead>
<tr>
<th>Primary Metric</th>
<th>A</th>
<th>BBB</th>
<th>BB</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt-to-CFADS*</td>
<td>&lt; 4.0x</td>
<td>4.0x to 6.0x</td>
<td>6.0x to 8.0x</td>
<td>&gt; 8.0x</td>
</tr>
<tr>
<td>CFADS*-to-interest</td>
<td>&gt; 4.5x</td>
<td>2.5x to 4.5x</td>
<td>1.5x to 2.5x</td>
<td>&lt; 1.5x</td>
</tr>
</tbody>
</table>

* CFADS refers to pre-tax cash flow available for debt servicing and is net of normalized maintenance capital expenditures.

ADDITIONAL FRR METRICS
• While the primary FRR metrics above will be the most important metrics that DBRS will use in determining the FRR of an issuer, other metrics may be used, depending upon an issuer’s activities, capital structure, pension liabilities and off-balance sheet obligations.
• In general, DBRS assumes that corporate credits manage their activities without material external restrictions over their business activities or financial profile. However, for terminal container operators and other infrastructure providers, DBRS generally expects to see certain project-like structural features, including a cash flow waterfall, limitations on business activities and asset mix, restrictions on additional indebtedness and equity distributions, as well as a debt service reserve. The primary FRR metrics in the table above assume the presence of such structural features; to the extent these features are not available, a different set of metrics may apply.
Blending the BRR and FRR into an Issuer Rating

- The final issuer rating is a blend of the BRR and FRR. In most cases, the BRR will have greater weight than the FRR in determining the issuer rating.
- At the low end of the rating scale, however, particularly in the B range and below, the FRR and liquidity factors play a much larger role and the BRR would, therefore, typically receive a lower weighting than it would at higher rating levels.

Rating the Specific Instrument and Other Criteria

- For non-investment grade corporate issuers, DBRS assigns a recovery rating and reflects the seniority and the expected recovery of a specific instrument, under an assumed event of default scenario, by notching up or down from the issuer rating in accordance with the principles outlined in the criteria DBRS Recovery Ratings for Non-Investment Grade Corporate Issuers.
- Preferred share and hybrid considerations are discussed under Preferred Share and Hybrid Criteria for Corporate Issuers.
- The issuer rating (which is an indicator of the probability of default of an issuer’s debt) is the basis for rating specific instruments of an issuer, where applicable. DBRS uses a hierarchy in rating long-term debt that affects issuers that have classes of debt that do not rank equally. In most cases, lower-ranking classes would receive a lower DBRS rating. For more detail on this subject, please refer to the general rating information contained in the DBRS rating policy Underlying Principles.
- For a discussion on the relationship between short- and long-term ratings and more detail on liquidity factors, please refer to the DBRS policy Short-Term and Long-Term Rating Relationships and the criteria Commercial Paper Liquidity Support Criteria for Corporate Non-Bank Issuers.
- The existence of holding companies can have a meaningful impact on individual security ratings. For more detail on this subject, please refer to the criteria Rating Holding Companies and Their Subsidiaries.
- Guarantees and other types of support are discussed in Guarantees and Other Forms of Explicit Support.
- Potential indenture and legal considerations are discussed under the criteria Trust Indentures – Representations and Warranties, Covenants and Events of Default.
- For further information on how DBRS evaluates corporate governance, please refer to DBRS Criteria: Evaluating Corporate Governance.
- Please refer to DBRS Criteria: Financial Ratios and Accounting Treatments – Non Financial Companies for definitions of, and common adjustments to, these ratios.
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