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## **EUROPEAN HIGH YIELD ASSOCIATION**

### **EHYA RECOMMENDED MARKET PRACTICES FOR HIGH YIELD DISCLOSURE**

**18 January 2007**

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The European High Yield Association recommends the adoption by issuers of noninvestment grade debt securities of the following four principles of disclosure:

#### **1. The Offering Memorandum**

An offering memorandum for a new issue of noninvestment grade debt securities should disclose the key terms of the issuer's other material debt facilities and other financings, including, with respect to each material facility or instrument:

- Key payment terms, including unused availability, interest rate, maturity and amortization;
- Financial covenants, including definitions, and ratios (for each period of the loan until maturity) in sufficient detail to enable investors to understand where the issuer stands;
- Guarantees and security, including material limitations on enforceability and release provisions; and
- Terms of any intercreditor arrangements that affect such debt.

This description may be in any form, including term sheet format.

#### **2. Disclosure of Debt Documentation and Amendments**

The issuer of noninvestment grade debt securities should make publicly available the documentation for its debt facilities and intercreditor arrangements, including amendments and waivers. The documentation should be available to be downloaded via the issuer's website and Bloomberg or other public news service.

### **3. Ongoing Disclosure of Credit Events**

The issuer of noninvestment grade debt securities should promptly disclose, via its website and Bloomberg or other public news service:

- Amendments and waivers of terms of its debt documentation, and
- Payment or covenant default or other triggering event that causes the acceleration of debt of the issuer,

### **4. Public Disclosure of Regular Reports**

The issuer of noninvestment grade debt securities should satisfy its reporting obligation to holders of its noninvestment grade debt securities under its indenture or trust deed by posting to the issuer's website and simultaneous dissemination through Bloomberg or other public news service.