



# Business Report Rating Definitions

<b>Recommended</b>	Entities that generally exhibit a historical ability and a willingness to satisfactorily meet their obligations in a timely manner. These business reports usually have positively defined histories on the company and its principals. Banking relationships are established and consistent. Financial condition, when stated, is typically characterized by sufficient cash flow, profitability, and/or a balanced debt to equity position.
<b>Limited Recommendation</b>	Entities that exhibit a capacity for creditworthiness, however, any number of factors including trade references, bank references and principal histories indicate that the capacity for creditworthiness may be reduced. Financial condition, when stated, may warrant some concern about the company's leverage position, cash flow, and/or profitability.
<b>Inconclusive</b>	These entities may not have complete credit information available. The amount of bank, trade and historical information may not be representative of a company's level of credit worthiness. These entities may have declined to provide detailed business, ownership or credit profile information.
<b>High Risk</b>	Entities that have a record of credit issues such as collection history, non-sufficient funds checks, shut-offs, chronic slowness with trade payments and/or prior business failures. Other characteristics may include an unbalanced financial condition and/or poor operating performance. These companies do not meet the Seafax standards of creditworthiness.
<b>Significant Event</b>	This category is based upon learned significant events that place the company's creditworthiness in question. This rating is assigned during the period between the significant event and the learned impact of the event. After investigation has revealed the consequences of the event, the Seafax Credit appraisal will then reflect the results of the investigation. The time period for Significant Event status is determined by the circumstances of the event.
<b>Too New To Score</b>	Entities that have been in business less than two years or have not established a majority of 24 months of supplier relationships and/or banking relationships are subject to this rating. To be eligible for a Recommended or Limited Recommendation rating, typically the subject company must have demonstrated approximately 24 months of established and satisfactory credit history with banks and trade suppliers.
<b>Unable To Score</b>	Entities within this category have insufficient information for Seafax to determine a company's credit worthiness. Examples can include but are not limited to: no known or obtainable bank source; insufficient trade data and in some instances Seafax may not be able to calculate a pay score; incomplete banking information; limited or no business summary information; lack of financial information. This rating can be applied to new or existing companies. Seafax business reports that are moved from an Inconclusive rating to an Unable to Score rating will not appear on the Seafax Newswire.
<b>Cautionary Status</b>	This category is based upon entities that have known warning signals or issues that may affect the company's level of creditworthiness. These issues or warning signals reveal concerns about the company's willingness and/or ability to honor its obligations. Characteristics may include concentration of credit risk, change of business focus, seasonal businesses, increased trade slowness, change of banking status, lawsuits, etc.
<b>Pending</b>	Seafax has assigned a Pending "P" rating to certain accounts as it awaits the conclusion of certain specific events that could affect its business standing. A prime example of the use of this rating would be the uncertainty of a given company renewing its existing line of credit or loan with its current lender. The length of time this rating will stay on the report depends on the status of the pending event.