

VIS

Credit Rating Company Limited

BOARD OF DIRECTORS CODE OF CONDUCT

OBJECTIVE

VIS Credit Rating Company is committed to maintaining the highest standards of integrity, fairness, and transparency across all its operations. The Board of Directors plays a pivotal role in upholding these values by demonstrating professionalism, ethical leadership, and strict compliance with legal and regulatory requirements. Each Director is expected to thoroughly read, understand, and adhere to the Company's Code of Conduct, ensuring that these principles consistently guide their decisions, responsibilities, and fiduciary duties.

SCOPE

This code applies to all Members of the Board of Directors. All Board members must formally affirm their compliance with the Code of Conduct upon appointment as Directors and reaffirm it annually. The Code is not intended to supersede any applicable laws and obligations.

APPOINTMENT

A proposed Director, Chairman or Chief Executive of the VIS shall not assume the charge of office until its appointment has been approved by the Security & Exchange Commission of Pakistan (SECP) in writing. The application for seeking approval of the SECP shall be submitted by VIS along with the requisite information required under the Fit and Proper Criteria along-with the undertakings specified therein. *[Ref: CRC Regulations, 2016; Regulation 10(6)].*

VIS shall ensure that at least one third of its board of directors are independent directors that are appointed in terms of regulation 12(1)(b) of the CRC Regulations, 2016.

BOD-CONDUCT

All members of the Board shall:

- Act honestly and with integrity in all their dealings on behalf of the company. Such conduct shall be fair, transparent and must be perceived as such by third parties. Directors should not make any promise or commitments which the Company does not intend, or would be unable to honor.
- Deposit their shares with Central Depository Company of Pakistan Ltd in an account marked as "blocked" for a period of three (3) years from the date of obtaining the license under CRC regulations. *[Ref: CRC Regulations, 2016; 4(e)]*
- Fulfill their obligations in a fair, efficient, transparent and ethical manner and render high standards of service in performing their functions and obligations; *[Ref: CRC Regulations, 2016;11(A)(a)]*
- Refrain from soliciting money, gifts or favors from anyone with whom the Credit Rating Company conducts business; *[Ref: CRC Regulations, 2016;11(A)(q)]*
- Ensure that VIS's analysts follow the defined rating criteria, methodologies and procedures carefully, uniformly and in a consistent manner; *[Ref: CRC Regulations, 2016;11(C)(d)]*
- Take reasonable measures to protect VIS's property and records belonging to or in possession of the credit rating company from fraud, theft or misuse; *[Ref: CRC Regulations, 2016;11(D)(d)]*

All Members of the Board shall not:

- Use company information obtained by them for personal gain financial or otherwise or for the benefits of any other person or business.
- Enter into any agreement for sale or transfer of their shares in any manner other than as specified in CRC regulations. [Ref: CRC Regulations, 2016; Regulation 4(f)]
- Interfere in the proceedings of the Rating Committee (RC) or influence their decisions. [Ref: CRC Regulations, 2016; Regulation 12(2)(b)]
- Willfully make false statements or conceal any material fact in any document, report or statement furnished to the Commission; [Ref: CRC Regulations, 2016; 10(7)(j)]
- Make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating [Ref: CRC Regulations, 2016; 10(7)(k)]
- Be a director of a corporate entity or a business firm or a substantial shareholder of any corporate entity or a business firm or in any other way interested in such an entity subject to rating by VIS. Provided that this restriction shall not apply to a director of a credit rating company nominated as a director of an entity by the Federal Government or a Provincial Government or an institution which is directly or indirectly owned or controlled by the Federal Government or a Provincial Government. [Ref: CRC Regulations, 2016; Regulation 10(2)]
- Assign his office to any other person and any such appointment shall be void ab- initio.
- Provided that the appointment by a director, with the approval of the board, of an alternate or substitute director to act for him during his absence from Pakistan of not less than ninety days, shall not be deemed to be an assignment of office.
- Provided further that the alternate director so appointed shall ipso facto vacate office if and when the director appointing him returns to Pakistan. [Ref: Companies Act, 2017; Section 174]
- Achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company. [Ref: Companies Act, 2017; Section 204(5)].

BOARD PROCEEDINGS

- The quorum for a meeting of board of VIS shall not be less than one-third of number of directors or four, whichever is greater and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum. Provided that if at any time, there are not enough directors to form a quorum to fill a casual vacancy, all the remaining directors shall be deemed to constitute a quorum for this limited purpose. [Ref: Companies Act, 2017; Section 176(1)]
- The Board of VIS shall meet at least once in each quarter of a year. [Ref: Companies Act, 2017; Section 176(3)]
- The Board of VIS shall have at least one-third of its directors as independent directors; [Ref: CRC Regulations, 2016; Regulation 12(1)(a)]
- At least one independent director shall be present in the meeting of board of directors of VIS to constitute the quorum [Ref: CRC Regulations, 2016; Regulation 12(1)(c)]
- The Chairman of the Board of VIS shall be from amongst the independent directors [Ref: CRC Regulations, 2016; Regulation 12(1)(d)]

- No director of VIS shall, in their capacity as a Director, take part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if they are, whether directly or indirectly, concerned with or interested in the contract or arrangement, nor shall their presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if they do vote, such vote shall be void. [Ref: Companies Act, 2017; Section 207(1)]
- If majority of the directors are interested in, any contract or arrangement entered into, or to be entered into, by or on behalf of VIS, the matter shall be laid before the general meeting for approval [Ref: Companies Act, 2017; Section 207(2)]

CONFLICT OF INTEREST

- Directors on VIS's Board shall not participate in the rating process and shall provide an undertaking to this effect at the time of their appointment as directors on the Board. Provided that CEO being deemed director shall not be part of the rating committee. [Ref: CRC Regulations, 2016; Regulation 12(2)(a)]
- The Directors shall not hold similar position in any other credit rating company engaged in a similar business in Pakistan [Ref: CRC Regulations, 2016; Annexure C(d)(i)]
- The Directors shall not be a director, substantial shareholder or senior management officer in a company subject to rating by VIS. [Ref: CRC Regulations, 2016; Annexure C(d)(ii)].
- Provided that this condition shall not apply to nominees of the Federal or Provincial Governments on the board of any credit rating company
- Directors prior to every meeting of board of directors, shall give an undertaking that they have no conflict of interest with any of the rating mandate being carried out by the company. [Ref: CRC Regulations, 2016; Regulation 10(2)]

CONFIDENTIALITY

All Members of the Board shall:

- Not disclose inadvertently or deliberately to any one Information relating to any client/employee or activities of the Company as this is strictly confidential, unless the Director has been specifically authorized in writing to release this information.
- Not communicate the information, acquired by them for use for rating purposes, to any other person except where required under law to do so. [Ref: CRC Regulations, 2016:10(5)]
- Not disclose or discuss with outside parties or make improper use of the non- public information which has come to its knowledge during business relationship with the customer. [Ref: CRC Regulations, 2016;10(7)(d)]
- Ensure strong firewalls to prevent disclosure or use of the said non-public information by the related parties or their personnel in cases where a credit rating company is a parent, subsidiary, joint venture partner or affiliate of any organization that might benefit from the non-public information available with the credit rating company; [Ref: CRC Regulations, 2016;11(A)(m)] except as required under these regulations and without obtaining prior written approval of its customers, not share with or disclose to media or any other party including its other customers, any confidential information about its customers, which has come to its knowledge in the course of the rating process; [Ref: CRC Regulations 2016;11(A)(o)].

RESPONSIBILITIES

- Directors shall ensure that a formal Code of Conduct is established and effectively implemented to foster an ethical culture within the Company and to prevent conflicts of interest in the discharge of their duties as Members of the Board. The Board shall ensure that the Code of Conduct, together with the relevant supporting policies and procedures, is appropriately communicated and disseminated across the organization. [CCG 2019, Regulation 10(3)(ii)].
- Directors shall disclose their actual or potential conflict of interest to the Compliance Officer or to the VIS. [Ref: CRC Regulations, 2016; Regulation 11(B)(f)]
- Directors shall disclose to VIS on quarterly basis, their directorships and substantial shareholdings in other Companies.
- Every director of VIS who is, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Company shall disclose the nature of such concern or interest at a meeting of the Board [Ref: Companies Act, 2017; Section 205(1)]

APPROVALS

The Compliance Officer shall be the competent authority responsible for interpretation, application and review of this Code.

This Code of Conduct is to be approved by the Board of Directors of VIS Credit Rating Company Limited and has to be reviewed on annual basis by the competent authority and duly approved by the Board.

Policy	Date of Review	Authorized By
Board of directors Code of Conduct	April 2026	Board of Directors

