

VIS

Credit Rating Company Limited

POLICY FOR SOLICITED CREDIT RATING, UNSOLICITED CREDIT RATING & PRIVATE CREDIT RATINGS

OBJECTIVE

The objective of this Policy is to establish a clear framework governing:

- Solicited Ratings
- Unsolicited Ratings
- Private Ratings

This Policy aims to ensure transparency, independence, consistency, and regulatory compliance in VIS's rating assignments in accordance with the SECP Credit Rating Companies Regulations, 2016 ("CRC Regulations").

SCOPE

This Policy shall apply to all rating assignments undertaken by VIS, including entity ratings, instrument ratings, initial rating assignments, opinions and all subsequent surveillance reviews conducted during the life of the rating.

SOLICITED RATINGS

A Solicited Rating is a credit rating granted by the credit rating company at the request of a client (issuer/obligor) where the Rating Agreement is established with the entity [CRC Regulations, 2016 clause 2-(j)]

VIS shall undertake a solicited rating assignment only after executing a written rating agreement with the client. The agreement shall, at a minimum, contain the following provisions. [CRC Regulations 2016: Regulation 13(1)(a) -13(1)(j)]

- A clause requiring the client to provide true, accurate, complete and updated information to enable VIS to arrive at and maintain a fair and true rating of the client and/or the instrument or opinion.
- A provision empowering VIS to call for and obtain, at any time during the validity of the agreement or tenure of the instrument, any information it considers necessary for effective and timely surveillance and review of the rating or opinion.
- A clause stipulating the conditions under which the rating may be withdrawn, the agreement cancelled, or other appropriate measures taken in case of non-provision of information by the client.
- The client's consent authorizing VIS to conduct rating reviews at any time during the validity period of the agreement or during the tenure of the instrument.
- A clause requiring the client to obtain a No-Objection Certificate (NOC) from its existing credit rating company prior to termination of the agreement before expiry, or to provide a written undertaking to continue the rating with the existing credit rating company for at least one year, except where exempted under applicable procurement laws.
- A clause authorizing VIS, in case of dual private ratings, to make public the private rating assigned by it if the client approaches another credit rating company during the life of the contract to make another private rating public.
- A clause clearly specifying the commencement date and expiry date of the rating agreement.
- A clause detailing the fee structure to be charged by VIS, including initial and surveillance fees (if any), along with the payment schedule.
- A clause defining the rights and obligations of each party to the agreement.

- A clause specifying the nature of the rating, i.e., entity rating, instrument rating, or both or opinion.
- A clause specifying the tenure of the rating.

UNSOLICITED RATINGS

- An Unsolicited Rating is a rating initiated by VIS without a formal mandate or agreement with the issuer, based on public and non-confidential information, to provide market benchmarks and enhance transparency.
- Unsolicited ratings by VIS shall carry a distinct suffix “p” to clearly differentiate them from solicited ratings.
- VIS shall conduct unsolicited ratings using publicly disclosed information, including industry and sector analyses, peer benchmarking, and secondary data, supplemented by independent internal assessments based on established rating methodologies. Such ratings shall follow the same approved methodologies and analytical standards as solicited ratings.
- Unsolicited ratings shall not be assigned outlooks or modifiers (+ / -) which otherwise indicates relative standing within a rating category. Rating rationales shall clearly disclose limitations arising from lack of issuer participation.
- VIS shall not engage in hostile unsolicited ratings or use unsolicited ratings as leverage to solicit business.
- VIS shall observe a minimum two-year cooling-off period between issuance of an unsolicited rating and acceptance of a solicited rating assignment for the same issuer/issue. [CRC Regulations 2016: 11(A)(s)]
- All unsolicited ratings shall be publicly disclosed on a non-selective basis.

PRIVATE RATINGS

- A Private Rating is a rating disclosed only to the issuer and not disseminated publicly. Upon completion of each non-mandatory initial rating assignment, the rating is first communicated solely to the client, who shall then decide whether the rating is to be designated as ‘public’ or ‘private’.
- Where the client elects to make the rating public, VIS shall disseminate the finalized rating on a non-selective and free-of-charge basis, through appropriate channels including publication in English and Urdu press and disclosure on the Company’s website (www.vis.com.pk). In the event the client opts to retain the rating as private, VIS shall restrict disclosure strictly to the issuer and maintain full confidentiality of the rating and all related information.
- Private rating assignments shall be conducted in the same manner and with the same analytical rigor as solicited ratings. However, such ratings shall not be publicly disseminated, and all information pertaining thereto shall remain confidential. Clients shall be prohibited from making any selective disclosure of private ratings and shall be required to notify VIS in advance if they subsequently decide to make the rating public, so that the public announcement is first made by VIS in accordance with its established disclosure procedures.
- Further, where a private rating has been assigned by VIS and, during the tenure of the rating agreement, the client approaches another credit rating company to obtain a public rating, VIS reserves the right to make its own private rating public [CRC Regulations 2016: 16(A)(s)]. Any such subsequent dissemination of a private rating shall be governed by VIS’s Policy for Announcement of Ratings. These disclosure obligations and restrictions in respect of private ratings shall be expressly incorporated in all rating agreements executed between VIS and its clients.

Any reference to ratings in this document also includes Second Party Opinion and its reviews issued by VIS under its Sustainable Finance related Services unless otherwise separately mentioned.

APPROVALS

This policy 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
Policy for solicited credit rating, un-solicited credit rating and private credit rating.	April 2026	Board of Directors

